

**ROLE OF CONFLICT MANAGEMENT MECHANISMS IN THE
GROWTH OF MICRO FINANCE SELF HELP GROUPS IN
GATUNDU SUB-COUNTY, KENYA**

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Award of Degree of Masters of Arts in Project Planning and Management of the University of
Nairobi**

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DECLARATION

This research project report is my original work and has not been presented for a degree in any other University or Institution.

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DEDICATION

This research project is dedicated to my parents, my father Wairuri Wainana and mother Milka Njoki whom through sheer endurance of many challenges gave me the most valuable gift-education. I reminiscence the sense of determination and purposeful focus in which they brought us up amidst seemingly insurmountable odds. I will forever cherish and value what you inculcated in me.

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ABBREVIATIONS

CBOs	- Community Based Organizations
CMI	-Conflict Mode Instrument
DPCE	- Daily per Capital Expenditure
ERS	-Economic Recovery Strategy
FINCA	- Foundation for International Community Assistance
HIV & AIDS	-Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
M&E	- Monitoring and Evaluation
MDGs	- Millennium Development Goals
MFI s	– Micro Finance Investments
MFG s	- Micro Finance Groups
NGOs	- Non Governmental Organizations
ROSCA	- Rotating Savings and Credit Associations
SHGs	- Self Help Groups
USD	– United States Dollar
VSL	–Vocational Savings and Loan
MOY & S	-Ministry of Youth and Sport
TKI	-Thomas-Kilmann Conflict Mode Instrument

ABSTRACT

Micro-finance groups are faced with numerous challenges some of which inhibits both their existence and effectiveness especially when it comes to meeting the member's needs. Interpersonal conflicts are universally present in human relations and become especially visible in group psychotherapy. The high growth of microfinance groups has been attributed to improved cooperation and group cohesion which implies better conflict resolution mechanisms. It is apparent that groups have been employing advanced conflict management mechanisms. This study investigates various conflict management mechanisms used by microfinance groups and the effectiveness of these mechanisms in realizing cohesion and ultimately achieving growth in groups. The study sought to assess the role of competition as a conflict management mechanism in the growth of micro finance self-help groups; to establish the role of collaboration as a conflict management mechanism in the growth of micro finance self-help groups; to determine the role of compromise as a conflict management mechanism in the growth of micro finance self-help groups; to establish the role of avoidance as a conflict management mechanism and growth of micro finance self-help groups; to assess the role of accommodating as a conflict management mechanism in the growth of micro finance self-help groups. The study was a descriptive study targeting microfinance groups in Gatundu District of Kenya. This included women groups, youth groups, community support groups that deal with financial aspects only. Stratified random sampling technique was used to select 87 respondents 60 of which were members, 12 SHGs group officials, 9 Ex-officials and 6 Government officials. Questionnaires were filled by drop and pick method after which the raw data was coded, edited, sorted and classified. Both qualitative and quantitative data was analyzed using the Statistical Package for Social Scientists (SPSS) to compute frequency tables as well as contingency tables for presentation of the variables under study. The study found that competing is used as a conflict management mechanism. From the findings, it was found that the best way of handling conflicts was by high assertiveness and low cooperation, taking a firm stand and aiming to win. The study found that collaboration is used as a conflict management mechanism in microfinance groups. The study found that the groups are culturally heterogeneous and expected to display types of behavior and interactions that are different from those displayed by a culturally homogeneous group. The study found that compromising is used as a conflict management mechanism and growth of microfinance groups. Group members and officials mostly compromise to side step a conflict for a temporary solution or attain middle ground position. The study found that avoiding conflict is mainly used as a conflict management mechanism. It was found that people with low concern for self and for others had little desire to solve the problem at all. The study found that accommodating is used as a conflict management mechanism in growth of microfinance groups. High assertiveness and high cooperation meet the needs of all people involved and aim to work with other people and win-win situation is mainly used as an accommodation method.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Conflicts are essential features of functional democratic systems across the world. Disputes between individuals or groups about the distribution of scarce resources, about values, or about the access to power that allows influence over the two, are both inevitable and necessary. They are inevitable, because human beings are interdependent creatures and because it is impossible to meet the needs and desires of all people at the same time; they are necessary (Moore, 2007), Bates (2001) and others have shown the very idea of human and societal progress is predicated on the idea of conflict. This is particularly true in developing countries, where poverty and lack of opportunity underscore the need for change, and where, conversely, otherwise desirable periods of economic growth themselves become a force for realigning class structures and (potentially) re-imagining the bases of group identity. Conflict, then, is a constant companion on the road of both economic crisis and opportunity because it involves changing configurations of power and resource allocation, as well as challenges to existing interests, aspirations, perceptions, and expectations. As such, conflict is a necessary catalyst to, and an inevitable by-product of, development. The challenge thus becomes one not of limiting conflict but of managing it in constructive ways.

In developed countries like the USA, China and Russia banking system plays prominent role in the formal financial system and serves most of the population but in developing countries, mainly the low-income group, which is a large segment of the society, excludes from banking services, as a result, poor people have to depend either on their own sources or informal sources of finance at high cost. In developing countries, majority of poor public is not a part of formal financial sector and excludes from financial activities like access to credit, savings and insurance.

In African countries, the main development approach for NGOs working with local communities that has emerged over the past 30 years is through community groups. This approach originated in Karnataka in the mid-1970s, has since been widely adopted by NGOs across the country and is now strongly supported by government through its national five-year plans. The groups movement distinguishes itself from other models of social organization for development programmes. It is less about the delivery of services and more about the empowerment of group members to be able to make and act on expanded choices, and so advance their interests.

In Kenya, community groups are encouraged towards saving within the group, giving loans to their members, managing their savings with a bank and finally, negotiating with the bank for credit facilities. SHGs has revealed that there is no need of loan at subsidized rate of interest to poor people on liberal terms but they may become efficient managers of finance and credit if the adequate credit is available for their enterprises. Availability of timely and adequate finance is necessary for them rather than subsidies.

Self Help Group is a small association of poor people, which form voluntary by the people from the same social and economic background. They have a purpose to solve their common problems through mutual help. These groups promote small savings among its members and such savings are deposited in a bank in the name of community groups as collective fund. This collective fund is accumulated by contributing small savings on a regular basis by each member of the group. The group fund is then provided to their members as loan, with a nominal interest. The loan amount is small, frequent and for short period and this interest is less than normal interest charged by informal source. After period of six months, groups become eligible to avail government schemes if their functioning is found smooth and satisfactory since community groups have low transaction cost and very low risk cost for banks.

Conflict is not simply inevitable; rather, it is the nature of complex organizations... Conflict is not a breakdown of a cooperative, purposeful system. Rather conflict is central to what an organization is. (Putnam 1995, 183-4) Conflict is clearly a part of our everyday lives. Whether at home, school, or the office, people often differ with one another about what actions to take, how to implement them, or how to lead their lives. Conflict arises at the interpersonal level when

two people have perceived incompatible goals, misunderstanding about their relationship, or different ways of assessing and behaving in situations. These disagreements arise in family settings, friendship interactions, and organizations. School and work settings have developed peer conflict management programs and workplace dispute resolution systems, respectively, to handle the personal and financial costs of escalating conflicts. The differences among groups in community problem solving also lead to ongoing conflicts in discussions about protecting the environment, urban development, and moral dilemmas over abortion and gay rights among other issues. At the national and international levels, differences in culture, religion, and territorial rights become sites of conflict amid constantly changing social, economic, and political conditions. In general, people have a negative view of conflict and treat it as disrupting social and personal relationships. When individuals depict conflicts, they use negative images such as war, explosion, storms brewing, and struggles, as evident in statements such as “He *attacked* my point of view,” “We met in a *battle* of the minds,” “She *blew up* at me,” and “Her anger was like a *cyclone*.” These images cast conflict as abnormal and harmony as normal (Wilmot & Hocker, 2001). In actuality, conflict is not only inevitable but also normal and natural.

The micro-finance concept as a strategy for growth and development has evolved into a strategy for poverty eradication. Micro-finance groups are organizations that are based in the community and constitute of people who have a common goal or objective. The group entails working together in order to improve the welfare of members. The role of micro-finance in the development of the community and the country at large cannot be underscored more so in the rural areas. Micro-finance groups are meant to bring people together and pull resources in order to help them acquire the most basic necessities of life. Koop (1992) observed that, “the benefits of mutual aid today are experienced by millions of people who turn to others with a similar problem to attempt to deal with their isolation, powerlessness, alienation, and the awful feeling that nobody understands”.

Kenya has had a rapid expansion and growth of micro-finance in the recent years than any other country in Sub-Saharan Africa, with micro-credit programs dating back to the early 1980s. The implementation of economic liberalization and reform programs in Kenya in 1993 created avenues for micro-finance enterprises, and most Kenyan households now depend on micro-enterprises for their income (Exit Poverty, 2009).

Micro finance industry in Kenya has thus contributed to poverty reduction and income equalization. The government of Kenya has supported and developed microfinance industry as a poverty reduction strategy by identifying access to financial services as a means of creating employment, promoting growth and reducing poverty in the country. The development priorities of the microfinance industry are to deepen access to financial services, especially for the poor.

Approximately 2.3 million people (20% of the country's employment) are engaged in the micro-finance sector. The microfinance industry in Kenya has as a result experienced rapid growth over the years. The demand for micro finance services in Kenya is high, yet the industry is only able to meet about 20% of this demand because of lack of financial resources and the capacity to assess risk, process and monitor loans (Exit Poverty, 2009).

Microfinance can cover progress in several domains of development. For example, progress in the economic domain is obvious when the credits can reduce poverty, provide continuous funds to the home, and strengthen economic conditions of the household. Also, it transforms the traditional approach of getting credit from friends, relatives, shopkeepers and "merry-go-rounds" into a modern form of micro finance a practice that involves the provision of small loans to borrowers without conventional collateral from micro finance institutions.

The micro-finance groups are faced with numerous challenges some of which inhibits both their existence and effectiveness especially when it comes to meeting the member's needs. Interpersonal conflicts are universally present in human relations and become especially visible in group psychotherapy (Engleberg and Wynn, 2007). The mere fact of being together in a group assures that there will always be some amount of friction among its members. Though such frictions may have an apparent 'negative' effect on the group, they are not necessarily something 'bad' or pathological to be got rid of. Rather, like states of crises, conflicts may be viewed as normal in healthy relations and if properly managed, as opportunities for development, growth and new learning (Jehn, 1995; Cornelius and Faire, 1989; Gans, 1989). Interpersonal conflicts are so central to the group therapeutic process that the learning gained as a result of their exploration is regarded by some practitioners as an indispensable and essential condition of group therapy. In group psychotherapy the expression of negative feelings towards other group members or towards the group leader may open up a more intimate and honest level of the

relationship and, in a paradoxical manner, contribute to the maintenance of groups as well as to the disturbance of interpersonal relations. Conflict can be harnessed in the service of the group; the group members can, in a variety of ways, profit from conflict, provided its intensity does not exceed their tolerance and provided that proper group norms have been established (Behfr, et al., 2008; De Dreu, 1997; Yalom, 1975).

1.2 Statement of the problem

Self-help Groups are popular microfinance models that largely operate in the informal sector. A group of individuals come together to form a savings and credit group, and they are often bound together by a social contract. The contract espouses a scenario where, each of the members is put under the supreme direction of the general will, and in the corporate capacity, each member is an indivisible part of the whole (Russel, 1987). This structure can offer advantages (such as ease of set up and administration) but also exposes micro finance groups to a variety of challenges and risks. The group's cohesiveness and success is sometimes threatened by conflict that arises due to group dynamics such as group size and group mix. Group dynamics is the internal nature of the group. It becomes very important to study the group dynamics of such enterprises to look into whether the nature and functioning of the micro finance addresses the problems and needs of the members.

According to the Nokia Research Center (2006) the number of self-help groups in Kenya grew from 16,208 in 1997 to 185,722 in 2005 while a combination of self-help groups, women groups, youth groups, cooperatives, NGOs, foundations and unions grew from 113,259 to 347,387. This represents a growth of over 90%. This high growth rate is claimed to be brought about by improved cooperation and group cohesion due to increased awareness of the importance of these groups in economic development (AKDN, 2010). The implication is that this cooperation and cohesion may be attributed to better conflict management. Thus, conflict management has been one of the major reasons for growth of micro finance self-help groups that deals with financial activities. It is assumed that groups have been employing advanced conflict management mechanisms such as competing, collaboration, compromise, avoidance and accommodation.

There are studies (Woods and King, 1995; De Drew and Vliert, 1997) conducted on causes of conflict in groups arising from group dynamics and conclusions made confirms that conflict is inevitable. There has however been no comprehensive research on the conflict management mechanisms employed by groups to bring about the evident growth that has been observed. This study sought to investigate various conflict management mechanisms used by microfinance groups and the effectiveness of these mechanisms in realizing cohesion and ultimately achieving the growth in groups. Does the growth of microfinance groups in terms of membership, capital outlay and lifestyle change depend on the conflict management mechanisms used by the group?

1.3 Purpose of the Study

The purpose of this study is to determine the role of conflict management mechanisms in the growth of micro finance self-help groups in Gatundu sub-county, Kenya.

1.4. Objectives of the Study

The objectives of this study are:

1. To assess the role of competition as a conflict management mechanism in the growth of micro finance self-help groups in Gatundu sub-county, Kenya.
2. To establish the role of collaboration as a conflict management mechanism in the growth of micro finance self-help groups in Gatundu sub-county, Kenya.
3. To determine the role of compromise as a conflict management mechanism in the growth of micro finance self-help groups in Gatundu sub-county, Kenya.
4. To establish the role of avoidance as a conflict management mechanism and growth of micro finance self-help groups in Gatundu sub-county, Kenya.
5. To assess the role of accommodating as a conflict management mechanism in the growth of micro finance self-help groups in Gatundu sub-county, Kenya.

1.5 Research Questions

The following are the questions of the study

1. What is the role of competing as a conflict management mechanism in the growth of microfinance groups in Kenya?
2. What is the role of collaboration as a conflict management mechanism in the growth of microfinance groups in Kenya?
3. What is the role of compromising as a conflict management mechanism in the growth of microfinance groups in Kenya?
4. What is the role of avoidance as a conflict management mechanism in the growth of microfinance groups in Kenya?
5. How does accommodating as a conflict management mechanism contribute to the growth of microfinance groups in Kenya?

1.6 Significance of the study

The study is expected to contribute to academic discourse and serve as a source of reference in areas such as conflict management and self-help groups. It will also serve as a point of reference for further research.

The findings from the study are expected to will help improve the management of the self-help groups since effective and timely conflict mitigation and resolution will be realized.

The government is expected to also benefit from the findings and the recommendations emanating from the study especially in policy formulation, improvement and implementation with regard to attainment of vision 2030.

The study is expected to contribute in creating awareness on the important role played by the micro-finance groups in poverty eradication. This is in line with the attainment of millennium development goals and at the national level the realization of Vision 2030.

The ministries under which these groups fall will draw certain lessons from the study especially on matters of best practices, which will form the basis of capacity building to the upcoming groups.

In some instances the findings could form the basis of intervention especially in groups that are doing well yet they are threatened by simmering conflicts related to aspects on how they are run.

Finally non-governmental organizations which are involved in promoting the activities of these groups through capacity building and also financial assistance will also benefit since the success of these groups is crucial to their work.

1.7 Limitation of the study

The following are some of the limitations experienced during the study; inadequate finances weighed heavily on the success of this research especially covering the entire district which needed a substantial sum of money to facilitate movement and the overall process. This process therefore depended on volunteer research assistants and pool resources together coupled with proper strategic and logistical planning to cut on the cost. Time constraint due to the magnitude of the research is expected but the research team devoted itself and worked extra hours in order to accomplish this research project. To minimize on the cost of the study and save on time, we had appropriate sample that represented the target population.

1.8 Delimitation of the Study

The research mainly will focus on self-help groups dealing with micro-finance activities in Gatundu Sub-County. These groups consist of people who contribute a certain amount of money to a common fund from where members borrow and repay with an interest. Broadly, there are three categories of institutions promoting micro-finance groups. These are the government ministries, financial institutions and NGOs.

The institutions play an important role in the way micro-finance groups develops and functions. The funds are managed by a third party in form of NGOs on behalf of the members of micro-finance groups. The study will also focus on these institutions and more so in view of establishing their role in ensuring the growth of micro-finance groups through effective intra and inter group's conflict mitigation and resolution.

1.9 Assumptions of the study

It is assumed that the respondents will be available and that they will answer the questions truthfully and correctly. As shown in Table 4.1, the respondents were very cooperative with a questionnaire return rate of 78%

1.10 Definition of Significant Terms

Accommodating	this entails giving the opposing side what it wants. The use of accommodation often occurs when one of the parties wishes to keep the peace or perceives the issue as minor
Avoidance	this seeks to put off conflict indefinitely. By delaying or ignoring the conflict, the avoider hopes the problem resolves itself without a confrontation.
Collaboration	this is integrating ideas set out by multiple people
Competing	this operates as a zero-sum game, in which one side wins and other loses.
Compromise	this calls for both sides of a conflict to give up elements of their position in order to establish an acceptable, if not agreeable, solution.
Growth of MFGs	Refers to positive change in the business growth of SMEs which can be measured by increase in the sales volume, increase in the number of customers, assets, range of products, market coverage, and capital and technology advancement among others.

1.1 Organization of the study

The study was organized into five chapters, each of which contains specific information. Chapter One contains the introduction to the study. It gives background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the Study, delimitations of the study, limitations of the Study and the definition of significant terms. Chapter Two reviews the literature based on the objectives of the study. It further looks at the conceptual framework and finally the summary. Chapter Three covers the research methodology of the study. The chapter describes the research design, target population, sampling procedure, tools and techniques of data collection, pre-testing, data analysis, ethical considerations and finally the operational definition of variables. Chapter Four covers data analysis, presentation, and interpretation. Finally, Chapter Five presents a summary of the main findings of the study, discusses these against what appears in literature and also offers a conclusion and recommendations for policy and for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focused on review of works on conflict management mechanisms and the growth of microfinance as documented by other researchers and professionals within a local and global perspective. It introduced a theoretical framework which formed the basis of this study. This chapter will review literature on of self-help groups, competition in self-help groups, collaborating, compromising, avoiding and accommodating in self-help groups, this will related to how they are used as conflict management mechanism in self-help groups. Finally, it offers a conceptual framework on which the study is based.

2.2 Growth of micro finance self-help groups

Self-help micro finance groups have been studied by many scholars across the globe since they are meant to empower the economically disadvantaged on a bottom up perspective. From the early rural West to the remotest parts of rural Africa and Asia and especially India self-help movement has been noted to gradually empower people specifically women (Rani & Belser, 2012). The genesis of self-help groups can be traced to NGOs and Government agencies. They are modeled on an approach, which combines pooling of financial resources and accessing the same at very low interest while embracing the process of self-management and economic empowerment. Helms (2002) argued that informal financial services can be costly and the choice of financial products limited and very short term. However, if proper and effective strategies are laid down, it's the best means to community development.

Over the past centuries practical visionaries from the Franciscan Monks who founded the community oriented pawnshops of the 15th century, to the founder of the credit union movement in the 19th century – Fredrick Wilhelm Raiffeisen, and the founders of the microcredit movement in the 1970s, such as Mohamud Yunus, have tested practices and built institutions designed to bring the kinds of livelihood opportunities and risk management tools that financial services provide to the doorsteps of poor people (Buck, 1984). John Franklin considered the key aspect of

the microcredit paradigm: that poor people get out of poverty by receiving grants or by borrowing, building microenterprises and increasing their income.

Key principles of micro finances particularly Vocational Saving and Loan (VSL) were developed in 2004 by Consultative Group to assist the poor and endorsed by the group of 8 leaders at the G8 summit on June 10, 2004 (Attanasio, Kugler, & Meghir, 2011). Among the key principles summarizing a century and a half of development practice were: Poor people need not just loans but also savings, insurance and money transfer services. Microfinance must be useful to poor households: helping them raise income, build up assets and/or cushion themselves against external shocks. Subsidies from donors and government are scarce and uncertain, and so to reach large numbers of poor people, microfinance must pay for itself. It should be noted that, microfinance means building permanent local institutions. Microfinance also means integrating the financial needs of poor people into a country's mainstream financial system. The job of government is to enable financial services, not to provide them. Donor funds should complement private capital and focus on capacity building.

Craft (1995) recorded that traditionally, banks and commercial institutions have usually not provided financial services to clients with little or no cash income. This is attributed to the costs involved in managing client account and the process of granting loans and recovery. In addition, most poor people have few assets that can be secured by these commercial institutions as collateral. As documented extensively by Hernado De (2000), even if they happen to own land in the developing world, they may not have effective title to it. This means that they will have little recourse against defaulting borrowers. Seen from a broader perspective, it has been long accepted that the development of a healthy national inclusive financial system is an important goal and catalyst for the broader goal of national economic development. However, national planners and experts focus their attention mainly on developing a commercial banking and microfinance sectors dealing in high value transactions, and often neglect the delivery of services to households of limited means, even though these households comprise the large majority of their populations. They undermine rural development with cheap credit.

Although much progress has been made, the problem has not been solved yet, and the overwhelming majority of people who earn less than \$1 a day, especially in the rural areas, continue to have no practical access to formal sector finance. Microfinance has been growing rapidly with \$ 25B currently at work in microfinance loans. It is estimated that the industry needs \$250 billion to get capital to all the poor people who need it. The industry has been growing rapidly and there have been concerns that the rate of capital flowing into microfinance is a potential risk unless managed well.

Modern microfinance emerged in the 1970s with a strong orientation towards private-sector solutions. This resulted from evidence that state-owned financial institutions in developing countries had been a monumental failure, actually undermining the development goals they were intended to serve. Nevertheless, public officials in many countries hold a different view, and continue to intervene in microfinance markets.

Stacy (2004) contends that, “the philosophies and goals driving the current microfinance movement and its providers vary widely, though most began with similar principles: using client character rather than collateral as primary loan security, streamlining administrative processes to lower costs, responding rapidly to late payments, providing positive incentives for repayment, charging interest rate that approach cover costs, and emphasizing the long term sustainability of the lending organization.” It is notable that several trends in microfinance are emerging such as; saving mobilization, a broadening of acceptable loan use from microenterprises to consumer purposes education and health needs, a shift of focus from credit provision to institutional sustainability and financial intermediation.

According to Robinson (2001), while much progress has been made in developing a viable, commercial microfinance sector in the last few decades, several issues or challenges to building a sound commercial microfinance industry needs to be addressed. They include; Inappropriate donor subsidies, poor regulation and supervision of deposit-taking MFIs, few MFIs that meet the needs for savings, remittances or insurance, limited management capacity in MFIs, institutional inefficiencies, adoption of rural agricultural microfinance methodologies and conflicts associated with these processes. During the last decade microfinance groups, activities have increased in the

wake of the identified challenges. This study will seek to unearth whether the use of conflict management mechanism has a role in the growth of micro finance groups.

2.2.1 Conflicts and the growth of micro finance self-help groups

There exist functional conflicts within the micro-finance groups, which stifles their operations. In most cases these conflicts emanates from the nature of the communities in which the groups exists. It is important to examine the conflicts in view of the understanding that the communities are not homogenous since they are influenced by gender, religion, class, age or other related underpinnings that may influence their management. It follows that, “extent to which conflicts becomes manifest or remain latent or hidden tends to be a function of the relative access the parties have to the available institutional mechanisms for conflict management for making their voices heard” (Sarin, 1996).

Micro-finance groups are formed to give the members social economic security. Their growth is signified by the increased achievement of this basic objective. As noted earlier human wants is a function of the prevailing socio-economic and political environment prevailing in the society. The existence of dysfunctional environment portends insecurity, which in turn breeds conflicts as player’s attempts to assert and control resources and all the means of production. “Today, we know that security means far more than absence of conflict. We have greater appreciation for non-military sources of conflict. We know that we cannot build peace without alleviating poverty and that we cannot build freedom on foundations of injustices. These pillars of what we now understand as people centered concepts of human security are inter-related and mutually reinforcing” (Annan, 2007, n. pag.).

Uvin (1999) identified the fundamental cause of conflict in organizations as, neglect of the non-economic aspects by the development aid system in favor of a narrow economic-technical approach. It fails to address human rights violations, income inequality, authoritarianism, humiliation, fear, or persistent impunity in daily life.

Micro-finance groups are thus formed to help guarantee human social security in an increasingly hostile and competitive living environment. The advent of micro-finance groups in rural Kenya should be seen as a sure ticket to addressing the prevailing social economic challenges, which

will further enhance social security. Booth (1991) observed that security means the absence of threats. Emancipation is freeing the people (as individuals and groups) from those physical constraints, which stop them from carrying out what they would freely choose to do. War and threat of war is one of those constraints, together with poverty, poor education, political oppression and environmental degradation. Security and emancipation are two sides of the same coin. Emancipation not power or order produces true security.

Power, its control and its various forms may also cause conflicts in many groups. In this context political influence within the group directly or indirectly causes conflicts among members since not all subscribes to the whims or machinations that may be directed to the groups. More so, the power inclinations may be biased especially in the operations of the micro-finance groups. These consequently generate disagreements.

Conflict in microfinance may emanate from the reinforced or creation of new social cleavages, such as selective client targeting methods. A good example is where micro-finance groups' membership is predominantly made of one gender deliberately excluding the other. Such groups are prone to conflicts whose origin may be traced to disgruntled gender that perceives exclusion. In Bangladesh the decision by Grameen Bank to target women in their programs and exclude men led to increased conflicts in households which affected loan repayment ability.

Micro-finance groups experience conflict when one member of the group has trouble with repayment, often because of cost related to illness, a death in the family, or other unforeseen problems. Wood (2001) argued that the new development perspective starts from the premise that conflict itself is not just an aberration, but a normal and inescapable fact of life. Micro-finance groups activities are geared towards economic empowerment as such this challenges status quo and changing status quo involves friction and resistance. In any case empowerment creates or exacerbates inequality, mal-development, structural and then acute conflicts.

Competition for loans within the group also creates pressure on the modest amount the group raises and as noted by Mugendi (2006), "the balance between acceptable and unacceptable competition is easily upset and the ensuing conflict can develop from a mere scuffle to an all out confrontation" It is imperative that unless the issues raised gets addressed amicably then the

effectiveness of the conflict management in the groups will but remains elusive and some groups may not realize their overall objectives.

The composition of a micro-finance group may also determine how members relate with one another. More so, in matters of handling meeting, order of discussions and dominance by some members of the group. This creates latent conflicts and thus the group leadership may have to put in place systems, which will mitigate these conflicts. Conflict resolution in these groups should be a collaborative effort with members. There is need to focus on group competencies as the appropriate means of resolving conflicts as opposed to quick intervention during times of difficult challenges. Organizations may employ conflict control mechanisms out of habit, tradition or design. This may imply that planned processes are to be understood and also seen as part of the larger context in a group.

In traditional view, which was dominant about group behavior, conflict was regarded as a major obstacle for proper function and had to be avoided in all aspects at all costs. The more modern approaches towards conflict were initiated by human relations scientists. They emphasized conflict as an inevitable natural phenomenon in human interactions that should be managed properly (Reynecke, 1997).

The paradigm in which conflict was seen as a negative natural phenomenon was abolished. In fact, conflict can be seen as a creative force and the only thing that should be done is to exploit this driver to innovate more. Therefore, the need for innovation can be intensified when things are not being run smoothly. Hence, managers are advised “keeping team conflict alive” (Caudron, 2000). Generally speaking, conflict is both good and bad thing. However, the manner by which conflict is handled can use conflict constructively or destructively (Deutsch and Coleman, 2000). Nowadays, conflict is assessed in terms of functionality that can either contribute organizational growth or hinder the efficacy and performance (Alper, Tjosvold, & Law, 2000). However, the dysfunctional conflict among individuals has proved to have a negative impact on organizational efficacy and performance (Zartman, 2000).

It has been shown that effective conflict management has a straightforward and positive impact on team cohesion. It also alleviates the negative impact of relationship conflict and task conflict on team cohesion. In reality, effective conflict management can change downside effect of

relationship conflict and task conflict on team cohesion to some positive impacts (Teklab and Quigley, 2009). Nevertheless, effective conflict management as an important part of leadership is possible only based on knowledge and awareness.

This study considers conflict as a natural phenomenon that, if well managed can be a creative force in improving organizational performance and bring about organization growth. The study assesses the different conflict management mechanisms in micro finance groups and determines their effect on growth of the organizations. The growth of these organizations is determined by their membership, Capital outlay, lifestyle change and availability of loans. A growth in membership indicates better relationships and team cohesion and increased capital outlay signifies better task performance. Improved lifestyles and increased availability of loans signify improved task performance and is an indication of superior conflict management as determined by the conflict management style that is dominant in the organization (Teklab and Quigley, 2009).

2.3 Competing as a conflict management mechanism in in the growth of micro finance self-help groups

According to Waitchalla and Raduan (2006) competing behavior is similar to a maximizing orientation where the individual has no care for the consequences to the other person. An individual who maximizes is effective but inappropriate as he is able to attain valued objectives but he violates standards of relational preference.

Waitchalla and Raduan in their study identified that majority of the studies they referred to represented a western bias. Though the Western studies found certain conflict styles such as obliging as ineffective and appropriate and avoiding as ineffective and inappropriate however, Ting-Toomy (1988) asserted that avoiding and obliging conflict management styles are seen by many Asian cultures as effective and appropriate. There is however no known study conducted on Micro finance groups in Kenya to ascertain the conflict management styles that are seen as effective and appropriate to the local culture. The study by Waitchalla and Raduan was also not categorical on the effect of the various conflict management styles on the growth of social groups. This study therefore seeks to assess whether competing is perceived as a competent conflict management style and its effect on the growth of micro finance groups.

Zhenzhong Ma (2007) conducted a study on the distinctness of Chinese conflict management styles. Zhenzhong Ma argues that conflict is a culturally defined event, therefore conflict management styles in different cultures are expected to be differing from one another. For example, in a collectivistic society, social relationships and social harmony are important concerns (Triandis, 1995). Harmony often takes precedence over task accomplishment and personal desires. Individual effort and achievement are expected to contribute to the collective good (Hofstede, 1980). In contrast, in an individualistic society, people value autonomy, assertiveness, competition and individual achievement. Consequently, they strive for personal satisfaction and achievement even at the expense of social relationships (Triandis, 1995). Therefore, it can be expected that individualism should produce direct, task-oriented conflict management styles reflecting great concern for self and little concern for others, and collectivism should motivate avoiding, indirect styles that reflect concerns for others.

2.4 Collaborating in conflict management in the growth of micro finance self-help groups

Samarah, et al. (2003) conducted a study examining the possibility that cultural diversity may have a moderating effect on the relationship between the collaborative conflict management mechanism and group performance in a distributed group decision support system environment. Samarah et al. (2003), observed that culture is obviously a source of variance in the human behavior. Therefore, a culturally heterogeneous group would be expected to display types of behavior and interactions that are different from those displayed by a culturally homogeneous group. In a group setting, the impact of cultural heterogeneity on group performance might ultimately result in performance outcomes that are different from those generated by a culturally homogeneous group. The adoption of the collaborative conflict management mechanism would be expected to promote higher levels of member participation, as members who adopt this attitude would find it natural to get involved in the activities of the group.

However, it was expected that team members who are willing to and ready for collaborating with others will expend effort and energy in order to achieve decisions that are mutually acceptable to the group. The more collaborative the members are, the higher the likelihood that they will arrive at decisions that are agreeable to all involved. As group members assume a collaborative conflict management attitude during their discussions, it is likely that they will perceive the final

decisions to be of high quality. Collaboration by the members will help create a pool of ideas and various perspectives and views will be explored hence members will be satisfied with the quality of their work and final decisions.

The study by Samarah et al. focused on the role of collaboration style of conflict management on task accomplishment in internet connected groups of diverse cultures and was not particular on conflict management in culturally homogeneous self-help groups. This study therefore investigates the relationship between collaboration as a conflict management mechanism and growth of microfinance groups in Kenya.

In the study by Waitchalla and Raduan (2006) the collaborating style, a win-win formula is practiced in producing an optimal response. Here “appropriateness ensures that care is shown to the other parties’ interests and expectations, while effectiveness represents a pursuit of self-interests” (Spitzberg, Canary, and Cupach, 1994). The individual who is both appropriate and effective is one who obtains valued objectives while maintaining the integrity of the interaction.

Kuhn and Poole (2000) conducted a research examining the relationship between group conflict management styles and effectiveness of group decision making in 11 ongoing, naturally occurring workgroups from 2 large US organizations. The major postulate of the study was that groups develop norms regarding how they will manage conflicts that carry over to affect other activities, such as decision making, even when these activities do not involve open conflict. Group conflict management styles were determined using observational methods and decision effectiveness was measured using multiple indices that tapped member, facilitator and external observer viewpoints. Task complexity was also considered as a moderating variable. The findings suggested that groups that developed integrative conflict management styles made more effective decisions than groups that utilized confrontation and avoidance styles.

The study by Kuhn and Poole (2000) elaborated on the effect of conflict management style on decision making in US based corporate groups. The study was however not exact on the effect that conflict management mechanism had on resolving conflict situations in a way to allow for cohesiveness of social groups. The study was also conducted in a corporate work group with different cultural setting from local micro finance groups.

2.5 Compromising as a conflict management style in the growth of micro finance self-help groups

In a study by Kabanoff (1989) to find out why compromising is represented as an intermediate mode of dealing with conflict in terms of cooperativeness and assertiveness, it was revealed that compromising is perceived as both highly cooperative and moderately assertive. The study compared the different perceptions of compromising and frequency of compromising by people with competitive versus non-competitive orientations towards dealing with conflict. It was shown that perceptions by the two groups differ, particularly in the perceived strength of compromising i.e. competitive people see compromise as a weakness, and that competitive persons are less likely to compromise in both hypothetical and actual conflict situations. Perceptions of compromising and the likelihood of compromising in conflict situations appeared closely linked to preferences for cooperation versus competition.

The study by Kabanoff was able to establish why compromising was usually preferred. It was however not elaborate on the effect that the compromising mode of dealing with conflict has on the growth of an organization. This study seeks to determine the effect of compromising as a conflict management style on the growth of microfinance groups.

Khanaki and Hassanzadeh (2010) conducted a study comparing Iranian general preference to the Swedish conflict management styles. The study results implied that both experienced and inexperienced Iranian engineers mostly preferred to avoid or to compromise on conflict. They generally showed a lack of interest in competing mode. On the other hand, the general preference of Swedish students for dealing with conflict purported a profound contradiction with Iranian case showing a great sense of assertiveness rather than cooperativeness. The difference between the Iranian and the Swedish public preference is justified by their cultural dimensions.

The study by Khanaki and Hassanzadeh was able to ascertain that the choice of conflict management style is greatly affected by cultural dimensions. It was however not categorical on the effects that the styles of handling conflict had on organization growth. In the study by Waitchalla and Raduan (2006) a compromise is achieved when the individual seeks a middle path to self and other's interest.

2.6 Avoiding as a conflict management mechanism in the growth of micro finance self-help groups

According to Waitchalla and Raduan (2006), avoiding relates to a minimizing orientation where the individual is unable to fulfill his own as well as the other person's expectations. A minimizing oriented individual is inappropriate and ineffective, does not follow rules and does not attain desired goals. Zhenzhong (2007) argues that avoiding is non-assertive and is therefore generally preferred by collectivistic societies where social relationships and social harmony are important concerns and harmony often takes precedence over task accomplishment and personal desires. Here, individual effort and achievement are expected to contribute to the collective good.

In an article by Eilerman (2006) a person who consistently takes an avoiding approach to dealing with disagreements has likely experienced life events which reinforced the notion that conflict is bad. However avoiding conflict can be an appropriate choice, depending on the circumstances. According to Thomas-Kilmann, avoiding is an appropriate form of dealing with conflict when used in situations like when an issue is trivial and other issues are more important or pressing, when there is no opportunity to constructively address the concern or when the potential cost of confronting the conflict outweighs the benefits in addressing it.

Friedman (2000) conducted a study on the impact of personal conflict style on work conflict and stress. The study consisted of members of a clinical medical department at a major southeastern university. According to the study, those who tend to use an avoiding style of conflict resolution are ill-equipped to deal with disputes that need some attention. With a low concern for their own interests, such people have a hard time representing themselves; at the same time, a low concern for others' interests makes them less able to understand and address other people's problems. Thus, they and other parties to disputes will lack the basic information needed to construct solutions to those conflicts. It will therefore be quite difficult to resolve disputes, and any solutions developed are likely to be sub-optimal, resulting in wasted resources. With fewer solutions developed for problems, and fewer resources available to apply to problems, those who attempt to avoid conflicts are likely to experience higher levels of ongoing conflict.

At a more fundamental level, to say that someone has low concern for self and for others implies that they have little desire to solve the problem at all. For these people, the stronger desire is to downplay or ignore disputes instead of resolving them. Ironically, those who use an avoiding style are likely to experience more task conflict, not less. Increased task conflict and stress may have negative effect on organizational growth based on the effect it may have on members' satisfaction.

Friedman was able to elaborate on how conflict management affects the amount of conflict and stress. The study was however not concerned on the effect that conflict management style has on organization performance in terms of growth. There was no hypothesized link between the employee work environment and growth of the organization. This study seeks to establish the relationship between avoiding as a conflict management mechanism and growth of microfinance groups.

2.7 Accommodating as a conflict management mechanism in the growth of micro finance self-help groups

Waitchalla and Raduan (2006) state that accommodating conflict management style is when the individual is very concerned about appropriateness as compared to fulfilling his interests which is similar to the sufficing response. An individual is seen as sufficing when he is appropriate but not effective. This individual is neither doing anything wrong nor does he obtain valued objectives through interaction.

Eilerman (2006) argues that accommodating or harmonizing, is viewed as the "peacekeeper" mode as it focuses more on preserving relationships than on achieving a personal goal or result. However in a dispute this creates a lose/win relationship where the accommodating party may make a choice to acquiesce to the needs of the other, sometimes out of kindness and sometimes to avoid conflict or stress. "Giving in" and letting the other person "take" is the result when this choice is made. According to Thomas-Kilmann accommodating is an appropriate form of dealing with conflict when preserving or building the relationship is more important than winning the issue at hand, When supporting the needs of the other party is feasible, appropriate and does not come at significant personal cost or When a person realizes that they are wrong and that the alternate position is better.

In the study by Friedman (2000) accommodating could be likened to obliging in that one party simply gives in to the other party, so that conflict is reduced. However, this result is achieved without recognizing the interests of the person who is obliging, and consequently his or her own issues are not resolved, and little energy has been invested into the dispute to find optimal or creative solutions. Obliging may resolve the dispute for the moment, but collective resources have not been expanded through creative problem-solving, and one side's problems may still remain.

There are occasions when one party values a strong and continuing relationship with one or more of other parties above the attainment of its own goals. In these cases the party may elect to 'accommodate' the other parties, conceding to all or most of their demands. Although such outcomes may look as though they have been the result of 'force', the difference is that rather than losing outright, the accommodating party perceives itself to have gained by way of securing good relations, accompanied perhaps by an element of 'good will' and the option to achieve some greater goal at a future date. Accommodating could therefore result in growth of an organization through the fostering of relationships which is essential for increased membership.

2.8 Theoretical Framework

This study is based on Thomas and Kilmann's (1974) *conflict management theory*. In the 1970s Kenneth and Ralph identified five main mechanisms of dealing with conflict that vary in their degrees of cooperativeness and assertiveness. They argued that people typically have preferred conflict resolution mechanisms. However, they also noted that different mechanisms were most useful in different situations. They developed the Thomas-Kilmann Conflict Mode Instrument (TKI) which helps to identify which mechanisms you tend towards when conflict arises (Thomas and Kilmann, 1974). Thomas and Kilmann's mechanisms are competing, collaborating, compromising, avoiding and accommodating.

The competing mode is characterized by high assertiveness and low cooperativeness, where the goal is to win. Some appropriate uses for the competing mode are taking quick action, making unpopular decisions, and discussing issues of critical importance when you know that your position is correct (Psychometrics, 2008). People who tend towards competitive mechanism take a firm stand, and know what they want. They usually operate from a position of power, drawn

from things like position, rank, expertise, or persuasive ability. This mechanisms can be useful when there is an emergency and a decision needs to be made fast; when the decision is unpopular; or when defending against someone who is trying to exploit the situation selfishly. However it can leave people feeling bruised, unsatisfied and resentful when used in less urgent situations.

The collaborating mode is characterized by high assertiveness and high cooperativeness, where the goal is to work with other people to find a win-win solution (Altmäe, Türk, & Toomet, 2013). Some appropriate uses for the collaborating mode are integrating solutions, learning, merging perspectives, gaining commitment, and improving relationships. People tending towards a collaborative style try to meet the needs of all people involved. These people can be highly assertive but unlike the competitor, they cooperate effectively and acknowledge that everyone is important. This style is useful when one needs to bring together a variety of viewpoints to get the best solution; when there have been previous conflicts in the group; or when the situation is too important for a simple trade-off.

The compromising mode is characterized by moderate assertiveness and moderate cooperativeness, and involves negotiating or splitting the difference in opinion (Altmäe, Türk, & Toomet, 2013). The goal is to find the middle ground. Some appropriate uses for the compromising mode include issues of moderate importance, developing temporary solutions, or when you are under time constraints. People who prefer compromising try to find a solution that will partially satisfy everyone. Everyone is expected to give up something and the compromiser also expects to relinquish something. Compromise is useful when the cost of conflict is higher than the cost of losing ground, when equal strength opponents are at a standstill and when there is a deadline looming.

The accommodating mode is characterized by low assertiveness and high cooperativeness, and can be acts of selfless generosity or obeying orders (Konovsky, Jaster, & McDonald, 1989). The goal is to yield. The accommodating mode is useful for showing reasonableness, developing performance, creating good will, and dealing with issues of low importance. This style indicates a willingness to meet the needs of others at the expense of the person's own needs. The accommodator often knows when to give in to others, but can be persuaded to surrender a

position even when it is not warranted. This person is not assertive but is highly cooperative. Accommodation is appropriate when the issues matter more to the other party, when peace is more valuable than winning, or when you want to be in a position to collect on this "favor" you gave. However, people may not return favors, and overall this approach is unlikely to give the best outcomes.

The avoiding mode is characterized by low assertiveness and low cooperativeness, and means that neither parties concern is satisfied (Konovsky, Jaster, & McDonald, 1989). The goal is to delay. Appropriate uses of the avoiding mode include dealing with issues of little importance, reducing tensions, and buying time. People tending towards this style seek to evade the conflict entirely. This style is typified by delegating controversial decisions, accepting default decisions, and not wanting to hurt anyone's feelings. It can be appropriate when victory is impossible, when the controversy is trivial, or when someone else is in a better position to solve the problem. However in many situations this is a weak and ineffective approach to take.

With an understanding of the different styles, one can use them to think about the most appropriate approach (or mixture of approaches) for the situation a group is in. One can also think about their instinctive approach, and learn how they need to change this if necessary. Ideally, one can adopt an approach that meets the situation, resolves the problem, respects people's legitimate interests, and mends damaged working relationships.

2.9 Conceptual Framework

The conceptual framework for this study consists of conflict management styles i.e. competing, collaborating, compromising, avoiding and accommodation as the independent variables. The intervening variables include the environment i.e. socio-cultural influence and government policy. Moderating variable are group characteristics i.e. group size, individual skills, diversification, demographic composition and group stage while the dependent variable will be growth of the microfinance group which is determined by membership, capital outlay, lifestyle change and availability of loans. The framework is as illustrated in Fig 1.

Independent Variables

Moderating Variable

Dependent Variable

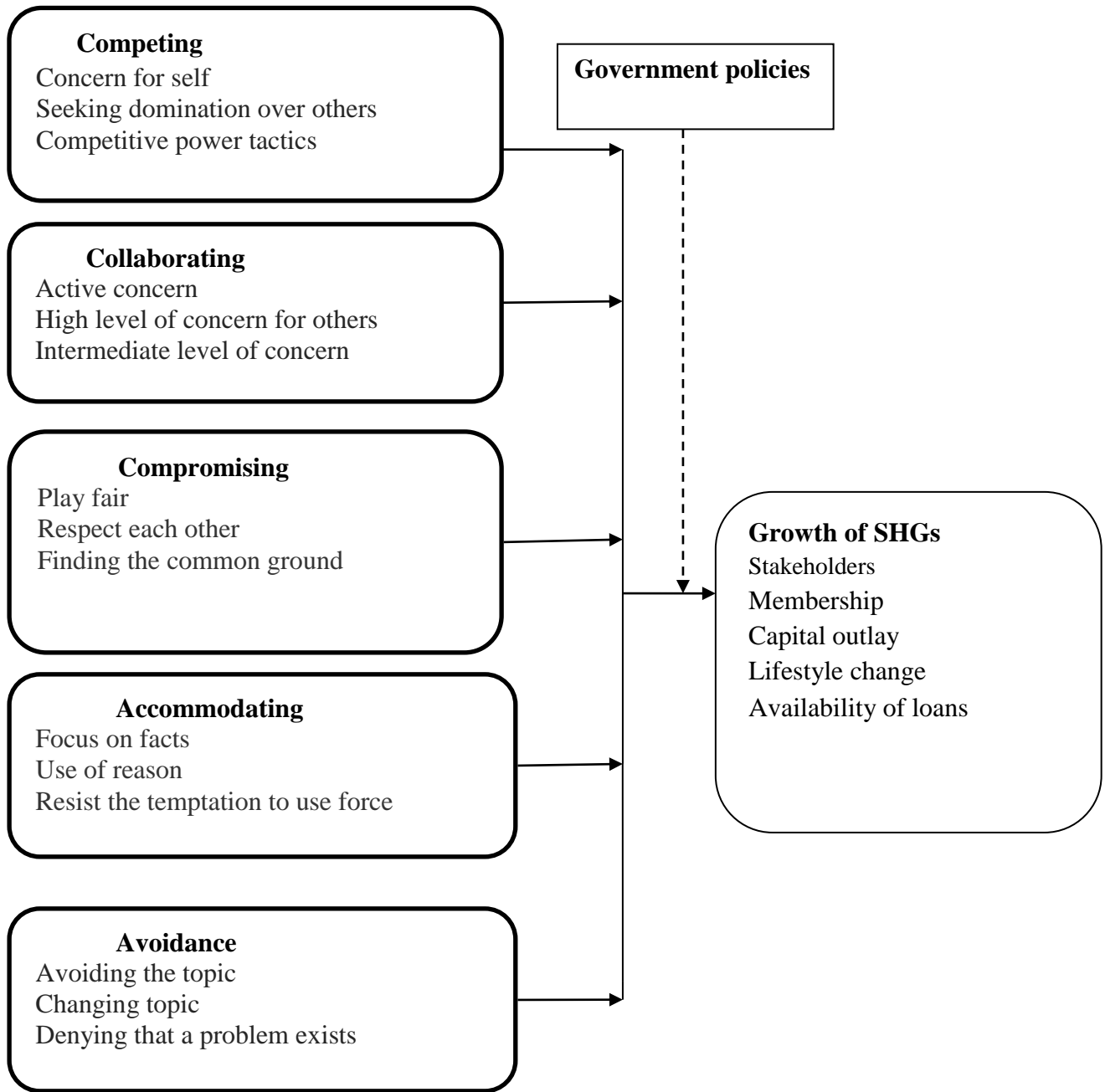


Figure 1: The conceptual Framework

Figure 1 illustrates that conflict management mechanisms and group dynamics adopted by a microfinance group will determine the growth of the group. Growth of the microfinance group is relative to the internal characteristics of the group which are represented by the moderating variables and the external characteristics which are represented by the intervening variables.

However despite these variables the conflict management mechanisms preferred and employed by the group members determines the impact that conflicts may have on the group's cohesiveness. Group cohesiveness has an impact on growth in membership as well as task performance. The task performance of the group in turn determines the group's effectiveness in increasing its capital, improving their lifestyles and the possibility of acquiring loans and other resources.

2.10 Gaps Identified

Though the few studies found certain conflict styles such as obliging as ineffective and appropriate and avoiding as ineffective and inappropriate however, Ting-Toomy (1988) asserted that avoiding and obliging conflict management styles are seen by many Asian cultures as effective and appropriate. There is however no known study conducted on Micro finance groups in Kenya to ascertain the conflict management styles that are seen as effective and appropriate to the local culture. The study by Waitchalla and Raduan was also not categorical on the effect of the various conflict management styles on the growth of social groups. This study therefore seeks to assess whether competing is perceived as a competent conflict management style and its effect on the growth of micro finance groups.

Literature tends to view default as minimal in these systems is that anthropologists tend to view the fact that funds are repaid in some form at a later date as repayment. Hence, for example, Nelson writes that the Kiambu group in Kenya was very successful and reports 23 cases of what she calls "negotiated temporary default" where members paid at a later date (Nelson 1995). Additionally Alila concludes from Western Kenya that default is minimal in these informal systems and report that gifts were used in some cases to make up the default (Alila 1992). Indeed, the underlying issue here is that debt is a social relation and in many African systems regarded as open ended (Zegers 1989). However, accountants would disagree that default is minimal because in many groups a substantial part of the loan fund is in default. little has been done on investigating the conflict management mechanism in microfinance institutions in Kenya as much of the literature seems to be on the challenges and not how they are managed.

2.11 Summary

This chapter has focused on review of works on conflict management mechanisms and the growth of microfinance as documented by other researchers and professionals within a local and global perspective. It has also introduced a theoretical framework and a conceptual framework on which the study is based.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the research design to be used, target population for the study from which a sample size will be selected. Data collection tool to be used to gather information is described as well as how the data will be analyzed and presented. It has also presented the operationalization of variables table.

3.2 Research Design

The study used descriptive research design. Descriptive research according to Best (1970) is the “conditions or relationship that exist; practices that prevail; beliefs, point of views, or attitudes that are held; processes that are going on; efforts that are felt; or trends that are developing.” This is because the phenomenon micro-finance groups will be analyzed as they are. The design was used to help study self-help groups that use identified conflict management mechanisms and those that do not. This implies that the research was longitudinal and paid attention to the output of the group in view of the use or non-use of conflict resolution mechanisms in the last five years. Most educational research methods are descriptive (Cohen & Manion, 1994).

3.3 Target Population

The targeted population was the micro-finance groups that operate in Gatundu Sub-County. The groups included women groups, youth groups, community support groups that deal with financial products only. These financial products include lending, saving, merry-go-round and other micro-finance aspects.

There are 48 micro-finance groups that are in microfinance in Gatundu Sub-County (MOY & S 2010). The groups carry out their activities such as merry go-round, table banking, revolving loan fund and lending in which the Microfinance offer their services to lend, save etc. In total the groups has 743 members. Each microfinance group has 3 officials. The total number of official in all the microfinance groups is 120. The table below shows the self-help groups and their population

Table 3.1 microfinance groups

S/NO	Group name	Population
1	Ichamu farmers SHG	25
2	Graze Dairy Farmers	20
3	Wamitaa Rabbit	16
4	Mwangaza Gaithece SHG	15
5	Kamina SHG	12
6	New Gitwe horticulture	6
7	Gathuya Kabuteti	18
8	Matanya SHG	12
9	Gatitu Kimuri SHG	8
10	Ituru Disabled new (SHG)	16
11	Undugu integrated SHG	14
12	Kirangari Youth Fellowship group	20
13	Mutunguru Group for disabled	30
14	Gaitakuri SHG	14
15	Between Hardworkers T group	20
16	Mundoro Youth Bunge	15
17	Gakamwa SHG	12
18	Pamoja Tusaidiane	16
19	Kibiru Youth in Development	35
20	Gakihu Youth Group	12
21	Wajuzi SHG	18
22	Gatundu Victors SHG	12
23	Gitwe Progressive youth group	14
24	Mbaru-ini SHG	9
25	Kikaga SHG	13
26	Mwihugo Action group	17
27	Gikure Nyakiambi 07women group	15
28	Ngatho ingwataniro SHG	10

29	Githigio SHG	13
30	Kahuho Wendi Mwega group	35
31	Agape Giguarba SHG	12
32	Karoma Fans SHG	13
33	Wonderful women group	24
34	Jiinue Between SHG	14
35	Winner Women Group	20
36	Murera GRR C Mercy	8
37	Kioneki Heifer SHG	17
38	Kamunyu Volunteer SHG	10
39	Wendani Wa Rubia Women group	12
40	Gichuka B women group	12
41	Gwathika salama SHG	16
42	Urumwe Gichagi-ini women group	15
43	Haraka Thayu women group	12
44	Muriithi self help group	13
45	Githioro old women group	19
46	Shalom kigaa women group	14
47	Ikuma good hope self help group	12
48	Bio growers self help group	8
Total		743

3.4 Sampling Procedure and sample size

3.4.1 Sample Size

The sample size for this study was obtained from the population using Slovin's formula for determination of sample size as shown below.

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

Where **n** = sample size, **N** = estimate of the population. And **e** = significance level.

At 95% level of confidence and $P=5$

$$n = \frac{743}{1 + 743(0.05)^2}$$

$$n = 87$$

Slovin's formula allows a researcher to sample the population with a desired degree of accuracy and it gives the researcher an idea of how large the sample size needs to be so as to ensure a reasonable accuracy of results. It takes into consideration that it is not possible to study an entire population hence a smaller sample was taken using a random sampling technique. It is used when nothing about the behavior of a population is known or where it is not known how a population is going to behave

3.4.2 Sampling Procedure

Decisions about sample size should take into consideration the size of the target population being researched (e.g. all residents in a particular community, members of a particular club or association, people in a particular occupation etc.) and the level of accuracy one require from the research (Fleiss, 1981). Since micro-finance groups have various categories, stratified random sampling technique was employed. Stratified random sampling technique was used since the population was heterogeneous. Hence, consideration of all micro-finance groups members, officials, ex-officials and government officers who are directly involved in micro-finance groups within the area of study.

3.5 Research Instruments

The study used separate questionnaires for MFG officials, NGO officials, Government officials and members of the microfinance groups. The questionnaire for members was sub-divided into two parts where part one dealt with personal information of members and details about the group. Part two was a conflict mode instrument (CMI) derived from the Thomas-Kilmann conflict mode instrument (MODE) assessing the conflict management mechanisms i.e. competing, collaboration, compromising, avoiding and accommodation as a conflict management mechanisms. The questionnaire for MFG officials had three sections with the third part assessing the growth of the microfinance group. The questionnaire was structured for both

open-ended and closed-ended questions to give varied ways of attaining appropriate response from the respondents.

3.5.1 Pilot testing

Pilot testing is a small-scale trial, where a few examinees take the test and comment on the mechanics of the test (Trochim, 2006). In test development projects of all kinds, the trialing of new items is typically taken into Pilot Testing. Pre-testing Mugenda and Mugenda, (2003) allows errors to be discovered before the actual collection of data begins and 10% of the sample size is considered adequate pilot study that is one respondents equating to ten purposively selected respondent perceived to be knowledgeable in the role of conflict management mechanisms in the growth of micro finance self-help groups.

3.5.2 Validity of Instruments

The quality of research is related to the possession of the quality of strength, worth, or value (Keeves, 1997). A valid research finding is one in which there is similarity between the reality that exists in the world and the description of that reality. Validity is concerned with the degree to which a test appears to measure what it purports to measure (Borg & Gall, 1989, p. 256). The validity of the instruments was assured through discussions with colleagues and experts in the subject matter, particularly with my two supervisors.

3.5.3 Reliability of Instruments

Reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials (Nsubuga, 2000). Reliability was done by giving the same questionnaire to different people of the same group who were not included in the actual sample.

3.6 Data Collection method

The researcher, with the help of two research assistants visited respondents in the sampled areas in Maranda sub-county. She introduced her topic and explained the assistance needed from them. The questionnaires were distributed and filled after a brief explanation by the researcher. The researcher provided consistent explanation to all respondents while assuring them confidentiality because the topic was considered sensitive by most of them. She sought permission to carry out

the study in Maranda sub – county. A research permit and a cover letter were issued personally to the respondents in addition to the research questions.

The respondents were guided on how to answer the questions and were assured of confidentiality and anonymity of elicited information. Personal appeal and probing was used to get more information from respondents since questionnaires were self-administered. Information from illiterate and semi-illiterate respondents was sought and recorded on the spot, while literate civil servants and literate respondents were given time to answer the questionnaires which were collected after a fortnight.

3.7 Data Analysis Techniques

The research data was subjected to coding and editing after the actual collection of data was done. It is imperative that the groups that were subjected to research tools varied according to the nature of their activity. Therefore, the questionnaires were sorted and classified on the basis of the type of the group. This also involved screening the data with the view of checking the consistency and correctness of information collected. This was followed by data classification and tabulation. Data was later subjected to statistical analysis using SPSS computer software.

3.8 Ethical Considerations

The researcher ensured that all the respondents were handled with respect and that the process of eliciting information from them did not interrupt their social activities. The researcher also ensured that the collected information was kept with the highest degree of confidentiality while informed consent was sought before eliciting information from them.

3.9 Operationalization of Variables

Operationalization of variables of this study is shown in Table 3.2

Table 3.2 Operationalization of Variables

Objectives	Variable	Indicators	Measurement	Scale	Data collection methods	Tool of Analysis
To assess the role of competition as a conflict management mechanism in the growth of microfinance groups in Kenya	Competition	Concern for self Seeking domination over others Competitive power tactics	Mean/ Standard deviation Mean/ Standard deviation Mean/ Standard deviation	Ordinal Nominal	Questionnaires Interview guide	SPSS Excel
To establish the role of collaboration as a conflict management mechanism in the growth of microfinance groups in Kenya.	Collaboration	Active concern High level of concern for others Intermediate level of concern	Mean/ Standard deviation Mean/ Standard deviation Mean/ Standard deviation	Ordinal Nominal	Questionnaires Interview guide	SPSS Excel
To determine the effect of compromise as a conflict management mechanism in the growth of microfinance groups in Kenya.	Compromise	Play fair Respect each other Find the common ground	Mean/ Standard deviation Mean/ Standard deviation	Ordinal Nominal	Questionnaires Interview guide	SPSS Excel
To establish the role of avoidance as a conflict management mechanism and growth of microfinance groups in Kenya	Avoidance	Avoiding the topic Changing topic Denying that a problem exists	Mean/ Standard deviation Mean/ Standard deviation	Ordinal Nominal	Questionnaires Interview guide	SPSS Excel
To assess the role of accommodating as a conflict management mechanism in the growth of microfinance groups in Kenya.	Accommodating	Focus on facts Use reason Resist the temptation to use force	Mean/ Standard deviation Mean/ Standard deviation	Ordinal Nominal	Questionnaires Interview guide	SPSS Excel

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter is divided into two main sections. The first section deals with a description of the demographic characteristics of the respondents. The second section describes and analyzes data obtained from the study so as to explain the role of conflict management mechanisms in the growth of micro finance self-help groups in Gatundu sub-county, Kenya. This chapter covers analysis of data and presentation in form of tables of frequencies and percentage. Brief interpretation of data is also included.

4.2 Response Rate

The study targeted micro-finance groups that operate in Gatundu district targeting women groups, youth groups, community support groups that deal with financial aspects only. Table 4.1 presents the questionnaire return rate.

Table 4.1: Questionnaires Return Rate

Respondents	Questionnaires administered	Questionnaires returned	filled & %
Microfinance groups	12	12	100
officials			
NGOs	9	5	55.56
Government	6	3	50
Members	60	48	80
Total	87	68	78

Out of the 87 questionnaires that were to be administered, 68 were completed and returned. This was a response rate of 78% which was far above what Mugenda and Mugenda (1990) considered adequate for a study of this nature.

4.3 Demographic Information

The demographic information of the respondents included gender, age, membership period and officials' years in service among others. This information is captured in Table 4.1. and 4.2

4.3.1 Distribution of respondents in by gender

The respondents were asked to indicate their gender. This information appears in Table 4.2.

Table 4.2: Gender distribution of respondents in Microfinance

Respondents	Male	Percent	Female	Percent
MFG officials	08	66.67	04	33.33
Members	31	64.58	17	35.42
Total	39	65.00	21	35.00

As shown in Table 4.2, the majority of the respondents were males at 65%. This implies that all gender were represented in the study and could respond effectively on determining the role of conflict management mechanisms in the growth of self help groups in Kenya

4.3.2 Marital status of the respondents

The respondents were asked to indicate their marital status. This information appears in Table 4.3

Table 4.3 : Marital status of the MFGs Officials

Marital status	Frequency	Respondents (%)
Married	7	58.3
Single	2	16.7
Divorced	1	8.3
Separated	1	8.3
Widow/ widower	1	8.3
Total	12	100%

The findings of the study indicate that most of the MFG officials, at almost 60%, were married. This implies that there were more married respondents whom the research was based on determining the role of conflict management mechanisms in the growth of self help groups in Kenya

Table 4.4 Marital status of the MFGs Officials

Marital status of MFG members	Frequency	Respondents (%)
Married	38	79.2
Single	8	16.7
Divorced	2	4.1
Separated	0	0.00
Total	48	100%

As with the officials, majority of the MFG members, at almost 80%, were also married. This implies that there were more married respondents whom the research was based on determining the role of conflict management mechanisms in the growth of self help groups in Kenya

4.3.3 Age of the MFG officials

The respondents were asked to indicate their age. Table 4.5 shows the results

Table 4.5: Age of the MFGs officials

Variable(Age)	Frequency	Percentage(%)
18-25 years	1	8.3
26-35 years	2	16.7
36-45 years	5	41.7
Above 45 years	4	33.3
Total	12	100

From Table 4.5 most leaders of the MFGs were mature persons of over 35 years of age making it easy for them to on determining the role of conflict management mechanisms in the growth of microfinance groups in Kenya.

4.3.4 Membership distribution by age.

The study further sought to establish the age of the MFG members. This information appears on Table 4.6

Table 4.6: Membership distribution by age

Variable(Age)	Frequency	Percentage(%)
18-25 years	3	6.3
26-35 years	8	16.6
36-45 years	22	45.8
Above 45 years	15	31.3
Total	48	100

Table 4.6 indicates that high majority of the members (over 76%) were mature persons of over 35years. Majority of participants in the MFG activities were the aged and middle aged groups therefore they gave reliable information on determining the role of conflict management mechanisms in the growth of microfinance groups in Kenya.

4.3.5 Officials membership period in MFGs

The study sought to investigate how long the members had served as officials of their microfinance groups. Their responses appear in Table 4.7.

Table 4.7: Official membership period

Official membership period	Frequency	Percentage
Less than 1 year	1	8.3
1-2 years	2	16.67
2-3 years	3	25
3-4 years	4	33.33
More than 4 years	2	16.67

From the findings shown by Table 4.7, just over 50% of the officials had been members in the microfinance groups for over 3 years, thus giving them the needed experience to handle microfinance group activities.

4.3.6 Membership period in service

The study further sought to know the length of time that the members had been in their respective microfinance groups. Their responses appear in Table 4.8.

Table 4.8 Membership period

Membership Period	Frequency	Percentage
Less than 1 year	9	10.42
1 year	10	12.50
2 years	12	14.58
3 years	16	18.75
>3 years	38	43.75

As indicated in Table 4.8, most of the respondents indicated that they had been members for a period of over 3 years, a long enough experience to handle group conflict that would lead to growth of the MFGs.

4.4 Conflict Management mechanisms

This section examines conflict management mechanisms.

4.4.1 Members experiencing strong feelings in a conflict situation

The members were asked what they would do upon experiencing strong feelings in a conflict situation. Their responses appear in Table 4.9.

Table 4.9: Members' typical behavior in conflict situation [competition]

Statement	Mean	Standard deviation
Enjoy the emotional release and sense of exhilaration and accomplishment.	4.4029	0.6653
Enjoy the strategizing involved and the challenge of the conflict.	4.3658	0.8688
Become serious about how others are feeling and thinking	4.0517	0.7541
Find it frightening because you do not accept that differences can be discussed without someone's getting hurt.	4.2154	0.6857
Become convinced that there is nothing you can do to resolve the issue	3.7357	0.6648

The results show that the respondents agreed that during competition they enjoy the emotional release and sense of exhilaration and accomplishment with a mean of 4.4029. This was followed by a majority who agreed that they enjoy the strategizing involved and the challenge of the conflict with a mean of 4.3658. Respondents agreed that they find it it frightening because you do not accept that differences can be discussed without someone's getting hurt with a mean of 4.2154. Others agreed that they become serious about how others are feeling and thinking with a mean of 4.0517. Finally the respondents agreed though with a low mean of 3.7357 that they become convinced that there is nothing you can do to resolve the issue.

4.4.2 Expected results from conflict according to members

The members from various microfinance groups were asked to give their views on the likely results of a conflict. Their responses appear in Table 4.10.

Table 4.10: Expected results from conflict according to members [collaboration]

Statement	Mean	Standard deviation
Conflict helps people face the fact that one answer is better than others	3.9544	0.7548
Conflict results in canceling out extremes of thinking so that a strong middle ground can be reached	4.2651	0.3271
Conflict clears the air and enhances commitment and results.	4.3257	0.4567
Conflict demonstrates the absurdity of self-centeredness and draws people closer together in their commitment to each other	3.6779	0.8655
Conflict lessens complacency and assigns blame where it belongs	4.6524	0.8651

The results in the table above shows that the respondents strongly agreed that Conflict lessens complacency and assigns blame where it belongs with a mean of 4.6524. The respondents agreed that conflict clears the air and enhances commitment and results with a mean of 4.3257 and Conflict results in canceling out extremes of thinking so that a strong middle ground can be reached was agreed with a mean of 4.2651. The respondent agreed that conflict helps people face the fact that one answer is better than others with a mean of 3.9544 and finally agreed that Conflict demonstrates the absurdity of self-centeredness and draws people closer together in their commitment to each other with a mean of 3.6779.

4.4.3 Actions of members with authority in a conflict situation

The members of the microfinance group were asked to highlight what they would do in a conflict situation if they had greater authority. Their responses appear in Table 4.11.

Table 4.11: Members action during conflict situation

Statement	Mean	Standard deviation
Put it straight, letting the other know your view	4.0625	0.3265
Try to negotiate the best settlement you can get	4.5741	0.5554
Ask to hear the other’s feelings and suggest that a position be found that both might be willing to try	4.3873	0.4124
Go along with the other, providing support where you can.	4.3651	0.8647
Keep the encounter impersonal, citing rules if they apply.	4.4233	0.8101

The findings show that the respondents strongly agreed that they try to negotiate the best settlement you can get with a mean of 4.5741. The respondents agreed that they keep the encounter impersonal, citing rules if they apply with a mean of 4.4233. They also agreed that they ask to hear the other’s feelings and suggest that a position be found that both might be willing to try with a mean of 4.3873 and they go along with the other, providing support where you can with a mean of 4.3651. The respondents were in agreement with the statement that they put it straight, letting the other know your view with a mean of 4.0625.

4.4.4 Actions taken by members when angry with colleagues

Members were asked what they would do if they were angry with a friend or colleague. Their responses appear in Table 4.12.

Table 4.12: Actions taken by members when angry with colleagues [Avoiding]

Statement	Frequency	Percentage
Just explode without giving it much thought	8	16.67
Try to smooth things over with good story	10	20.83
Express your anger and invite him or her to participate	16	33.33
Try to compensate your anger by doing the opposite	7	14.58
Remove yourself from the situation	7	14.58
	48	100.00%

From Table 4.12, it can be deduced that a large portion of the respondent agreed that when they become angry with their colleagues or friends, they would express their anger and invite him or her to respond to the conflict. A handful of the members who were interviewed agreed that they would smooth out things over with good stories. This means that they would not openly express their anger but instead they use stories to avoid facing the conflict directly. A few members were of the view that they would explode without giving it much thought if they were angry with a friend or colleague. Further, a small group was of the opinion that they would try to compensate their anger by acting opposite of what they were feeling. A similar number of the members involved in the study indicated that they would remove themselves from the situation.

4.4.5 Actions to be taken when a single group member takes a position in opposition

Respondents were asked to indicate their extent of agreement with the following statements that related to what they would do when a single group member takes a position in opposition to the rest of the group. Their responses appear in Table 4.13.

Table 4.13: Actions of Members towards a member holding an opposing view in a group [Accommodating]

Statements	Rank	Degree of Extent	Frequency	Percentage
Point out publicly that the dissenting member is blocking the group and suggest that the group move on without him or her if necessary.	5	Strongly Agree	7	14.58
Encourage the group's members to set the conflict aside and go on to more agreeable items on the agenda.	4	Agree	18	37.50
Make sure the dissenting member has a chance to communicate his or her objections so that a compromise can be reached.	3	Neutral	10	20.83
Try to uncover why the dissenting member views the issues differently, so that the group members can reevaluate their own position.	2	Disagree	5	10.42
Remain silent, because it is best to avoid becoming involved.	1	Strongly disagree	8	16.67
TOTAL			48	100.00%

It is indicated by figure 4.13 that actions towards a member taking an opposing position have an impact on the effectiveness of conflict management mechanisms and the performance of the microfinance groups. Majority of members agreed that they would make sure that the dissenting member has a chance to communicate his or her objections that a compromise can be reached. They also agreed that they would uncover why the dissenting member views issue differently, so that the members can reevaluate their position. Few respondents represented by 5% disagreed that they try to uncover why the dissenting member views the issues differently, so that the group members can reevaluate their own position.

4.4.6 Actions taken by members in case of a conflict in a group

Respondents were asked to indicate their extent of agreement with the following statements that related to what they would do when they see conflict emerging in their microfinance group, by a rank of 1-5. Their responses appear in Table 4.14

Table 4.14: Actions taken by members on emergence of a conflict in a group

Statements	Rank	Degree of Extent	Frequency	Percentage
Push for a quick decision to ensure that the task is completed.	5	Very Large Extent	16	33.01
Avoid outright confrontation by moving the discussion toward a middle ground.	4	Moderately Large Extent	10	20.40
Share with the group your impression of what is going on, so that the nature of the impending conflict can be discussed	3	Large Extent	7	14.56
Forestall or divert the conflict before it emerges by relieving the tension with humor.	2	Low Extent	7	15.53
Stay out of the conflict as long as it is of no concern to you.	1	Very low Extent	8	16.50
TOTAL			48	100.00

Majority of the respondents indicated strong agreement with the need to solve a conflict within the group as quick as possible. They agreed to the fact that emergence of conflicts influence the growth of microfinance groups. The findings indicated that they would push for quick decision to ensure that the task is completed. They also agreed that they would avoid outright confrontation by moving the discussion toward a middle ground. The study revealed that it is important for members to share with the group their impression of what is going on, so that the nature of the impending conflict can be discussed.

4.4.7 Members views on collaboration among microfinance groups

The members of the microfinance group were asked to highlight their view on what might be the reason for the failure of one group to collaborate with another. Their responses appear in Table 4.15.

Table 4.15: Members views on collaboration among microfinance groups

Statement	Mean	Standard deviation
That lack of a clearly stated position, or failure to back up the group's position	4.1572	0.9517
Tendency of groups to force their leadership or representatives to abide by the group's decision, as opposed to promoting flexibility, which would facilitate compromise	4.0325	0.9654
Tendency of groups to enter negotiations with a win/lose perspective.	4.2653	0.4325
Lack of motivation on the part of the group's membership to live peacefully with the other group	4.3876	0.6758
Irresponsible behavior on the part of the group's leadership, resulting in the leaders' placing emphasis on maintaining their own power positions rather than addressing the issues involved	3.9854	0.4356

From the findings, most of the respondents were of the view that the reason for failure to collaboration between the microfinance groups was irresponsible behavior on the part of the group's leadership, resulting in the leaders' placing emphasis on maintaining their own power positions rather than addressing the issues involved.

4.4.8 Description of the groups according to MFGs officials

The officials of the groups were requested to describe their groups based on the outlined statements. The results are as summarized in Table 4.16.

Table 4.16: Description of the Groups

Statement	Mean	Standard deviation
Each member has well defined job tasks	4.0261	0.6254
Members know each other well	4.5125	0.3261
Members tend to depend on outside expertise for guidance	4.3267	0.4215
Members constantly confront and criticize each other	4.5257	0.7518
The group is currently preoccupied with defining and assigning tasks	4.1251	0.6541
Leadership position is a constant cause of conflict	2.2652	0.8625
There is a high level of Interdependence and cohesion in the group	4.4368	0.82785
There are clearly defined group norms.	4.1316	0.76704
The group is successfully performing its tasks	4.5211	0.48332
There is group growth and maturity	4.1579	0.44521
The group is independent.	4.0526	0.3681

The study shows that the respondents strongly agreed that the group is successfully performing its tasks with a mean of 4.5211 and they strongly agreed that members know each other well

with a mean of 4.5125. They also strongly agreed that members constantly confront and criticize each other with a mean of 4.5257. The respondents agreed that there is a high level of Interdependence and cohesion in the group with a mean of 4.4368. This was followed by the agreement that members tend to depend on outside expertise for guidance with a mean of 4.3267. They agreed that the group is independent with a mean of 4.0526. The respondents disagreed that leadership position is a constant cause of conflict with a mean of 2.2652

4.5 Growth of Microfinance Groups

4.5.1 Existence of Microfinance Groups in years according to officials

Officials were asked to indicate how long their group has been in existence to help the researcher measure the growth of microfinance. Table 4.17 shows the period of existence of MFGs in years.

Table 4.17: Existence of Microfinance Groups in Years According to Officials

Existence in years	Frequency	Percentage
Less than a year	1	8.30
1-2 years	2	17
2-3 years	3	25
3-4 years	2	16.67
4-5 Years	1	8.30
>5 years	1	8.30

The findings indicate that majority of the microfinance groups had been in existence for a period of 2-3 years. It can therefore be deduced that majority of the microfinance groups were still in the growth process

4.5.2 Members Initial Monthly Contribution according to officials

The researcher sought to know the initial contribution of the members of the microfinance groups and also whether such contributions had increased over time. Their responses appear in Table 4.18

Table 4.18: Members initial contribution per month

Members contribution per month	Frequency	%
Ksh 101-200	2	16.67
Ksh 201-300	3	25
Ksh 301-400	4	33.33
Ksh 401-500	2	16.67
Ksh >500	1	8.30

The findings indicate that majority of the members of the microfinance groups were contributing over Ksh 201 per month. It can be deduced that the low monthly contribution is due to members' low income and that their groups are microfinance targeting the low-income category. Microfinance groups are useful to poor households: helping them raise income, build up assets and/or cushion themselves against external shocks, thus enhancing conflict management. The officials however indicated that the initial monthly contribution has been increasing over time giving an indication that the microfinance groups have been growing.

4.5.3 Initial and current membership in the microfinance groups according to officials

The researcher sought to know the initial membership of the microfinance groups and establish whether it had increased over time by comparing the same with current membership. Their responses appear in Table 4.19.

Table 4.19: Membership in MFGs according to officials

Membership	Initial membership		Current membership	
	Frequency	%	Frequency	%
Less than 5 members	4	33.33	1	8.3
5-8 members	4	33.33	3	25
8-15 members	2	16.67	3	25
>15 members	2	16.67	5	41.67

The study found out that the membership of the microfinance group has been growing steadily with most of them having over 15 members. This implies that many people respond positively to

the micro-finance groups formed to give the members social economic security. Their growth is signified by the increased achievement of this basic objective. As noted earlier human wants is a function of the prevailing socio-economic and political environment prevailing in the society which when dysfunctional portends insecurity and eventual conflicts as player's attempts to assert and control resources and all the means of production. According to Annan (2007), security means far more than absence of conflict one can't build peace without alleviating poverty. Micro finances provide these socioeconomic and political pillars that convinced the researcher to attribute it to increasing number of membership in the groups.

4.5.4 Source of funds for Microfinance Group according to officials

The officials were asked to indicate the source of their funds apart from members' contribution and the results are shown below. Some of the sources of funding were government grants, interest from lending and aid from NGOs. Their responses appear in Table 4.20

Table 4.20: Source of Funds for Microfinance Group

Source of funds	Frequency	Percentage
Government grants	2	16.67
Contribution and interest from lending	6	50
Aid from NGOs	4	33.33

The study indicated that half of the microfinance groups surveyed relied on interest from member contribution and lending as the additional source of income. Some of the microfinance groups get additional financing from Non-Governmental Organizations while a small number get their additional source of funding from government grants. This is attributed to indications that the industry has been growing rapidly and there have been concerns that the rate of capital flowing into microfinance is a potential risk unless managed well. This is clear since half of the financing is by the microfinance groups themselves from contributions and interest income.

4.6 Ways of Handling Conflicts by NGO officials

The NGO Officials were asked to indicate what they believe is the best way to handle conflicts. The findings are shown in table 4.21.

Table 4.21: Views of the NGO officials on best way to handle conflicts

Best way of handling conflict	Mean	Standard deviation
High assertiveness and low cooperation, Take a firm stand and Aim to win	2.0211	0.48332
High assertiveness and high cooperation, Meet the needs of all people involved and Aim to work with other people and win-win situation	4.1579	0.44521
Moderate assertiveness and moderate cooperation, Everyone is expected to give up something and Aim to find a middle ground	3.0765	0.3681
Low assertiveness and high cooperation, Know when to give in and Aim to yield	2.2421	0.43063
Low assertiveness and low cooperation, Seek to evade the conflict entirely and Aim to delay	1.0325	0.6534

From the findings, the respondents agreed that High assertiveness and high co-operation Meet the needs of all people involved and Aim to work with other people and win-win situation with a mean of 4.1579. The respondents were neutral on the statement that moderate assertiveness and moderate cooperation, everyone is expected to give up something and Aim to find a middle ground with a mean of 3.0765. The respondents disagreed that Low assertiveness and high cooperation, Know when to give in and Aim to yield with a mean of 2.2421 and High assertiveness and low cooperation, Take a firm stand and Aim to win with a mean of 2.0211. the respondents strongly disagreed that Low assertiveness and low cooperation, Seek to evade the conflict entirely and Aim to delay with a mean of 1.0325.

4.7 Government officials response Level of Assertiveness and Cooperativeness in Handling Conflicts

The respondents were asked to rate the government officials response level of assertiveness and cooperativeness in handling conflicts. The findings are presented in table 4.22

Table 4.22: Government officials’ levels of assertiveness and cooperativeness in handling conflicts

Government level of assertiveness and cooperativeness	Assertiveness		Cooperativeness	
	Frequency	Percentage	Frequency	Percentage
Very high	1	25	0	0
High	2	75	1	25
Average	0	0	2	75

The findings indicated that some of the government officials use very high level of assertiveness when handling conflicts while most indicated a high level of government assertiveness. A small group of the officials indicated a high level of cooperativeness on the government side in handling conflicts while majority indicated an average level of government cooperativeness in handling conflicts. This indicates the use of competing mode which attributes the government and its employees to usually operate from a position of power drawn from things like position, rank, expertise, or persuasive ability.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study and makes conclusion based on the results. The implications from the findings and areas for further research are also presented. The chapter also presents the findings from the study in comparison to what other scholars have said as noted under literature review. The chapter will present the conclusions, recommendations and give suggestions for further study.

5.2 Summary of the findings

The following section presents a summary of findings as per the objectives of the study.

5.2.1 Role of competing as a Conflict Management Mechanism

The study sought to establish the role of competing as a conflict management mechanism. From the findings, it emerged that competing was the best way to handle conflicts. The competing mode operates from a position of power, drawn from things like position, rank, expertise, or persuasive ability. The best way of handling conflicts is by high assertiveness and low cooperation, taking a firm stand and aiming to win. Conflict management undertakings includes; taking quick action, making unpopular decisions, and discussing issues of critical nature when you know that your position is correct. The competing mode operates from a position of power, drawn from things like position, rank, expertise, or persuasive ability.

5.2.2 Role of Collaborating as Conflict Management Mechanism

This study investigated the role of collaboration as a conflict management mechanism and growth of microfinance groups. The study found that the groups are culturally heterogeneous and expected to display types of behavior and interactions that are different from those displayed by a culturally homogeneous group. The study found that in a group setting, the impact of cultural heterogeneity on group performance might ultimately result in performance outcomes that are

different from those generated by a culturally homogeneous group. The adoption of the collaborative conflict management mechanism promoted higher levels of member participation, as members who adopt this attitude found it natural to get involved in the activities of the group. The study found that there was that lack of clearly stated position, or failure to back up the group's position was one of the reasons of failure of collaboration of microfinance groups. The study found that the reason for failure to collaborate was tendency of groups to force their leadership or representatives to abide by the group's decision, as opposed to promoting flexibility.

It was also found that group members who were willing to and ready to collaborate with others expended effort and energy in order to achieve decisions that are mutually acceptable to the group. The more collaborative the members were, the higher the likelihood of arriving at decisions that were agreeable to all involved. As group members assume a collaborative conflict management attitude during their discussions, they perceived the final decisions to be of high quality. Collaboration by the members helped to create a pool of ideas and various perspectives and views were explored hence members were satisfied with the quality of their work and final decisions.

5.2.3 Role of Compromising as a conflict management Mechanism

The study sought to find out the role of compromising as a conflict management Mechanism. The findings indicate that compromising is an intermediate mode of dealing with conflict in terms of cooperativeness and assertiveness. The study found that compromising is perceived as both highly cooperative and moderately assertive. The study found that both group members and officials preferred compromise to side step a conflict for a temporary solution or attain middle ground position. They generally showed interest in competing mode. However the study revealed that there were differences in preference of assertiveness rather than cooperativeness. The difference in preference is justified by their diverse cultural dimensions.

5.2.4 Role of Avoiding as a Conflict Management Mechanism

The findings of the study indicated that avoiding conflict can be an appropriate choice, depending on the circumstances for instance avoiding is an appropriate form of dealing with

conflict when used in situations like when an issue is trivial and other issues are more important or pressing, when there is no opportunity to constructively address the concern or when the potential cost of confronting the conflict outweighs the benefits in addressing it.

The study found that those who tend to use an avoiding style of conflict resolution are ill-equipped to deal with disputes that need some attention. With a low concern for their own interests, such people have a hard time representing themselves; at the same time, a low concern for others' interests makes them less able to understand and address other people's problems. Thus, they and other parties to disputes will lack the basic information needed to construct solutions to those conflicts. The study found that those who favored avoidance as a conflict concern for self and for others and had little desire to solve the problem at all. These were the minority according to the findings of the study.

5.2.5 Role of Accommodating as a Conflict Management Mechanism

The study found that accommodation plays a role in conflict management mechanism. The study found that respondents were neutral on statement that moderate assertiveness and moderate cooperation, everyone is expected to give up something and Aim to find a middle ground. The study found that respondents disagreed that that low assertiveness and low cooperation, seek to evade the conflict entirely and aim to delay.

5.3 Discussion of Findings

This section will discuss the findings and their relationship with literature reviewed.

5.3.1 Competing as a conflict management mechanism and growth of SHGs

The study found that competing is used as a conflict management mechanism. From the findings, it was found that the best way of handling conflicts was by high assertiveness and low cooperation, taking a firm stand and aiming to win. This is attributed to the fact that majority of the conflict management are taking quick action, making unpopular decisions, and discussing issues of critical importance when you know that your position is correct. The competing mode operates from a position of power, drawn from position, rank, expertise, or persuasive ability. Competing leads to growth as members brings out the best in them in an attempt to benefit from

the group activities. Competing ensures superior decisions are adopted which guarantees growth. It helps weed out those who cannot fit. These findings are in line with a study done by Waitchalla and Raduan (2006) which states that competing behavior is similar to a maximizing orientation where the individual has no care for the consequences to the other person. An individual who maximizes is effective but inappropriate as he is able to attain valued objectives but he violates standards of relational preference.

5.3.2 Role of Collaboration as a conflict management mechanism and growth of SHGs

The study found that collaboration is used as a conflict management mechanism in microfinance groups. The study found that the groups are culturally heterogeneous and expected to display types of behavior and interactions that are different from those displayed by a culturally homogeneous group. The study found that in a group setting, the impact of cultural heterogeneity on group performance might ultimately result in performance outcomes that are different from those generated by a culturally homogeneous group. These findings are concurrent with a study done by Craft (1995) which states that the adoption of the collaborative conflict management style promoted higher levels of member participation, as members who adopt this attitude would find it natural to get involved in the activities of the group. As argued by Craft (1995), collaborative mechanisms meet the needs of all people involved. Poor people need not just loans but also savings, insurance and money transfer services. Microfinance must be useful to poor households: helping them raise income, build up assets and/or cushion themselves against external shocks. As such tending towards a collaborative mechanism enhances high assertiveness but unlike the competitor, they cooperate effectively and acknowledge that everyone is important. This mechanism is useful when one needs to bring together a variety of viewpoints to get the best solution; when there have been previous conflicts in the group; or when the situation is too important for a simple trade-off. The growth of microfinance will be enhanced when one collaboratively considers the tradeoff of every stakeholders interests such as between subsidies from donors and government for poor people or to finance the microfinance to pay for itself. It should be noted that, microfinance means building permanent local institutions that advances to integrating the financial needs of poor people into a country's mainstream financial system. Kuhn and Poole (2000) established that groups that developed integrative conflict management mechanism made more effective decision than groups that utilized

confrontation and avoidance. As such, this mechanism was favored by a third while two third were neutral on avoidance.

5.3.3 Compromising as a conflict management mechanism and growth of SHGs

The study found that compromising is used as a conflict management mechanism and growth of microfinance groups. Group members and officials mostly compromise to side step a conflict for a temporary solution or attain middle ground position. They generally showed interest in competing mode. The findings are collaborated by Khanaki and Hassanzadeh (2010) who established that both experienced and inexperienced Iranian engineers preferred to avoid and compromise on conflict. On the contrary Swedish students were assertive rather than cooperative. However, the study revealed that there were differences in preference of assertiveness rather than cooperativeness. The difference in preference is justified by their diverse cultural background. Similarly, compromise in MFGs though used signifies temporary solution and hence limited influence on growth.

5.3.4 Avoiding as a conflict management mechanism and growth of SHGs.

The study found that avoiding conflict is mainly used as a conflict management mechanism. These according to Friedman (2000) were people with low concern for self and for others had little desire to solve the problem at all. They were the minority according to the findings of this study. This implies that avoiding has as a conflict management mechanism has limited role in the growth of micro finance. The impact on growth is mainly negative. Waitchalla and Raduan (2006) established that avoiding is more of minimizing orientation where an individual does not fulfill his own needs as well as the other persons. Further, Zhenzhong(2007) holds that avoiding is preferred in collectivistic societies where social relations and harmony takes precedence over task accomplishment and personal goals. In MFGs avoiding may not lead to growth but instead stifles growth hence least preferred conflict mechanism.

5.3.5 Accommodating as a conflict management mechanism and growth of SHGs

The study found that accommodating is used as a conflict management mechanism in growth of microfinance groups. High assertiveness and high cooperation meet the needs of all people

involved and aim to work with other people and win-win situation is mainly used as an accommodation method of conflict management and growth of microfinance groups. Eilerman (2006) argues that accommodating or harmonizing, is viewed as the "peacekeeper" mode as it focuses more on preserving relationships than on achieving a personal goal or result. Accommodating could therefore result in growth of SGHs through the fostering of relationships which is essential for increased membership. In the study by Friedman (2000) accommodating could be likened to obliging in that one party simply gives in to the other party, so that conflict is reduced. Obliging may resolve the dispute for the moment, but collective resources have not been expanded through creative problem-solving, and one side's problems may still remain. It is therefore apparent that this mechanism assumes a screen saver mode since majorities choose to remain neutral in this study.

5.4 Conclusion

The study established that conflict management mechanisms have a role in the growth of micro finance self-help groups. This is however a delicate balancing act which employs the conflict management mechanisms in varying degrees depending on nature, situation, impact and circumstance of a conflict. It was further established that that collaboration is the best way to handle conflicts while other mechanisms namely competing, compromising, avoiding, and accommodating were not commonly used.

In addition, the attainment of growth in micro-finance groups in terms of membership, capital outlay, and loan portfolio was a function of conflict management alongside other dynamics namely external characteristics such as government policy and social cultural environment and internal characteristics such as group size, individual skills, diversification and demographic composition

5.5 Recommendations

The following are the recommendations of the study.

1. Microfinance groups should handle conflict using high assertiveness and high cooperation approach. This entails meeting the needs of all people involved and aiming to work with other people on a win-win situation.

2. The study also recommends that MFGs should use avoidance as a conflict management style when an issue is trivial and other issues are more important or pressing or when there is no opportunity to constructively address the concern or when the potential cost of confronting the conflict outweighs the benefits in addressing it.
3. The study recommends that there is need to promote a strong and continuing relationship with one or more members in the attainment of group goals.

5.6 Suggestions for Further Study

The study recommends further studies to be done on the following:

- i) A study on micro finance groups should be conducted to establish how the internal characteristics of SGHs influence their growth.
- ii) A study to establish the role of Government and Non-Governmental Organization in influencing the growth of microfinance groups in Kenya should be undertaken.

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APPENDICES

Appendix I: Introduction Letter

Joseph Mathe Wairuri
P.O. Box 656-01030
Gatundu
The,
Head of Department
Ministry of Youth, Gender & Sports
Gatundu District

Dear Sir/Madam,

RE: PERMIT TO CONDUCT RESEARCH ON MICRO FINANCE GROUPS IN GATUNDU
DISTRICT

I am an MA Project planning and management student and planning to undertake research on, “An assessment of conflict management mechanisms in the growth of Micro-finance programmes in Kenya. The research will be conducted in the month of February 2012

I am therefore seeking your permission and assistance to conduct the research.

Thank you.

Yours faithfully

Joseph Mathe Wairuri.

Appendix II: Introduction Letter from the University



**UNIVERSITY OF NAIROBI
COLLEGE OF EDUCATION AND EXTERNAL STUDIES
SCHOOL OF CONTINUING AND DISTANCE EDUCATION
DEPARTMENT OF EXTRA-MURAL STUDIES
NAIROBI EXTRA-MURAL CENTRE**

Your Ref:

Our Ref:

Telephone: 318262 Ext. 120

Main Campus
Gandhi Wing, Ground Floor
P.O. Box 30197
NAIROBI

22nd October, 2015

REF: UON/CEES//NEMC/22/387

TO WHOM IT MAY CONCERN

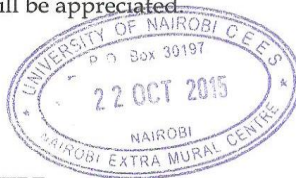
RE: WAIRURI JOSEPH MATHE -L50/70502/2007

This is to confirm that the above named is a student at the University of Nairobi, College of Education and External Studies, School of Continuing and Distance Education, Department of Extra- Mural Studies pursuing Master of Arts in Project Planning and Management.

He is proceeding for research entitled "assessment of conflict management mechanism in the growth of micro finance groups in Kenya".

Any assistance given to him will be appreciated.

**CAREN AWILLY
CENTRE ORGANIZER
NAIROBI EXTRA MURAL CENTRE**



Appendix III: introduction letter from the national commission for science, technology and innovation



**NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION**

Telephone: +254-20-2213471,
2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/15/74451/8527**

Date:
5th November, 2015

Joseph Mathe Wairuri
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Assessment of conflict management mechanisms in the growth of micro finance groups in Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Kiambu County** for a period ending **5th November, 2016.**

You are advised to report to **the County Commissioner and the County Director of Education, Kiambu County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.


SAID HUSSEIN
FOR: DIRECTOR GENERAL/CEO

Copy to:

The County Commissioner
Kiambu County.

The County Director of Education
Kiambu County.

Appendix IV: Questionnaire for SHG Members

The research instrument has been formulated to collect data for the purpose of the research meant to create greater understanding of the effectiveness of conflict management mechanisms in the growth of microfinance groups.

Please note that your response to these questions will be confidential and shall be used for the purpose of this research only.

INSTRUCTIONS

Please tick where appropriate and for explanation, please be brief

Part One: Background Information

1. Please indicate your gender

Male Female

2. Marital status

Married Single Divorced Separated widower

3. Age (i) 18-25yrs (ii) 26-35yrs (iii) 36-45yrs (iv) over 45yrs

4. What position do you hold in the group?

(i) Founder (ii) Member (iii) Official

Other specify.....

5. How long have you been a member

6. (i) Less than 1 year (ii) One year (iii) Two years
(iv) Three years (v) Over three years

Group Information

7. What is the name of the group?

(i) When was the group formed?

(i) 2005 (ii) 2006 (iii) 2007 (iv) 2008 (v) 2009

8. How many members does the group have?

9. What are the main activities of the group?

(i) Micro-finance (ii) Poverty eradication

(iii) Advocacy on HIV/AIDS (iv) Advocacy on gender equity and Violence.

(v) Farming (vi) Any other specify.....

10. Who are the members of the group?

i) Women ii) Men

iii) Youth iv) Mixed gender

11. State whether these statements are true or false about your group.

The group consists of different	True	False
Tribes	<input type="checkbox"/>	<input type="checkbox"/>
Religion	<input type="checkbox"/>	<input type="checkbox"/>
Educational background	<input type="checkbox"/>	<input type="checkbox"/>
Social Status	<input type="checkbox"/>	<input type="checkbox"/>
Age groups	<input type="checkbox"/>	<input type="checkbox"/>

Part Two: Conflict Management Mechanism

Please study each situation and the five possible behavioral responses or attitudes carefully and then allocate points between 1 - 5 to indicate your typical behavior, with the highest number of points indicating your strongest choice.

1. Upon experiencing strong feelings in a conflict situation, you would:

_____ A. Enjoy the emotional release and sense of exhilaration and accomplishment.

_____ B. Enjoy the strategizing involved and the challenge of the conflict.

_____ C. Become serious about how others are feeling and thinking.

_____ D. Find it frightening because you do not accept that differences can be discussed without someone's getting hurt.

_____ E. Become convinced that there is nothing you can do to resolve the issue.

2. Consider the following statements and rate them in terms of how characteristic they are of your personal beliefs:

_____ A. Life is conquered by those who believe in winning.

_____ B. Winning is rarely possible in conflict.

_____ C. No one has the final answer to anything, but each has a piece to contribute.

_____ D. In the last analysis, it is wise to turn the other cheek.

_____ E. It is useless to attempt to change a person who seems locked into an opposing view.

3. What is the likely result that you expect from conflict?

_____ A. Conflict helps people face the fact that one answer is better than others.

_____ B. Conflict results in canceling out extremes of thinking so that a strong middle ground can be reached.

_____ C. Conflict clears the air and enhances commitment and results.

_____ D. Conflict demonstrates the absurdity of self-centeredness and draws people closer together in their commitment to each other.

_____ E. Conflict lessens complacency and assigns blame where it belongs.

4. When you are the person with the greater authority in a conflict situation, you would:

_____ A. Put it straight, letting the other know your view.

_____ B. Try to negotiate the best settlement you can get.

_____ C. Ask to hear the other's feelings and suggest that a position be found that both might be willing to try.

_____ D. Go along with the other, providing support where you can.

_____ E. Keep the encounter impersonal, citing rules if they apply.

5. When someone you care for takes an unreasonable position, you would:

_____ A. Lay it on the line, telling him or her that you don't like it.

_____ B. Let him or her know in casual, subtle ways that you are not pleased; possibly distract with humor; and avoid a direct confrontation.

_____ C. Call attention to the conflict and explore a mutually acceptable solution.

_____ D. Try to keep your misgivings to yourself.

_____ E. Let your actions speak for you by indicating depression or lack of interest.

6. When you become angry at a friend or colleague, you would:

- _____ A. Just explode without giving it much thought.
- _____ B. Try to smooth things over with a good story.
- _____ C. Express your anger and invite him or her to respond.
- _____ D. Try to compensate for your anger by acting the opposite of what you are feeling.
- _____ E. Remove yourself from the situation.

7. When you find yourself disagreeing with other members of a group on an important issue, you would:

- _____ A. Stand by your convictions and defend your position.
- _____ B. Appeal to the logic of the group in the hope of convincing at least a majority that you are right.
- _____ C. Explore points of agreement and disagreement and the feelings of the group's member, and then search for alternatives that take everyone's views into account.
- _____ D. Go along with the rest of the group.
- _____ E. Not participate in the discussion and not feel bound by any decision reached.

8. When a single group member takes a position in opposition to the rest of the group, you would:

- _____ A. Point out publicly that the dissenting member is blocking the group and suggest that the group move on without him or her if necessary.
- _____ B. Make sure the dissenting member has a chance to communicate his or her objections so that a compromise can be reached.
- _____ C. Try to uncover why the dissenting member views the issue differently, so that the group's members can reevaluate their own positions.

_____ D. Encourage the group's members to set the conflict aside and go on to more agreeable items on the agenda.

_____ E. Remain silent, because it is best to avoid becoming involved.

9. When you see conflict emerging in a group, you would:

_____ A. Push for a quick decision to ensure that the task is completed.

_____ B. Avoid outright confrontation by moving the discussion toward a middle ground.

_____ C. Share with the group your impression of what is going on, so that the nature of the impending conflict can be discussed.

_____ D. Forestall or divert the conflict before it emerges by relieving the tension with humor.

_____ E. Stay out of the conflict as long as it is of no concern to you.

10. In handling conflict between your group and another, you would:

_____ A. Anticipate areas of resistance and prepare responses to objections prior to open conflict.

_____ B. Encourage your group's members to be prepared by identifying in advance areas of possible compromise.

_____ C. Recognize that conflict is healthy and press for the identification of shared concerns and/or goals.

_____ D. Promote harmony on the grounds that the only real result of conflict is the destruction of friendly relations.

_____ E. Have your group submit the issue to an impartial arbitrator.

11. In selecting a member of your group to represent you in negotiating with another group, you would choose a person who:

_____ A. Knows the rationale of your group's position and would press vigorously for your group's point of view.

_____ B. Would you see that most of your group's judgments were incorporated into the final negotiated decision without alienating too many members of either group.

_____ C. Would best represent the ideas of your group, evaluate these in view of judgments of the other group, and then emphasize problem-solving approaches to the conflict.

_____ D. Is most skillful in interpersonal relations and would be openly cooperative and tentative in his or her approach.

_____ E. Would you present your group's case accurately, while not making commitments that might result in obligating your group to a significantly changed position.

12. In your view, what might be the reason for the failure of one group to collaborate with another?

_____ A. Lack of a clearly stated position, or failure to back the group position.

_____ B. Tendency of groups to force their leadership or representatives to abide by the group's decision, as opposed to promoting flexibility, which would facilitate compromise.

_____ C. Tendency of groups to enter negotiations with a win/lose perspective.

_____ D. Lack of motivation on the part of the group membership to live peacefully with the other group members.

_____ E. Irresponsible behavior on the part of the group's leadership, resulting in the leaders' placing emphasis on maintaining their own power positions rather than addressing the issues involved.

Scoring Form

Question	Competing (A)	Compromising (B)	Collaborating (C)	Accommodating (D)	Avoiding (E)	Total
1						10
2						10
3						10
4						10
5						10
6						10
7						10
8						10
9						10
10						10
11						10
12						10
Total						120

18. In your opinion which is the best way to handle conflict in your group?

Thank you for responding to the questionnaire.

Appendix V: Questionnaire for SHGs Officials

The research instrument has been formulated to collect data for the purpose of the research meant to create greater understanding of the effectiveness of conflict management mechanisms in the growth of microfinance groups.

Please note that your response to these questions will be confidential and shall be used for the purpose of this research only.

INSTRUCTIONS

Please tick where appropriate and for explanation, please be brief

Part One: Background Information

1. Please indicate your gender

Male Female

2. Marital status

Married Single Divorced Separated widower

3. Age (i) 18-24yrs (ii) 25-30yrs (iii) 30-35yrs (iv) 36-40yrs

(v) 41-45yrs (vi) 46- 50yrs (vii) Over 50 yrs

4. What position do you hold in the group?

(i) Founder (ii) Member (iii) Official

Other specify.....

5. How long have you been with the group?

(i) Below 1year (ii) 1-2 years (iii) 2-3 years

(iv) 3-4 years (v) Over 4 years

Group Information

6. What is the name of the group?

(i) Why the name? Please, elaborate.

.....
.....

7. When was the group established?

i) Between 6months-1 year ii) 1-2 years iii) 2-3 years iv) 3-4 years

vi) 4-5 years iv) 5years & above

8. Who established the group?

i) Community ii) NGOs iii) Government officials

9. How was the group established?

.....

.....

10. How many members does the group have?

i) Below 5 ii) 5-8 iii) 9-13 vi) 13-15 v) 15& above

11. Why was the group established? Give reasons

.....

.....

12. What are the main activities of the group? Choose appropriately.

(i) Micro-finance (ii) Poverty eradication

(iii) Advocacy on HIV/AIDS (iv) Farming

(v) Advocacy on gender equity and violence.

(vi) Any other specify.....

13. Which of these statements describe your group?

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Each member has well defined job tasks					
Members know each other well					
Members tend to depend on outside expertise for guidance					
Members constantly confront and criticize each other					
The group is currently preoccupied with defining and assigning tasks					
Leadership Position is a constant cause of conflict					

There is a high level of Interdependence and cohesion in the group					
There are clearly defined group norms.					
The group is successfully performing its tasks					
There is growth and maturity in the group					
The group is independent and relies on its own resources					
The group is celebrating success					

14. Fill in the following table according to whether the following occurs Very often, Often, , Rarely, Never in your group.

	Very often	Often	Rarely	Never
Occurrence of conflict				
Conflict due to relationship and personal problems				
Conflict due to Task / duty / role / performance problems				
Conflict is successfully resolved				

15. How are the following involved in conflict resolution in your group?

	To a Very large extent	To a large extent	Moderately	Rarely	Never
Ex-officials					
Officials					
Conflict management committee					
Members					
Intermediaries					

Part Three: relationship between conflict management mechanisms and growth of microfinances

This section is meant to help the researcher measure the growth of microfinance.

1. How long has the group been in existence?

- i) Between 6months-1 year
- ii) 1-2 years
- iii) 2-3 years
- iv) 3-4 years
- v) 4-5 years
- vi) 5years & above

2. What was the initial monthly contribution of each member?

- (i) Kshs 101-200
- (ii) Kshs 201-300
- (iii) Kshs 301-400
- (iv) Kshs 401-500
- (v) 5001 and above

3. Since inception has the group recorded an increase or decrease in members' monthly contribution? Tick appropriately. Increased Decreased

4. What was the initial group capital?(i) Kshs 501-1000 (ii) Kshs 1001-1500
 (iii) Kshs 1501-2000 (iv) Kshs 2001-2500 (v) Kshs 2500 & above

5. What is the current group capital base? Kshs.....

6. What was the initial group membership?

- i) Below 5
- ii) 5-8
- iii) 9-13
- vi) 13-15
- v) 15& above

7. What is the current group membership?

- i) Below 5
- ii) 5-8
- iii) 8-13
- vi) 15 & above

8. Apart from members' monthly contribution, which is the other source of funds for the group? Tick appropriately.

- i) Interest from lending ii) Government grants iii) Aid from NGOs

9. Since the inception of the group has funding increased or decreased?

- i) Increased ii) decreased iii) No change

10. What would you attribute the increased or declined funding to? List down.

a. Increased funding

- i)
 ii)
 iii)

b. Decreased funding

- i)
 ii)
 iii)

c. No change

- i)
 ii)
 iii)

11. Does the group make profit at the end of the month?

- i) Yes ii) No iii) Don't know

Indicate within what range in Shillings.

- (i)Kshs 501-1000 (ii) Kshs 1001-2000 (iii) Kshs 2001-3000
 (iv)Kshs3001-4000 Kshs 4001-5000 Kshs 5001 & above

12. Is there notable improvement in your living standards since becoming a member of MFG?

Give reasons,

a. Yes

- i)
 ii)
 iii)

b. No

- i)
 ii)

iii)

c. Don't know

i)

ii)

iii)

Thank you for responding to the questionnaire.

Appendix VI: Questionnaire for NGO Officials

The research instrument has been formulated to collect data for the purpose of the research meant to create greater understanding of the effectiveness of conflict management mechanisms in the growth of microfinance groups.

Please note that your response to these questions will be confidential and shall be used for the purpose of this research only.

1. What is the name of your NGO?

.....

2. What is its main area of focus? Tick appropriately.

- (i) Micro-finance (ii) Poverty eradication
(iii) Advocacy on HIV/AIDS (iv) Farming
(v) Advocacy on gender equity and violence. (vi) Any other specify

3. What is your role in the establishment of self help groups?

- (i) Funding (ii) Managing (iii) Group formation
(iv) Capacity building (v) Other (specify)

4. How often do you get involved in the activities of groups?

- (i) Weekly (ii) Monthly
(iii) After 3 months (iv) After 6 months
(v) Once a year (vi) Other specify.....

5. How can you rate your relationship with the group members and management?

a. Member(s)

- (i) Very Good (ii) Good (iii) Fair
(iv) Satisfactory (v) Unsatisfactory

(b) Management

- i) Very Good (ii) Good (iii) Fair
(iv) Satisfactory (v) Unsatisfactory

6. Identify areas in which the members or management often experience conflicts.

- i).....
ii).....
iii).....

7. Where do these conflicts emanate from?

- (i) Intra-group (ii) Inter-group
(iii) Other causes. Specify.....

8. As a stakeholder do you play an active role in conflict mitigation and resolution within the self help groups?

- (i) Yes (ii) No

If yes, what is your role in conflict mitigation and resolution within the self help groups? Please elaborate.

.....
.....

9. Are there established mechanisms that are commonly used in conflict mitigation and resolution?

- (i) Yes (ii) No (iii) don't know

If your answer is yes please list them down.

- (i).....
(ii).....
(iii).....

10. How effective are these mechanisms?

- (i) Very effective (iii) Fairly effective
(ii) Effective (iv) Ineffective

11. Are there some conflicts that are never resolved? Please list them down.

.....
.....
.....

12. If conflicts are persistent how often do they lead to the collapse of groups?

- (i) Very often (iii) rarely
(ii) Often (iv) Never happened

12. What do you think is the best way to handle conflict in groups?

Best way of handling conflict	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
High assertiveness and low cooperation, Take a firm stand and Aim to win					
High assertiveness and high cooperation, Meet the needs of all people involved and Aim to work with other people and win-win situation					
Moderate assertiveness and moderate cooperation, Everyone is expected to give up something and Aim to find a middle ground					
Low assertiveness and high cooperation, Know when to give in and Aim to yield					
Low assertiveness and low cooperation, Seek to evade the conflict entirely and Aim to delay					

14. Give proposals on how best groups can address the existing conflicts.

.....

.....

Thank you for responding to the questionnaire.

Appendix VII: Questionnaire for Government Officials

1. From which government department are you from?

.....

2. What is your relationship with self-help groups?

i) Regulation ii) Funding iii) Capacity Building

3. Do you have a role in handling group conflict situations?

i) Yes ii) No

If yes what is your role?

.....

4. How often are you called upon to handle group conflicts?

(i) Very often (iii) rarely

(ii) Often (iv) Never happened

5. What types of conflicts are you usually called upon to handle in the groups you work with?

.....

6. Please state your level of assertiveness and Cooperativeness in handling conflicts.

	Very high	High	Average	Low	Very Low
Assertiveness (the extent to which you attempt to satisfy your own concerns)					
Cooperativeness (the extent to which you attempt to satisfy the other person's concerns.)					

7. Are there laid down regulations on handling group conflicts?

i) Yes ii) No iii) Don't Know

If yes what are some of the regulations?

.....

.....
.....

8. What stand do you usually take when groups are unable to handle their conflicts?

.....
.....
.....

9. Give your opinion on the best way groups can handle conflicts.

.....
.....
.....
.....

Thank you for responding to the questionnaire.

Appendix VIII: Permit From National Commission For Science, Technology And Innovation


THIS IS TO CERTIFY THAT:
MR. JOSEPH MATHE WAIRURI
of UNIVERSITY OF NAIROBI, 0-10001
KALIMONI, has been permitted to
conduct research in Kiambu County

on the topic: ASSESSMENT OF CONFLICT MANAGEMENT MECHANISMS IN THE GROWTH OF MICRO FINANCE GROUPS IN KENYA

for the period ending:
5th November, 2016

Permit No : NACOSTI/PI/15/74451/8527
Date Of Issue : 5th November, 2015
Fee Received : Ksh 1000


(Signature)
Full Director General
National Commission for Science, Technology & Innovation



CONDITIONS

- 1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit**
- 2. Government Officers will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.**

REPUBLIC OF KENYA



NACOSTI

National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No. A 7078

CONDITIONS: see back page