Effect of Table Banking on Growth of Women Owned Small and Medium Enterprises in Meru County, Kenya

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Abstract

The purpose of the study was to establish the effect of table banking on growth of women owned small and medium enterprises in Meru County, Kenya. The objectives of this study was to find out the effect of savings mobilization, access to credit on the growth of women owned SME enterprises, entrepreneurship development, and pooled investment contribute. This study adopted descriptive and inferential designs. The target population was derived from all the women owned SMEs within Meru County that practice table banking and operating in different industries like retail, service, and agribusiness. The study employed stratified sampling technique in selecting a sample from the target population. The target population was from SMEs from 9 constituencies in Meru County that have adopted table banking. The study targeted 768 respondents from all SME doing table banking from which a proportionate sample size of 92 respondents was selected. Questionnaires were used for collecting primary data. Descriptive and inferential analysis was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions. This was achieved through the use of SPSS, while content analysis was done by presenting qualitative data in prose form. The study findings concluded that, holding all the other factors constant, the growth of SME,s is as a result of table banking strategy of raising capital, The growth drivers (saving mobilization and access to credit) measured by significance level established that saving mobilization (SMOB), access to credit (ATC) entrepreneurship development (EDEV), and pooled investment (PINVE) contribute to 59.9% of the variation of the SME,s growth in the groups using Table Banking strategy in Meru county. The study finally recommended that Table Banking strategy should be embraced as a source of providing financing to SME's.

Background to the Study

The ability of firms to optimally exploit investment opportunities may crucially depend on the level of financial constraints that they face. Access to finance is commonly identified as the key factor holding women owned small and medium enterprises (SMEs) back from growing at their full potential. Finance providers and the government fail to tackle this issue effectively (Masinde, 2013). The specific characteristics of SMEs, namely their smaller size, greater likelihood of bankruptcy, greater operational flexibility making easier the substitution of assets, and the more opaqueness of information that aggravates the problems of asymmetric information, explain why the creditors consider too risky their investment in smaller firms. Consequently, women owned SMEs are subject to problems of adverse selection and credit rationing especially for young SMEs that have not yet acquired reputation. In Kenya, SMEs which are also owned by women are defined as Micro Enterprises having 1-10 number of employees with a turnover of Kshs 0-5million, Small Enterprises 11-50 employees with turnover of Kshs 5-50m and Medium enterprises having 51-100 employees and turnover of Kshs 51million -1billion (Republic of Kenya, 2009).

The Concept of Table Banking

Table banking is a group funding strategy where members save and borrow immediately from their savings on the table, either in short term or long term loans (Brannen, 2010). Table-banking takes on the model of the Grameen Bank of Bangladesh and the village savings and loans schemes of Zanzibar (Ahlén, 2012). The members save and access loans for investments from their small contributions. This empowers them and eradicates poverty. Table banking concept is based on the belief that for the extremely poor, particularly women, and the best approach is to begin by building their financial assets and skills through savings rather than debt (Kanyi, 2014). Besides, few institutions exist in the rural areas and informal settlements, and where institutions do exist they often have inappropriate products and services. The reality is most extremely poor households have neither the assets nor the skills to interact with formal institutions, even those dedicated to reaching the poor.

In Kenya, table-banking was initially developed by the Poverty Eradication Commission (PEC) under the former Ministry of Planning and Vision 2030, targeting Millennium Development Goals one (MDG 1) on eradicating abject poverty, especially in rural settings in Kenya. Two pilot projects were started by the Government in 1999 and improved in 2004 in Bondo and Gatanga constituencies, which proved to be the best way to help women groups' prosper across the country. The results were very impressive but the government did not continue with the roll out there after (Kanyi, 2014).

Currently, the Government has re-launched the system with the aim of helping rural women access their own funds to start income generating projects (Kanyi, 2014). Over 13 counties in Kenya have embraced and benefited from the table banking system (Abuga, 2014). Unlike micro-finance which charges exorbitant interest rates on loans ranging from 12% to 48% in a year with a lot of hidden charges; table banking charges members very little interest.

The objective of table-baking is to bring financial services to the poor, particularly women and the poorest to help them fight poverty, stay profitable and financially sound. It is a composite objective, coming out of social and economic visions. Table-banking is based on group guarantee and house - hold collateral. Table-banking is founded on the principle that credit should be accepted as a human right, and builds a system where one who does not possess anything gets the highest priority in getting a loan (Brannen, 2010).

Table-banking methodology is not based on assessing the material possession of a person; it is based on the potential of a person. Table-banking believes that all human beings, including the poorest, are endowed with endless potential. Unlike other financial institutions, table-banking looks at the potential that is waiting to be unleashed in a person and owned by poor members. Through table banking women in groups would pool formidable resources and loan it to well-trained entrepreneurial women whose investments would give them good returns enough to save (Masinde, 2013). Table banking has more structure than in many arrangements popularly called ‘merry-go-round’ where people have no repayment schedule. Often they just pay interest on the loan and the group cannot lend again because the capital is tied up. With table banking the group has to set rules for lending and repayment. Having shares requires rules and gives people ‘ownership’. They have to be more businesslike and assess the capability of an applicant to repay. They also have to separate ‘compassionate’ handouts or loans (sickness and funerals) from the real ‘banking’ business (Abuga, 2014).

Small and Medium Sized Enterprises Growth

Small and medium-sized enterprises (SMEs) have been identified as one of the growth engines for various countries in the world since they make up over 90 per cent of all enterprises (Levy *et al*, 2009). Besides, Asia-Pacific Economic Cooperation (APEC) (2002) pointed out that SMEs are deemed as supporters to larger enterprises as well as an important foundation in expanding business activities and sustaining economic growth. SMEs even provide more jobs than large companies. In sum, SMEs play a vital role in contributing to the economy and are likely to be increasingly important as the economy becomes more global.

Moreover, the contribution of SMEs in emergent economies had also been acknowledged to have played crucial role in the development of economy (Schlogl, 2004). There is no doubt that most of large size businesses start as a small business or at micro level. Many researchers agree that SMEs are the backbone of economic development and growth. SMEs play a vital role in the development of a country in various ways, such as job creation, for growing labor, providing desirable sustainability and innovation in the economy as a whole. A significant number of people rely on the small and medium enterprises directly or indirectly for employment. Hall and Harvie (2003) argued that small and medium enterprises play an important role in creating jobs, social uplifting and building a flexible and adaptable base for an internationally competitive economy. In addition, they stipulated that the contribution of SMEs attract significant attention from policy makers in terms of industrial renewal, employment creation, export growth and productivity in the economy of the country. The contribution of SMEs in developed countries is also very important and it is considered as the main source of employment and income generation. Similarly, SMEs also have a critical role in developing countries where a significant proportion of the population is directly or indirectly dependent upon the SMEs. Therefore, the contribution of SMEs is highly recognized at the global level and this has alerted authorities around the world to give them more focus (Schlogl, 2004).

SMEs in Meru County

According to the SMEs Baseline Survey, the sector employed 2.4 million persons. This increased to 5.1 million persons in 2002 as per the 2003 Economic Survey and translates to 675,000 jobs per year. The level of employment within Micro and Small Enterprises (SMEs) in 2002 accounted for over 74.2% of the total number of persons engaged in the country. Central Bureau of Statistics (Republic of Kenya, 2012) indicates that there is high rate of failure and stagnation among many start-up businesses and most of them close in their first three years of operation. This study revealed that 57% of small businesses are in stagnation with only 33% of them showing some level of growth. Meru County Government estimates that there are 101,450 SMEs within the County (Meru County, 2014).

Nyagah (2013) state that SMEs in Meru are faced with the threat of failure; three out five fail within the first few months. Central Bureau of Statistics (2004) lists the causes of failure to include: competition among themselves and from large firms, lack of access to credit, cheap imports, insecurity and debt collection. In order to overcome stagnation and avoid business failure due to lack of investments and growth, SMEs in Meru have embraced table banking. Table banking was introduced through Poverty Eradication Commission to enable people access their own funds to start income generating projects. These SMEs have formed groups and make use of table banking concept to empower themselves as it has enabled them save and access loans for investments from their small contributions. These groups run several projects, including: those that enable members to generate increased income, vocational training, and empowerment through education for adults and focuses on investing at the local level by providing funds for projects that address societal needs as identified by the members themselves (Craig & Drury, 2013).

Statement of the problem

SMEs play a significant role in economic development. In Kenya, SMEs contribute 80% of employment and contributes about 40% to GDP (Mwarari & Ngugi, 2013). Despite such significant contribution made by the SME's, they continually face funding constraints in the formal financial market. Overall, the formal finance sector fulfils only about 25% of small firm financing needs which in effect constrain their investment needs, thus growth. It is against this backdrop that table banking has been adopted by SMEs to pool funds together yet despite this, the effectiveness of table banking on realizing this objective is still unknown.

There has been differing opinion on whether table banking would have an effect on the nature and magnitude of their growth (Ahlén, 2012 & Masinde, 2013). According to De Mel, et al (2009), in the absence of easy access to external finance, saving for business purposes should be positively correlated with entrepreneurial investment. However, Brune, et al (2011) state that the saving mechanism itself might be a critical element in determining the ability to reinvest. It can be hard to prevent the funds from being exploited for the general personal needs of the entrepreneur. Aghion, et al (2010) intimate that for those in saving clubs the opportunity cost of consuming savings instead of investing them is not only the loss of financial reserves but also the foregone interest income.

Although, literature on growth is extensive, however, majority have focused on the investment choices of large publicly listed firms. Little has been done on SMEs' growth, more so locally. Gitau (2013) did a study on the growth of SMEs in Kenya and established that lack of access to finance has constrained SMEs in making use of available investment opportunities. Mwarari and Ngugi (2013) did a study on capital raising opportunities of SMEs in Kenya and listed access to information as one of the determinant for raising capital for investment. Keter (2013) studied investment behavior of SMEs and found investment as a challenge to SMEs owing to lack of credit access. Mwarari's (2013) study looked at capital raising opportunity of Kenyan SMEs and established that access to information hinders access to capital raising opportunity. However, these studies did not look at how table banking, which is a fairly new concept in Kenya, affect growth of SMEs. This leaves a wide knowledge gap that this study seeks to fill in. The study will thus seek to establish the effect of table banking on growth of women small and medium enterprises in Meru County Kenya.

Purpose of the study

The main objective of the study was to establish the effect of table banking on growth of women small and medium enterprises in Meru County Kenya.

Specific Objectives

The study aimed at achieving the following objectives

i. To establish the effect of savings mobilization on the growth of women SMEs in Meru County.
ii. To determine the effect of access to credit on the growth of women SMEs in Meru County
iii. To assess the effect of entrepreneurship development on the growth of women SMEs in Meru County
iv. To establish the effect of pooled investments on the growth of women SMEs in Meru County.

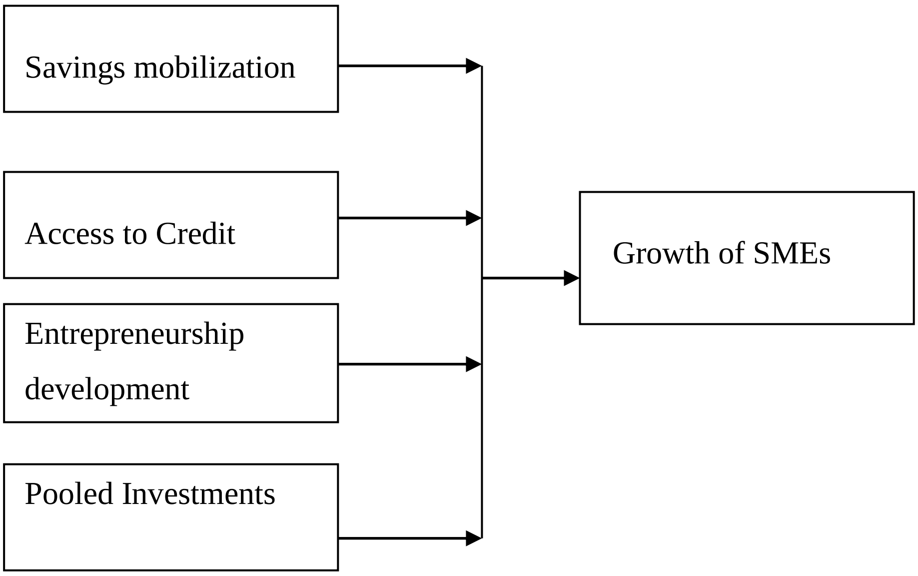
Research Questions

The study is guided by the following research questions:

i. What was the effect of savings mobilization on the growth of women SMEs in Meru County?
ii. How was access to credit affecting the growth of women SMEs in Meru County?
iii. To what extent did entrepreneurship development affect the growth of women SMEs in Meru County?
iv. How did pooled investments affect the growth of women SMEs in Meru County?

Conceptual Framework

A conceptual framework is a diagrammatic presentation of the relationship between the independent and the dependent variables which forms the basis of the research (Zaina, 2009). It is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate the same. A conceptual framework is used in research to outline possible courses of action or to present a preferred approach to an idea or thought. According to Bourgeois and Brodwin (2009), a conceptual Framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical aspects of a process or system being conceived. The interconnection of these blocks completes the framework for certain expected outcomes.



Research Design

According to Sounders, Lewis and Thornhill (2012) research design is the general plan on how the researcher will go about answering the research questions. It helps the researcher to make decisions regarding what, where, when, how much and by what means concerning the inquiry. It articulates how the type of data is to be gathered, how to collect it and finally analyze it to answer the researcher's question (Yin, 2009; Kothari, 2014). The study adopted descriptive design. A descriptive research design determines and reports the way things are (Mugenda & Mugenda, 2003). Descriptive research is the investigation in which quantitative data is collected and analysed in order to describe the specific phenomenon in its current trends, current events and linkages between different factors at the current time.

Target Population

Target population refers to the entire group of individuals or objects from which the study seeks to generalize its findings (Cooper and Schindler, 2008). Target population is the entire group the researcher is concerned about (Obwatho, 2014). It is the researcher's subject of study (Yount, 2006). It refers to a complete set of individuals, cases or objects which have common observable characteristics (Mugenda & Mugenda, 2003). The target population was from SMEs practicing table banking in different categories of business like retail, service and agribusiness. The study targeted at least two active members from each group making a total of 768 members who will also be the target respondents since there are 384 SMES practicing table banking (Governor's Business Challenge Survey, 2016). Questionnaires were administered by any two active members of a group. Either a chairperson, secretary, treasury or an ordinary member of each SME practicing table banking.

Target Population tow

Target Category	Target SMEs	Target Population	Percentage
Retail Industry	150	150×2=300	39%
Service Industry	140	140×2=280	36%
Agribusiness	94	94×2=188	25%
Total	**384**	**768**	**100**

Sampling Technique

Before selecting the sampling technique, the researcher will determine the unit of analysis. The unit of analysis for the researcher was women owned small and medium enterprises practicing table banking. Accessibility of the sample was also considered (Cohen, Manion & Morrison, 2007). Stratified random sampling technique was used since population of interest is not homogeneous and could be subdivided into groups or strata to obtain a representative sample. The technique was used to subdivide the study population into subpopulations (stratum). For the case of the research, the strata are the target categories of business namely: retail industry, service industry and agribusiness industry. Stratifying assisted in avoiding biasness in the selection of the unit of analysis. Samples was selected from each stratum proportionately.

Sample Size

Sample size is determined on the basis of the sampling procedure used (Sounders, Lewis & Thornhill, 2012). Sounders *et al.* (2012) notes that the sample size is a compromise between the accuracy of the findings and the amount of time and money which will be used in data collection and analysis. According to Mugenda & Mugenda (2003), a sample must be at least 10% of the target population. Therefore the researcher used sample of 12% that is 12/100 = 92. Using this as a benchmark a sample of 92 respondents was selected. A sampling ratio was established by dividing the sample size by the population size, that is, 92/768=0.12. From each strata 12% of the respondents will be selected.

Sampling Frame

Target Category	Target SMEs	Frequency(Target Respondents)	Sample Ratio	Sample Size
Retail Industry	150	150×2=300	0.12	36
Service Industry	140	140×2=280	0.12	34
Agribusiness	94	94×2=188	0.12	22
Total	**384**	**768**	**0.12**	**92**

Research Instruments

The questionnaire was used to get information from the respondents. The questionnaire was structured into two sections; section I and II. Section I constituted demographic information while section II constituted variables related to table banking. One set of questionnaire was used because the set of independent and dependent variables used in the study require same kind of data that will come from the respondents from different women owned SMEs. The respondents was expected to self-administer the items. Both structured and unstructured items in the questionnaire was used. Structured items was set in such a way so as to capture all the likely answers from the respondents. The unstructured answers gave the respondents a complete freedom of response which will enrich the data. Questionnaires were used because they produced high quality data and results compared to other instruments.

Pilot Study

A pilot study was carried out to ensure validity and reliability is maintained. The pilot study was important because it enabled the researcher to test the mode of data collection and the items on the instruments. The following was sought from the pilot study: Whether the selected questions are measuring what they are supposed to measure (validity). If the working is clear and all questions are interpreted in the same way by respondents (reliability). To detect what response was provoked and find out if there was any research bias. To monitor the context in which the data was collected and the topic area addressed.

Pretesting was done by distributing 10 questionnaires to 10 SMEs in Nairobi County. The researcher went through the questionnaires to verify suitability of questions, language and style of expressing the questions and the suggestions incorporated to improve the questionnaire. This enabled the researcher to ensure face validity.

Reliability is the consistency of a set of measurement items (Cronbach, 1951). The researcher used the most common internal consistency measure known as Cronbach's alpha (α) to compute and ensure reliability (Travakol & Dennick, 2011). Cronbach's Alpha computes the mean reliability coefficient estimates for all possible ways of splitting a set of items in half. It indicates the extent to which a set of test items can be treated as measuring a single latent variable (Cronbach, 1951). The recommended value of 0.7 will be used as a cut-off of reliabilities.

Data Analysis

In this study both descriptive and inferential data analyses techniques was used. Descriptive data was analyzed by use of frequencies. According to Mugenda and Mugenda (2009), the first step in data analysis is to describe or summarize the data using descriptive statistics. Data was edited, coded, classified and summarized into categories. Inferential data was analyzed using regression analysis techniques. This was to determine whether the proposed variables influence the dependent variable in question. The statistical package for social science (SPSS) package was used to analyze the data.

Regression Model

Regression was used in this study to correlate the four independent variables (savings mobilization, access to credit, entrepreneurship development and pooled investments) and the dependent variable (SMEs growth). The regression equation took the form below:

$Y= \beta_0+ \beta_1X_1+\beta_2X_2+ \beta_3X_3+ \beta_4X_4+\varepsilon$

Y – Is Dependant variable

X_1= Savings mobilization

X_2 = Access to credit

X_3 = Entrepreneurship development

X_4 = Pooled investments

Ɛ - (Stochastic disturbance) is the error term explaining the variability as a result of other factors not accounted for.

Ethical Issues

Due to sensitivity of some information collected, the researcher held a moral obligation to treat the information with utmost propriety. Since the respondents were reluctant to disclose some information, the researcher reassured the respondents of confidentiality of the information given and that the research report is purely for academic/examination purpose. The researcher was also obliged to avail a copy of the completed thesis to the respondents upon their request.

Data Analysis Results

The study conducted inferential statistics to establish the association and relationship between the study variables.

Bivariate Correlations

The study was determined to establish the relationship between each independent variable and the dependent variable and the results shown below.

Correlation Matrix

		SGROW	SMOB	ATC	EDEV	PINVE
SGROW	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	70				
SMOB	Pearson Correlation	.235	1			
	Sig. (2-tailed)	.050				
	N	70				
ATC	Pearson Correlation	.200	.531**	1		
	Sig. (2-tailed)	.098	.000			
	N	70	70			
EDEV	Pearson Correlation	.569**	.259*	.389**	1	
	Sig. (2-tailed)	.000	.031	.001		
	N	70	70	70		
PINVE	Pearson Correlation	.410*	.252*	.423**	.524**	1
	Sig. (2-tailed)	.026	.035	.000	.000	
	N	70	70	70	70	70

**. *Correlation is significant at the 0.01 level (2-tailed).*

*. *Correlation is significant at the 0.05 level (2-tailed).*

The findings indicate that saving mobilization was positively and significantly associated SMEs growth (R= 0.235, p- value 0.050), thus an increase in savings mobilization will result to SMEs growth. The findings on access to credit was positive but not significant to SMEs growth (R=0.200, p-value 0.098), this means that access to credit when combined with the other variables in this study may not have an impact on SMEs growth but may be significant on its own and thus need of analyzing the variables individually. The findings further indicate that there is a positive and significant relationship between entrepreneurship development and SMEs growth (R=0.569, p-value 0.000), thus an increase in entrepreneurship development will result to SMEs growth. The findings of the study indicate that the variable pooled investment has a positive and significant relationship with SMEs growth (R=0.410, p-value 0.026), therefore an increase in pooled investment leads to a positive growth in SMEs.

ANOVA Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.179	4	3.045	9.084	.000[a]
	Residual	21.786	65	.335		
	Total	33.965	69			

a. Predictors: (Constant), PINVE, SMOB, EDEV, ATC

b. Dependent Variable: SGROW

The ANOVA results infers that there is correlation between the predictor variables (saving mobilization, Access to credit, Entrepreneurship development, pooled investment) and the dependent variable (Growth of women SMEs) as their significance value is P<0.000, which is less than the significance level of 0.05.

Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.599[a]	.359	.319	.57894

a. Predictors: (Constant), PINVE, SMOB, EDEV, ATC

From the results in Table 4.14 the model shows a goodness of fit as indicated by the (R) with a value of 0.599. This implies that the independent variables (saving mobilization, Access to credit, Entrepreneurship development, and pooled investment) explain 59.9% of the variations in the growth of women SMEs. This means that other factors not included in this research contribute 40.1 % of the variations in the growth of women SMEs.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.837	.346		2.419	.018
	SMOB	.122	.105	.137	1.170	.246
	ATC	-.140	.127	-.141	-1.107	.272
	EDEV	.491	.118	.497	4.154	.000
	PINVE	.198	.139	.174	1.432	.157

a. Dependent Variable: SGROW

According to the regression equation established, taking all factors (saving mobilization, Access to credit, Entrepreneurship development, and pooled investment) constant at zero, the

Women SME growth will be 0.837. The findings also shows that taking all other independent variables at zero, a unit increase in saving mobilization will lead to a 0.122 increase in Women SME growth. A unit increase in access to credit will lead to a 0.140 decrease in women SME growth; and a unit increase in entrepreneurship development will lead to a 0.491 increase in women SME growth. The results shows that a unit increases in pooled investments will lead to a 0.0198 increase in women SME growth.

Three of the independent variables were statistically insignificant ($p=0.05$); savings mobilization, access to credit and pooled investments. Saving mobilization ($p=0.246$, $P> 0.05$), This is in line with a study by Diagne & Zeller, (2001) who found out that the ability of the members to borrow at all, is partly due to the rapid growth of table banking, which specializes in lending small amounts to groups. But the industry remains dominated by credit, and the ability to save through Table banking is often linked to customers' willingness to borrow from it. So, savings alone cannot boost SMME performance. This is purely the members' money and is distinct from the SME, therefore, cannot be counted as money to depict business growth.

Further access to credit was found insignificant to SME growth ($p=0.272$, $P> 0.05$) .this contradicts a study by Zeller and Sharma (2008) who established that as a result of access to credit businesses grow. This is achieved through increased sales and assets size of the business. Mosley and Hulme (2008), also found out that as a result of increased access to credit, the results of findings show that there was an increase in financial growth of SMEs this is attributable to an increase in working capital. Pooled investment was found to have insignificant association with SME growth ($p=0.157$, $P> 0.05$), De Mel et al, (2009) established that unless the levels of funding invested are scaled up, little investment cannot boost the growth of SMEs. Brannen, (2010) found out that the regular periodic investing approach allows SMEs to build up a substantial portfolio over a period of time without having to make a large investment at any one time.

Entrepreneurship development was the only statistically significant variable with a significance value of 0.00($p<0.05$). This concurs with a study by Cheston and Kuhn, (2002), who found out that implementing training programs and business development services can be used to enhance capacity building among entrepreneurs. Establishing and nurturing business associations so that they can organize workshops, provide support and mentoring programs, facilitate access to credit and to markets, undertake advocacy, and provide best practice exchanges.

Summary of Findings

The purpose of this study was to analyze the effects of table banking on women owned small and medium enterprises in Meru County by assessing the role of saving mobilization, access to credit, entrepreneurship development and pooled investment on growth of SMEs. The study adopted descriptive and inferential research design. The study's target population was all groups in Meru County practicing table banking. Stratified random sampling was used to determine the sample that was studied and the researcher employed the use of self-administered questionnaires to get response from the sample population. Data collected from the study was analyzed using the Statistical Package for Social Science (SPSS). The findings on the individual variables namely; saving mobilization, access to credit, entrepreneurship development and pooled investment are discussed individually.

From the study findings it evident that to a great extent savings from table banking and duration of saving affects the growth of SMEs. Frequency of savings and amount saved was found to moderately affect the growth of SMEs. The members response on this independent variable imply that to a great extent, access to credit from table banking, loan repayment period and credit duration affects SMEs growth. To a moderate extent, amount received, repayment period and required security affects the dependent variable of the study.

The findings on entrepreneurship development indicate that members agreed to a great extent that, seminars, workshops and entrepreneurship skills affects growth of SMEs. The effect of enterprise development from table banking and financial management was to a moderate extent on SMEs growth. Variable pooled investment had a great extent effect on growth of SMEs through pooled investment on table banking, pressure groups/focus business group and investment, experience and knowledge. Members stated that growth making affects SME growth to a moderate extent.

The objective of the study was to analyze the effects of table banking on women owned small and medium enterprises in Meru County by assessing the role of saving mobilization, access to credit, entrepreneurship development and pooled investment on growth of SMEs. The results showed that there was positive relationship between all the four independent variables and the dependent variable. The regression results also tallied with the correlation results. It can therefore be concluded that the women SMEs in Meru county need to consider saving mobilization, access to credit, entrepreneurship development and pooled investment for SME growth.

Recommendations

The recommendations on the study of Table Banking effects on the growth of women owned small and medium enterprises in Meru County gave the below specific solutions on every objective and explained and justified with the support of the finding. It was also evident that saving mobilization was significant to growth of women SMEs. These funds are loaned to members to fund productive investments in agriculture, education, housing, and microenterprise in the local community. The rotating savings and credit associations should be encouraged so that members can access enough funds. Access to credit was found significant to growth of women SMEs. Access to credit also means that the members of table banking have to repay the loan, plus some interest meaning more income to the group in form of interest paid on loans. The group cohesion theory supports this findings because for a group to move forward the members must have complementary character traits.

Entrepreneurship development means developing the skills and capacity of the members. This means that the women SMEs need to organize for seminars, workshops, financial and management counseling as the means of growing their SMEs. Entrepreneurs are the bedrock of SMEs, which, in turn, become the kernel for the development of much larger firms. As well as promoting technological, scientific and innovative capabilities, the tertiary education sector is an ideal forum to develop the business skills and acumen needed to take entrepreneurial ideas to the next level. With sound business understanding, these ideas can and do become a reality. Pooled investment and growth of SMEs was significant to the study.

Savings from the group members' forms a pooled investment, the pooled savings benefits the members by allowing them to borrow more than what they have saved from the group. Members repay back amounts loaned to them with an interest thus growing the pooled investment. At any one given time the group will have extra cash, and should thus invest the money in financial institutions to ensure security and safety of the money.

Suggestions for Further Research

The study was confined to the selected women entrepreneurs in Meru County and the specific objectives and so the study was not able to cover all other areas and variables. The study contributed 59.9% and 40.1% from the model summary was not covered by the research objectives. Further research should be done to cover the factors affecting growth of women SMEs, and also the study variables can be further analyzed for more conclusive findings since this study can be of benefit to other SMEs investors in Kenya and the world, scholars and academicians in pursuit of knowledge and the government in financial institutions and regulations.

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