Effect of Liquidity Management Strategies on Sustainability of Table Banking Groups in Uasin Gishu County, Kenya.

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Financial management strategies are crucial determinants of sustainability of table banking groups. It enables groups set clear goals, efficient utilization of resources, proper decisions in sourcing of finances and dividends decision making. The main purpose of this study was to establish the relationship between liquidity management strategies and sustainability of table banking groups in Uasin Gishu County. The study adopted the descriptive survey research design. The target population were all table bank groups in Kenya. The accessible population was 538 registered table bank groups in Uasin Gishu County. A sample of 230 groups was involved in the study. Two stage sampling technique was used to narrow down the sub-counties. Purposive sampling technique was used to select 3 sub-counties out of six sub-counties in Uasin Gishu County. Simple random sampling technique was used to select respondents for the actual study. Self-administered questionnaires were used to collect data. Both descriptive and inferential statistics were used for data analysis. Descriptive statistical tools included frequencies, percentages, mean, variance and standard deviations. Inferential statistics included Pearson's Product Moment Correlation and multiple regression analysis. Findings were presented in tables, charts and graphs. The study established that liquidity management strategies positively and significantly influence sustainability of table banking groups ($\beta=0.535; p < 0.05$). It was concluded that proper financial management strategies could enable table banking groups to enhance their sustainability. The study is expected to guide organizational policy makers and investors as well as financial advisors and consultants on financial management strategies. The study recommended that risk management strategies should be incorporated in financial management strategies. It was also recommended that theories anchored this study should be applied so as to enhance sustainability.

1.0 Introduction

Liquidity is the ability of the borrower to meet repayments as they fall due. In the case of a personal loan this would be from monthly salary, and for a business from cash generated from business operations. Liquidity is also used to determine the financial health of a business or personal investment portfolio (Akhtar, Ali, & Sadaqat, 2011). Liquidity management refers to management of current assets and liabilities. It plays an important role in the successful management of a firm. If a firm does not manage its liquidity position well, its current assets may not meet its current liabilities. Hence, the firm may have to find external financing due to having difficulty in paying its short term debts (Uyar, 2009). Sustainability refers to a process by which companies manage their financial, social and environmental risks, obligations and opportunities. Firms are required to adhere to the principles of sustainable development. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Drexhage & Murphy, 2010). A challenge to rapid scale up is the sustainability and quality of services of independent table banking groups. Implementation of an organizational development strategy within any beneficiary table banking group has contributed to groups becoming sustainable organizations assuring quality standards of table banking activities.

Table banking is a group funding strategy where members of a particular group meet once every month, place their savings, loan repayment and other contributions on the table then they borrow...
immediately either as long term loan or short term loans to one or a number of interested members (Brannen, 2010). Table banking started as merry go rounds, where village women could save from the little left to them for daily households budget through groups and hand over the lump sum amount to a member, one after the other. But today the concept has evolved to table banking, which has seen women from poor region engage in meaningful money generating activities (Abuga, 2014)

Table banking is an informal financial concept that was introduced and adopted by the Poverty Eradication Commission (PEC) in Kenya (Kanyi, 2014). PEC introduced this informal financial system with the aim of enabling rural women to access cheap source of funds for business start-ups so as to empower women economically. Table banking also aims to improving the livelihoods of women in the rural area. Majority of the members in table banks are women. Table banking takes on the model of the Grameen Bank of Bangladesh and the village savings and loans schemes of Zanzibar (Ahlen, 2012).

The objective of table-banking 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 (Abuga, 2014).

Joyful Women Organization (JOYWO) in Eldoret North introduced by Mrs. Rutto embraced table banking model and its aim is to represent low income chamas at the top. JOYWO assist to build the capacity of women on economic empowerment and poverty reduction. Mrs. Rutto has stressed that chamas all over the country should embrace the concept of table banking where women save and watch their lives change. Since its inception JOYWO has enrolled over 1000 affiliate women groups with an average memberships of 25 women per group. JOYWO has helped many women groups to access the government funds such as the women enterprise funds and Uwezo funds (Njuguna, 2015).

1.1.1 Global Perspective of Financial Management Strategies and Sustainability of Table Banking Groups

Corporate accountability and transparency determines the sustainability of Grameen bank in Bangladesh. Table banking takes the concept of Grameen Bank in Bangladesh (Ahlen, 2012). From the perspective of the financial sector, the role of the environmental and social risk management is aimed at reducing the probability of default for formal and informal financial institutions. The banks system is based on the idea that the poor have skills that have been under-utilized and when given the right environment it can be utilized (Shukran & Rahman, 2011). A group-based credit approach utilizes the peer-pressure within the group to ensure the borrowers follow credit discipline. The bank also accepts deposits, provides services, and operates several development-oriented businesses. Poor women are a significant majority of borrowers the bank’s credit program. They have little or no collateral to guard against loan default (Bayrasli, 2012).

Oxfam America through the Save for Change (SfC) initiative which operates in central America recognizes that poor people in the developing world are not too poor to save. Save for Change adopts financial management strategies to help them manage the default risk. They have improved resource management which helps in reduction of the risk, transfer of risk by insuring their groups, prudent risk taking by having micro credits and risk reserves by savings. Savings accumulate to form a fund that the group uses to make loans to members (Roman, 2013). Women generally invest the loans in microbusinesses or use them for health emergencies or household expenses. A group-defined interest rate charged on loans adds to the group fund. At the end of a savings cycle, usually eight to 12 months, members divide the fund and the accrued interest among themselves, before they begin the next cycle (Soleang, 2010). The program adheres to a strict ethic of self-sufficiency and provides no external capital to the groups.

In Asia Bangladesh Rural Advancement Committee and Grameen Bank have adopted saving facilities, credit facilities, insurance services and money transfer services. This financial management strategies has brought sustainability of these informal financial institutions and it has also reduced poverty in the households (Khander, 2008). Informal financial institutions an example of Grameen bank have brought poor , particularly women into formal financial system and enabled them to access credit and accumulate small savings in financial assets and reducing poverty (Uddin & Barai, 2016).
1.1.2 Kenyan Perspective of Financial Management Strategies and Sustainability of Table Banking Groups.

Savings strategies and liquidity management are the key determinant of the sustainability of the Susu schemes in Ghana. Women groups especially those engaging in small business engages in a ‘susu’ schemes which are essentially forms of banking that trades in money and involves regular and periodic collection of fixed amounts of deposits that are made available to the owners after a given period of time or required by borrowers at a preset fee (Gyasi, 2012). “Susu” is seen as a major component of finance for urban poor entrepreneurs in Ghana, particularly apprentices and artisans (Alabi, Alabi, & Ahiawodzi, 2007). “Susu” is believed to be the poor and financially excludes sole source of getting established for livelihood.

In Madagascar, most villages are in remote areas and people are poor subsistence farmers, nobody is willing to lend them money for agricultural inputs, so they turned to Zahana for help. Zahana is a table banking model used in Madagascar, which is a group funding strategy where members pull their resources through periodic savings and loans from the savings. This groups have adopted saving strategies and credit management strategies to ensure that there groups are sustained. Zahana’s goal is to create a community based lending system often referred to as micro credit, micro lending or micro enterprise (Zeller & Sharma, 2010).

Nairobi County has numerous table banks in operation mostly in the slum areas of Kangemi, Kibera and Mukuru Kwa Njenga slums. Some of the groups operating in these areas include Upendo Women Group, Victory Women Group and Kangemi Widows Women Group. The women meet once a month and each brings the amount she wishes to save, the minimum monthly savings is Sh100 (Tallam, 2016). Once done with the collection, those interested in taking loans make their requests and are considered, depending on their savings. They can get up to three times their savings. The maximum long-term loan one can ask for and get is Sh500, 000 payable in 36 months. It attracts a one percent interest. A short term loan is paid in a month and the interest is 10 percent (Obiria, 2014).

1.2 Statement of the Problem

Financial management strategies are crucial to the survival and well-being of many business enterprises of all types. Management identifies its financial objectives, determine its current position, analyze information and make financial decisions hence enhancing sustainability (Hickey, Nader& Williams, 2017). The credibility of table banking groups in Kenya is generally poor. Most women groups are unable to take large loans due to lack of collaterals or securities (Mengo, 2014). The regulatory environment is also unstable and ineffective as most of these groups are self-regulated, without a formal regulatory environment established (Kassa, 2010). This problem leads to limited expansion and growth of table banking groups and inability to operate effectively as well as eventual collapse. In the long term, poverty will worsen among women groups and the economic development of the country will stagnate.

A number of studies conducted shows that financial management strategies adopted by table banking groups determine their sustainability. Salman (2008) did a study on Sustainability can be considered as an important dimension as it is a condition for achieving sustainability of other project components. Mwobobia (2016) in her study of Eldoret town on the contribution of table banking has led to the empowerment of women entrepreneurs. As the number of clients increase, liquidity of informal financial institutions increases hence enjoying economies of scale and thus reduces costs which help them to be financially sustainable (Kinde, 2012). A few studies have been done on credit management strategies that have focused on its effects on the social capital, investment decisions and women empowerment. The studies reviewed did not assess the relationship between credit risk management strategies, saving strategies, financial regulation strategies and liquidity management strategies on sustainability of table banking groups. Therefore, this study will determine the relationship between financial management strategies and sustainability of table banking groups in Uasin Gishu County, Kenya.

Objective of the Study

i. To establish the effect of liquidity management strategies on sustainability of table banking groups in Uasin Gishu County, Kenya.

Hypothesis of the Study

Ho: Liquidity management strategies have no significant effect on sustainability of table banking groups in Uasin Gishu County, Kenya.

2.0 LITERATURE REVIEW

2.1 Theoretical Framework

This section presents a discussion of theories which form a basis for the conceptualized relationship between credit risk management strategies and sustainability of table banking groups. The theory is liquidity preference theory.

Liquidity Preference Theory

Liquidity preference theory was developed by Keynes in 1936.

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theory is that the premium demanded for parting with cash raises as the term for getting the cash decreases. The rate in the increase of this premium amount slows down with the increase term. In financial trading, this theory is expressed as forward rates should exceed the future sport rates. Liquidity preference theory intimates the idea that investors demand a premium for securities with longer maturities, which entail greater risk, because they would prefer to hold cash, which entails less risk. The more liquid an investment, the easier it is to sell quickly for its full value (Shanken, 1995). According to Keynes, the demand for liquidity is determined by three motives the transactions motive: people prefer to have liquidity to assure basic transactions, for their income is not constantly available (Moore, 1991). The amount of liquidity demanded is determined by the level of income: the higher the income, the more money demanded for carrying out increased spending. The precautionary motive, people prefer to have liquidity in the case of social unexpected problems that need unusual costs (Kregel, 1996). The amount of money demanded for this purpose increases as income increases. Speculative motive, people retain liquidity to speculate that bond prices will fall (Pasinetti, 1997). When the interest rate decreases people demand more money to hold until the interest rate increases, which would drive down the price of an existing bond to keep its yield in line with the interest rate (Kregel, 1998). Thus, the lower the interest rate, the more money demanded and vice versa. A financial institution that lends out credit to borrowers may face liquidity problem especially if the borrowers are not able to pay the loans on time. This may prevent the firms from investing in profitable projects that promises higher returns in future. According to this theory, a firm needs to hold more cash for investment, it is therefore important for the firm to mitigate the level of credit risk by ensuring that borrowers are credit worthy before giving out credit (Rogers, 1997). Liquidity preference theory has also been criticized on the basis of interest suffers from a fallacy of mutual determination and also because it lacks sensible empirical foundations in a true monetary economy (Newman, 2015). Liquidity preference theory forms a basis for conceptualized relationship between liquidity management strategies and sustainability of table banking groups. This theory suggest that there is need for table banks to be liquid enough that when cash is required for lending, research and development, capital expenditure should be readily available. This is very critical in Kenyan informal financial institutions which is very dynamic and unstable (Moore, 1991).

Relationship between Liquidity Management Strategy and Sustainability of Table Banking Groups

Priya and Nimalathasan (2013) did a study on liquidity management and profitability of trading companies in Sri Lanka. The study covered listed manufacturing companies in Sri Lanka over a period of past 5 years from 2008 to 2012. The study findings suggest that significant relationship exist between liquidity and profitability among the listed manufacturing companies in Sri Lanka. The study did not focus on cash management, receivable management and redeploying of cash.

Song’e (2015) conducted a study on the effect of liquidity management on financial performance of deposit taking SACCOs in Nairobi County, Kenya. The study established that there is a strong positive relationship between liquidity, funding liquidity risk, operational efficiency, quick ratio and financial performance of deposit taking SACCOs in Nairobi County. However, the study did not focus on investing liquid fund and membership withdrawal.

Agbada and Osuji (2013) conducted a study on the efficacy of liquidity management and banking performance in Nigeria. The study established that there exist a strong positive relationship between efficient liquidity management and banking performance in terms of profitability and return on capital employed. It was also noted that there is a correlation between efficient liquidity management and banking performance. However, the study did not consider the management of cash. Businesses in Nigerian economy are transacted purely on cash basis hence managing of liquidity becomes cumbersome.

Olagunju and Olabade (2012) studied liquidity management and commercial banks profitability in Nigeria. It was noted that there is significant relationship between liquidity and profitability. That means profitability in commercial banks is significantly influenced by liquidity and vice versa. The study concluded that for the success of operations and survival, commercial banks should not compromise efficient and effective liquidity management and that both illiquidity and excess liquidity are “financial diseases” that can easily erode the profit base of a bank as they affect bank's attempt to attain high profitability-level. The study did not focus on the redeploying of the available cash.
3.0 RESEARCH METHODOLOGY

Research Design
The study used descriptive research design. It is suitable for description and measurement of phenomena at a point without manipulation. Descriptive research is undertaken to provide answers to questions of who, what, where, when and how but not why (Sreevidya & Sunitha, 2011). According to Mugenda (2008) descriptive studies are easy and simple to conduct.

Population of the Study
The target population was the entire group of individuals, objects or things that share common attributes and to which results was generalized. The accessible population is a subset of the target population that reflects specific characteristics and can be practically reached in order to select a representative sample (Mugenda, 2008). The accessible population of the study was 538 table banking groups registered in social work department 3 sub-counties out of 6 sub-counties in Uasin Gishu County.

Sampling Technique and Sample Size
Two stage sampling techniques was used to narrow down the sub-counties. Purposive sampling technique was used to select 3 sub-counties out of the six sub-counties in Uasin Gishu, County. The respondents were selected in such a way that the Table Banking Groups selected shall be representative of the different locations covered by the different groups and the different timings the groups were formed. This was based on the population of people doing table banking and number of active table banking groups. Simple random sampling was used to select the respondents in table banking groups whose members participated in the study as it is unbiased (Ogula, 2010).

Yamane’s (1967) formula was used to determine the sample size. For a 95% confidence level and \( e = 0.05 \), size of the sample should be determined by the formula below.

\[
\text{n} = \frac{N(1+Ne^2)}{1+N(0.05^2)} \quad \text{Equation 3.1}
\]

In the above formula,
\( n \) represent is the sample size,
\( N \) represent is the population size
\( e \) represent level of precision.
The sample size is calculated as shown below.

\[
\text{n} = \frac{538(1+538(0.05^2))}{1+538(0.05^2)} = 230.42430704 \approx 230 \quad \text{Equation 3.2}
\]

The sample size is230 table banking groups doing table banking in Uasin Gishu County. The method of proportionate allocation was used to determine the number of respondents groups expected from each of the sampled sub county. This is shown in Table 3.1

<table>
<thead>
<tr>
<th>Sub-County</th>
<th>Number of Groups</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turbo</td>
<td>92</td>
<td>40.0</td>
</tr>
<tr>
<td>Kesses</td>
<td>59</td>
<td>26.0</td>
</tr>
<tr>
<td>Soy</td>
<td>79</td>
<td>34.0</td>
</tr>
<tr>
<td>Total</td>
<td>230</td>
<td>100</td>
</tr>
</tbody>
</table>

Data Collection Instruments
The researcher developed research questions for collecting primary data. The questionnaires was self-administered in order to gather primary data on financial management strategies and sustainability of table banking groups. Questionnaires eliminate interviewer bias and ensure that the respondent has adequate to respond meaningfully (Kothari, 2004).

Pre-testing of Research Instruments
Pilot study refers to a study conducted before main study in order to test reliability of the research instruments (Sreevidya & Sunitha, 2011). A pilot test was carried out in order to identify whether the developed instruments or items or test really agreed with the contents of the research questions. It
involved 10% of the size of the sample population (Kothari, 2004). This means that 23 respondents drawn from table banking groups in Uasin Gishu County participated in pilot study. However, they did not take part in final study.

Validity
Validity is the degree to which an instrument correctly measures a construct or variable. (Cooper & Schnilder, 2011). It is the accuracy, truthfulness and meaningfulness of inferences that are based on the data obtained from a tool or a scale for each construct in the study. The study ensured content validity of research questionnaire by consulting the university supervisor. This helped to improve the questionnaire before proceeding to the field to carry out the main study.

Reliability
Reliability is the degree to which the research questionnaire can be depended upon to secure consistent results upon repeated application. Cronbach’s alpha coefficient was used to test for the internal consistency of the research instrument. If the coefficient is above or equal to 0.70 then the research questionnaire is considered reliable (Sreevidya & Sunitha, 2011).

Table 4.1: Reliability of the Research Questionnaire

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach’s Alpha Coefficient</th>
<th>Test Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity management strategies</td>
<td>0.747</td>
<td>6</td>
</tr>
<tr>
<td>Sustainability of Table Banking</td>
<td>0.715</td>
<td>6</td>
</tr>
</tbody>
</table>

The results indicated that liquidity management had a Cronbach’s alpha coefficient (0.747) and Sustainability of table banking groups had (0.715).

Liquidity Management Strategies
The study further analyzed the views of respondents regarding liquidity management strategies. The results are indicated in Table 4.12

Table 4.2: Descriptive Statistics for Liquidity Management Strategies

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) We ensure that excess cash are redeployed to capital expenditures</td>
<td>198</td>
<td>1</td>
<td>5</td>
<td>3.01</td>
<td>1.177</td>
</tr>
<tr>
<td>(ii) Our group ensure accounts payable are stretched to ensure funds revolve</td>
<td>198</td>
<td>1</td>
<td>5</td>
<td>3.72</td>
<td>1.076</td>
</tr>
<tr>
<td>(iii) We have a policy of accelerating collections and delaying payments</td>
<td>198</td>
<td>1</td>
<td>5</td>
<td>3.37</td>
<td>1.314</td>
</tr>
<tr>
<td>(iv) We monitor our accounts receivables on weekly and monthly basis</td>
<td>198</td>
<td>1</td>
<td>5</td>
<td>4.02</td>
<td>1.010</td>
</tr>
<tr>
<td>(v) We offer discounts to early loan repayments</td>
<td>198</td>
<td>1</td>
<td>5</td>
<td>3.00</td>
<td>1.457</td>
</tr>
<tr>
<td>(vi) We monitor our loans levels at a set threshold</td>
<td>198</td>
<td>1</td>
<td>5</td>
<td>3.87</td>
<td>1.175</td>
</tr>
</tbody>
</table>

The study revealed that members of table banking groups concurred that table banking groups monitors account receivables (mean=4.02; std dev=1.010). Secondly table banking groups were in
agreement loans are monitored on weekly and monthly basis to reduce defaulters (mean=3.87; std dev=1.175). Thirdly accounts payable are stretched so that fund revolve in the group (mean=3.72; std dev =1.076). It was unclear on the policy of accelerating collections and delaying payments (mean=3.37; std dev=1.314). The findings were indifferent on whether table banking groups redeploy excess cash to capital expenditures (mean=3.01; std dev=1.177). It was also unclear (mean=3.00; std dev=1.457) whether table banking groups offers discounts to early loan repayments. The findings support earlier findings in a study conducted by Song’e (2015) on the effect of liquidity management on financial sustainability of deposit taking SACCOs. The study established that there is a strong positive relationship between liquidity, funding liquidity risk, operational efficiency, quick ratios and financial sustainability.

### Relationship between Liquidity Management Strategies and Sustainability

In addition the study analyzed the relationship between liquidity management strategies and sustainability of table banking groups in Uasin Gishu County. Table 4.18 illustrates the results.

<table>
<thead>
<tr>
<th>Table 4.3: Correlation Analysis for Liquidity Management Strategies</th>
<th>Sustainability of Table Banking Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Management Strategies</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
</tbody>
</table>

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

It was noted that there exist a positive and statistically significant (r=0.443; p < 0.01) relationship between liquidity management strategies and sustainability of table banking groups. Liquidity management strategies influenced sustainability of table banking groups. It could therefore be argued that table banking groups in Uasin Gishu County adequately monitor accounts receivables on weekly and monthly basis and loan levels are monitored at a set threshold. The findings of this study reinforced earlier findings that there is a correlation between efficient liquidity management and sustainability of the banking sector (Agbada & Osuji, 2013).

### Regression Analysis for Overall Model

The study examined the combined effect of credit risk management strategies, savings strategies, financial regulation strategies and liquidity management strategies on sustainability of table banking groups in Uasin Gishu County. Table 4.19 presents the results of multiple regression analysis.

<table>
<thead>
<tr>
<th>Table 4.4: Multiple Regression Model Summary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>R Square</td>
</tr>
<tr>
<td>.623</td>
<td>.388</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), liquidity management strategies
b. Dependent Variable: sustainability of table banking groups

The findings as shown in Table 4.19 indicates that the relationship between financial management strategies focused on this study and sustainability was positive (R² = 0.375). Findings indicate that 37.5% of the variation in sustainability is accounted for by the four independent variables in the study while 62.5% of the sustainability of table banking groups resulted from other factors not included in the study.

### Assessing the Fit of Multiple Regression Model

The study examined whether the multiple regression model was a good fit for the data. Analysis of Variance (ANOVA) was conducted in order to find out if sustainability can be predicted without relying on financial management strategies examined in the study. The results of Analysis of Variance (ANOVA) are shown in Table 4.20

<table>
<thead>
<tr>
<th>Table 4.5: Results of ANOVA</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sum of Squares</td>
<td>df</td>
</tr>
<tr>
<td>Regression</td>
<td>18.533</td>
</tr>
<tr>
<td>Residual</td>
<td>70.262</td>
</tr>
<tr>
<td>Total</td>
<td>88.794</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), liquidity management strategies
b. Dependent Variable: sustainability of table banking groups
The findings of the study indicate that the relationship between the independent variables and the dependent variable was statistically significant (F=12.727; p<0.05). This implies that the multiple regression model was a good fit for the data. Hence liquidity management strategies influence sustainability of table banking groups therefore they should put emphasis on them.

**Regression Coefficients**

The study also conducted t-test of statistical significance of each individual regression coefficient. Table 4.21 presents the results.

<table>
<thead>
<tr>
<th>Table 4.6: Significant Test Results for Overall Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficients</td>
</tr>
<tr>
<td>Unstandardized</td>
</tr>
<tr>
<td>B</td>
</tr>
<tr>
<td>Liquidity management .535 .067</td>
</tr>
<tr>
<td>(Constant)  .957 .311</td>
</tr>
</tbody>
</table>

The findings indicate that liquidity management strategies is a significant predictor of sustainability of table banking groups (β=.526; p<0.05). Therefore, the null hypothesis that liquidity management strategies has no effect on sustainability of table banking groups in Uasin Gishu County, Kenya was rejected at significance level of 5%. Thus, liquidity management strategies have significant effect on sustainability of table banking groups in Uasin Gishu County, Kenya. From the t-test results of individual regression coefficients, the four independent variables were included in the regression equation as they were significant (p<0.05). The study results is shown in regression equation 4.1

\[ Y = 0.957 + 0.535X_1 \]  

**Equation 4.1**

The study results suggested that improving enhancing liquidity management strategies by 1 unit improves sustainability by 0.533 units. Results from equation 4.1 above indicate that if table banking groups don’t implement financial management strategies, sustainability would be constant at 0.957 units. It was found, that liquidity management strategies is important in enhancing one unit of growth in table banking sustainability. Therefore, table banking groups in Uasin Gishu County need to focus more on liquidity management strategies to enhance sustainability.

The findings from the multiple regressions analysis are in agreement with the preposition of the theories that this study was anchored on. Liquidity preference theory advocates for groups to invest resources on things that can be easily converted back to cash when need arises. This theory is supported by the study results that table banking groups liquidity management strategies effects on sustainability. The study results reveal that liquidity management strategies enhances sustainability.

**5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATION**

It was established that enhancing liquidity management strategies leads to significant improvement of sustainability. The findings on the effect of liquidity management strategies on sustainability concur with the liquidity preference theory that emphasizes on table banking groups invest its resources in a way they can easily be converted into cash when need arises.

The study findings revealed that table banking groups efficiency in generating revenue from investment of its total assets has been improving. Findings revealed that table banking income after deducting all operational and financing income has been improving. Findings show that the ability of table banking groups to derive returns from investment of shares in net asset has been improving. In addition study findings revealed that the ability of table banking to control its finances has been improving. It was noted that revolving funds in table banking group has been improving. Findings further noted that regulation of amount of loan disbursed in table banking group has been improving. It was noted that financial management strategies investigated in the study significantly influenced sustainability of table banking groups.

**Conclusions**

The findings of the study also concluded that liquidity management strategies influences sustainability of table banking groups. Table banking groups should manage liquidity levels to enhance sustainability. The study inferred that it was critical for table banking groups to have adequate liquidity levels in order to ensure that the groups meet short term obligations and more so to enhance sustainability. This support the argument of liquidity preference theory that advocates for maintenance of adequate liquidity so as to meet obligations as they fall due.

**Recommendations**

**Recommendations for Practice and Policy**

The study recommends that table banking groups should have credit risk management in their operational framework. It is crucial that table
banking groups should have liquidity measures to ensure that they have sufficient funds that would be used as a need arise. It also recommends that government should put in place policies and regulations that will compel table banking to emphasize on proper financial management strategies. The government should come up with training programs to sensitize table banking groups on proper financial management strategies. To financial consultants the study emphasizes on table banking group credit risk management strategies, savings strategies, financial regulation strategies and liquidity management strategies as it is significantly effects on sustainability.

**Recommendations for Theories**

There are recommendations on regards to practical application of the theories upon which the study is anchored. The study recommends that the tenets of liquidity preference theory be applied in maintenance of liquidity levels. Groups should ensure optimal liquidity is maintained so as to enhance sustainability.

**Suggestions for Further Studies**

The study recommends further research on the effect of table banking on financial performance micro financial institutions. There need of conducting study on the effect of information technology and the efficiency of table banking groups in Kenya. There is a need of conducting a study on the influence of capacity building and the efficiency of the table banking management and also a study on table banking strategies and growth of small and medium enterprises.

**REFERENCE**


**Kimani E. Maina (2018)**


