

# Analysis of the Strategies Adopted in Performance of Revolving Funds in South Sudan: A Case Study of South Sudan Older People Organization (SSOPO)

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## Abstract

A Revolving Loan Fund (RLF) is a pool of public and private-sector fund that recycles money as loans are repaid. The fund operates in principle, by issuing new loans as old loans are repaid. South Sudan Older people organization (SSOPO) started a livelihood project that involved creating Income Generating Activities (IGA) for older people and in some cases members of their headed households. The IGA's were funded by a revolving loan fund that attracted a meager interest rate. The initial beneficiaries of the fund were older people from Juba County in Central Equatoria State. The poor performance and collapse of these IGA's led to massive repayment default by borrowers which in turn brought the operation of the revolving fund to a halt. As a follow up, this study sought to establish the strategies that really influenced the performance of SSOPO's revolving fund scheme. Specifically, the study sought to establish the influences of; education strategy, management strategy and entrepreneurial competences strategy; on the performance of Revolving Loan Funds. A descriptive research design was employed in conducting field survey to obtain qualitative and quantitative data. The target population comprised the management staff of SSOPO and SSOPO members who borrowed funds from SSOPO RLF. Questionnaires which were both open and close ended were used in data collection. Quantitative data was analyzed by use of Statistical Package for Social Scientists (SPSS) while content analysis was used to analyze qualitative data. The study found that education, management and entrepreneurship competence strategies; influence the performance of RLF.

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The study recommended provision of education and business training to both borrowers and management staff of SSOPO RLF. Further, study recommended promotion of entrepreneurship competence by introducing emotional learning whereby borrowers interact with outside business world for experience and knowledge sharing. Lastly, the study recommended the need to build the capacity of SSOPO management staff so as to effectively and efficiently implement RLF management strategies.

**Key Words:** Performance of Revolving Loan Fund; Strategies adopted; South Sudan Older People Organization.

## **1. Introduction**

Revolving Loan Funds (RLF) are best associated with increasing credit access for viable firms that lack alternative funding sources [15]. However, many RLF's are assisting local businesses in need of capital but financially nonviable. Two major problems arise when RLF's are used to transfer this kind of subsidy to failing or start-up businesses: first; RLF's require periodic refunding to avoid continued erosion of their capital base and second; in lending money to high-risk borrowers, RLF's experience high loss rates. They must demonstrate economic need and have a plan that both meets program requirements and spurs growth. Frequently stated objectives of RLF's are to: provide a dependable finance source for long-term economic development, fill a credit gap for business start-ups, expansions, and retentions, spur economic growth by making loans as affordable as possible, customize loans to the financial needs of each individual business, and enhance commercial lenders' return on shared loans [12].

Most loans are made to high-risk borrowers at concessionary terms. RLF funds take a subordinated lien position to leverage their capital through joint lending with private lenders. Borrowers receive education in business operations and market development. RLF loans most often go to manufacturing firms and are used to purchase fixed capital [10]. RLF's are an excellent way to provide access to capital to borrowers who might not have other resources, reduce borrowing costs, and create jobs. RLF grants provide funding for a grant recipient to capitalize a revolving loan fund and to provide sub grants to carry out cleanup activities at brown field sites

Small businesses drive the economy through creation of jobs, expansion of the tax base, and help communities grow. For these reasons and others, many local governments advocate for RLFs, to foster business growth. Therefore, RLFs are designed to fund businesses that cannot get traditional bank loans, either because their owners are seen as credit risks or because the business has not established credit on its own. Because they are subsidized or administered by government agencies, many RLFs offer lower interest rates than conventional loans. The interest rate for a particular applicant will vary according to the business's financial condition and its ability to maintain sufficient profits. As these loans are repaid, money is put back into the fund and made available for additional loans [2].

It was on the basis of the aforementioned purposes and goals of RLF that SSOPO started a livelihood project that involved creating income generating activities for older people and older people headed households. A revolving fund scheme was then set up to provide seed fund for the start-up of the IGA's. Some older people in Juba County, Central Equatorial State; were selected and certain amount of money given to them to start IGA's.

Availed information by SSOPO's field officers disclosed poor performance of these businesses while others had collapsed. Very few beneficiaries had conformed to the fund's repayment schedule. However, SSOPO and its partners still wanted to pursue the funding of the IGAs as a way of improving the welfare of the elderly.

The negative attitude towards the elderly by a larger section of the society in South Sudan had caused them a lot of challenges and sufferings. Such challenges and sufferings included; poverty, poor housing, lack of adequate food and nutrition and physical disabilities. Furthermore, the Government of South Sudan had no policy to cater for the needs of the elderly. The long protracted war between the North and South Sudan did not make the situation any better. SSOPO was then formed to advocate and improve the welfare of older persons. This was because there were no active older people activists to advocate for the welfare of the older persons. RLF was one of the tools adopted by SSOPO to improve the welfare of the older persons in South Sudan.

## 2. Theoretical background and informing literature review

This section reviews literature relevant to the study problem. It is informed by several research papers and contributions of diverse authors. It reviews the understanding and practice of revolving loan fund as explained by different researchers and authors. Further, the review gives special consideration education, management and entrepreneurial competences strategies that are deemed to be important for the realization of the objectives of a revolving loan fund. The paper conceptualized that the various ingredients of strategy which include; education, management and entrepreneurial competences, have effects on the performance of revolving loan funds. However, the level of such effects on performance is influenced by political factors, government policies, religious factors and economic factors as shown in the following diagram (figure2.1):

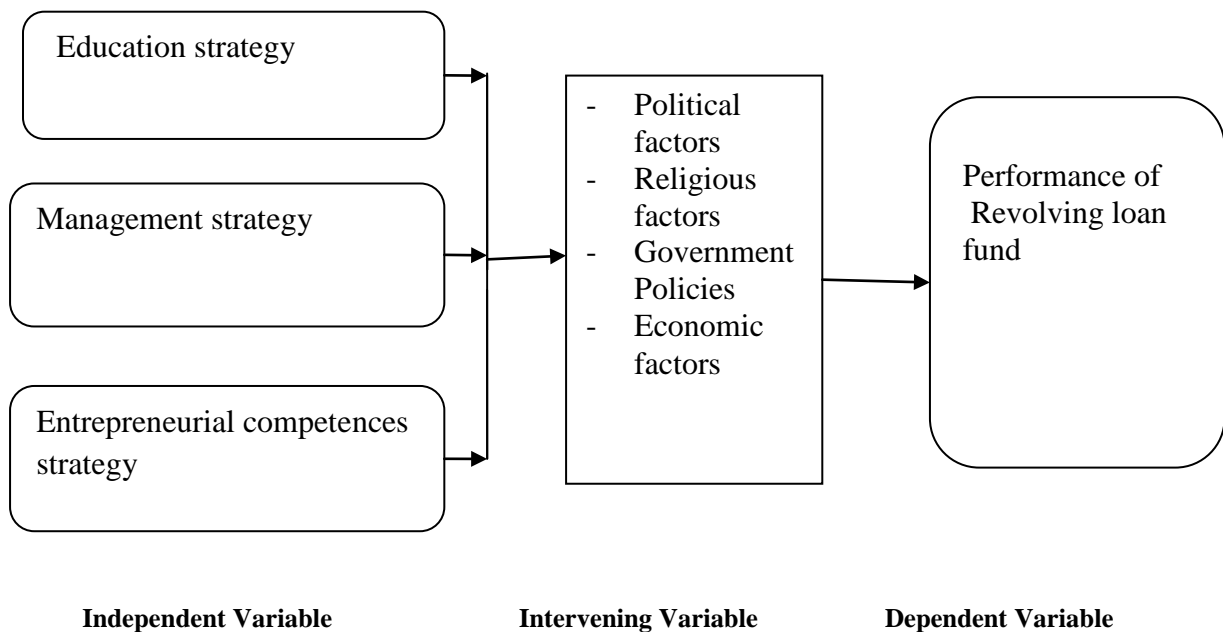


Figure 2.1: Conceptual Framework

The above diagram illustrates the relationship between ingredients of strategy and performance of revolving loan funds, which level is influenced by factors such as political, economic, and religious and government policies. They are further explained as follows:

### ***2.1. Education Strategy and Performance of Revolving Loan Fund***

The global financial market is continuously changing to match the ever growing demands in the world economy. Borrowers have to be continuously educated on the newly developed lending programs and products [22]. While subsidies are still needed, they usually are used to provide education and business training to enhance the financial management skills of the borrower [6]. Encouraging clients through education on disaster risk reduction and designing loan products to develop disaster-proofing shelters is slowly taking centre stage in the financial markets including RLF. Also, RLF's use education and training to guide vulnerable client groups to have contingency plans on how to respond to disaster risks and mitigation measures [7]. Due to this, the field officers spend lot of their time in educating, counseling and making repeated visits which will increase the operational cost and in turn affect the operational efficiency of the institution [3].

As for a high risk market such as the youth market, the Egypt case where training precedes disbursement of loan may be a front runner in delivering financial services such as revolving loan funds [16]. While a number of studies have specifically addressed the issue of the effects of training on RLF's [11], very few have focused explicitly on the effects of formal education. Accordingly, we have little direct research to draw from and appreciate that the level of formal education, a concept closely related to training, could have positive, negative, or no effects on trust in particular, and RLF in general. Therefore a well developed education strategy benefits RLFs in; updating borrowers about newly developed lending programs and products, enhancing financial management skills, imparting skills on disaster risk reduction and developing loan products for disaster-proofing shelters. Education also enhances financial inclusion of high risk market such as the youth, women and the elderly.

### ***2.2. Management Strategy and Performance of Revolving Loan Fund***

Author in [18] underscores a positive association between management strategies and RLF performance. Authors diverge in the way they see management strategies and performance. Some authors feel that there is a hierarchy of importance in the management strategies and that infrastructure practices may just positively affect performance if core practices have likewise been built up [17]. In the contrary, authors such as in [9] have suggested that every practice can positively impact on performance even without the core practices.

Author in [5] asserts that management strategies have been researched broadly and goes further to suggest a positive relationship between management strategies and organizational performance. Despite the fact that a plenty of systems have been depicted, similitude among strategies can be recognized. This observation is based on the analysis of ten unmistakable generic strategies: top management commitment and support, organization for quality, employee training, employee participation, supplier quality management, customer focus, continuous support, improvement of quality system, information and analysis, and statistical quality techniques

use. All these management strategies are key contributors to the realization of performance.

### ***2.3. Entrepreneurial Competences Strategy and Performance of Revolving Loan Fund***

Author in [20] describes competence as an underlying characteristic in a person that is related by chance to a successful performance in a job. Author in [19] asserts that such characteristics of a person are important to business growth and success. Author in [14] refers to entrepreneurship as the procedure of revealing or building up a chance to make value through innovation and grabbing that opportunity without respect to either resource or the position of the entrepreneur in a new or existing enterprise. Entrepreneurial competence is therefore, a more elevated level of characteristics incorporating personality traits, skills and knowledge, which can be seen as the aggregate capacity of the business person to perform a job effectively.

Author in [16] observes that, while for all intents and purposes each career in business includes some blend of knowledge, technique, and people skills, few involve the integration and combination of all functional knowledge and skills to the extent that entrepreneurial activities do. In enterprise, in any case, analysts contend that, while there is a decent arrangement of major business information required which can be taught in a classroom; there is not yet a controlling hypothesis to help the eventual business person in managing the vulnerabilities which encompass any new business venture. What's more, regardless of the possibility that there were, the genuine test is performance under real conditions, with all the real-world pressures over a period of several years. According to author in [21], entrepreneurial competence is a valuable and intangible resource that leads towards the success of a business.

### ***2.4. Summary***

The foregoing literature review has uncovered key strategies that enhance performance of RLFs. These strategies include; education, management and entrepreneurial competence strategies. Education strategy addresses important knowledge gaps related to; newly developed lending programs and products, financial management skills, disaster risks and mitigation measures, developing loan products for disaster-proofing shelters and enhancing financial inclusion of high risk market such as the youth, women and the elderly. The literature review also highlights ten generic strategies of management strategy that influence performance of RLFs, comprising of; top management commitment and support, organization for quality, employee training, employee participation, supplier quality management, customer focus, continuous support, improvement of quality system, information and analysis, and the use of statistical quality techniques. Lastly, the literature review defines entrepreneurship competence as a more elevated level of characteristics incorporating personality traits, skills and knowledge, which can be seen as the aggregate capacity of the business person to perform a job effectively. Borrowers require entrepreneurship competence in order to successfully run their businesses for better RLFs performance.

## **3. Research methodology**

### ***3.1. Research Design***

The study used descriptive survey research design that involved both qualitative and quantitative data.

The sample population was 200 members of SSOPO who benefited from the SSOPOs RLF and 10 members of SSOPO management team who are in-charge of loan disbursement and field operations. The study was expected to generate descriptive data. Table 3.1 below shows how sampling strategy was adopted:

### 3.2. The Sample

**Table 3.1**

Description	Population Size	Sample Size	%
SSOPO Management Staff	10	5	50
SSOPO Members	200	40	20
Total	210	45	21

Qualitative data was summarized and classified according to the unifying themes based on the researcher's insight and research skills. The resulting themes were then subjected to content analysis in order to make meanings and importance of the study. Responses in respect to quantitative questions were analyzed using Statistical Package for Social Scientists (SPSS) software to determine relationship between dependent and independent variables.

## 4. Research findings and discussions

This chapter examined the study objectives in relation to the established findings. Accordingly, conclusions and recommendations were given on the basis of information obtained from the analysis of the questionnaire.

### Summary of the Findings

#### Distribution of Respondents by Age

##### Management

From the findings, it was evident that majority of management respondents were distributed between the ages 41-50 (at 40%) and above 50 years (at 40%). The rest of the management respondents at 20% were below 40 years. Therefore, it's clear that majority of SSOPO management staff (at 80%) were above 40 years of age. SSOPO is an organization for the elderly and so is the reason why it has an aging workforce.

##### SSOPO Members

The data on the distribution of the age of SSOPO members shows that majority (50%) were of the ages above

50 years, a pointer that SSOPO is an organization of the elderly. 33% of this category of respondents was in the age bracket of 41-50 years while only 17 % fell between 31-40 years.

### Gender of Respondents

#### Management

According to the findings on the gender of SSOPO management staff, 60% were males while 40% were females. Therefore, majority of SSOPO management staff during this study were male. The society of South Sudan still does not fully embrace female workers. Women are supposed to stay home so as to take care of children and prepare food for their husbands. This is why at SSOPO male management staff are more than female management staff by a margin of 20%.

#### SSOPO Members

The study found that majority of SSOPO members (57%) were females. Male comprised 43% of SSOPO membership. When South Sudan stopped war with North Sudan and ultimately became independent in 2008, most male older people got employed by the government. This is the reason for the skewed membership of SSOPO towards female.

### Qualifications

#### Management

The findings on the qualifications of SSOPO management staff showed that 30% of them had diploma qualifications, 20% had University degree qualifications while neither had any basic education nor qualification. This is shown in figure 4.1 below.

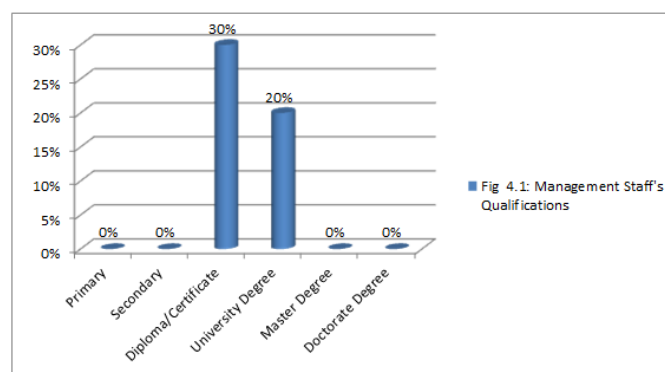
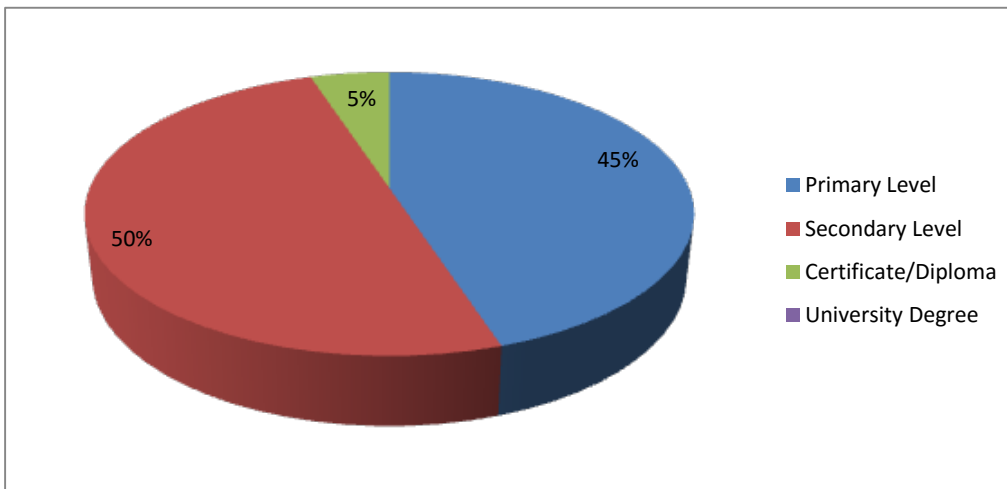


Figure 4.1: Management Staff's Qualification

#### SSOPO Members

As shown in figure 4.2 below, 50% of SSOPO members had completed secondary education, 45% had

completed primary level education, and 5% had post secondary college certificate. None of the respondents had University degree qualification.



**Figure 4.2: SSOPO Members' Qualifications**

### **Education Strategies**

#### **Effects of Education on Performance of SSOPO RLF**

### **Management**

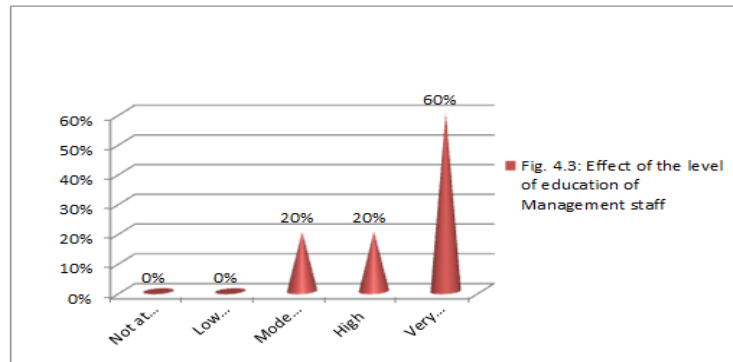
Figure 4.3 below shows that the level of education of management staff influences the performance of SSOPO RLF. Majority of the respondents (60%) very highly agreed that the level of education of the management staff of SSOPO RLF influences the performance of the RLF. 20% of the respondents rated the influence of the level of education of staff on the performance of RLF as high. A similar percentage (20%) said the influence is moderate.

### **SSOPO Members**

Table 4.1 below shows the findings on the effect of education on the performance of RLF. From the table, it's clear that borrowers who are educated on newly lending programs and products are able to increase their loan uptakes and therefore influence the performance of RLF. This is evident by a mean score of 4.60. By a mean score of 4.40, respondents stated that educating borrowers on financial management skills influences performance of RLF. Respondents also answered by a mean score of 4.40 that educating members on disaster risks and mitigation measures increase their ability to respond and mitigate disaster situations, hence influences performance of RLF. Educating members on how to enhance financial inclusion of high risk market such as the youth, women and the elderly influences the performance of RLF had a mean score of 4.20. Lastly, educating members on disaster risks and mitigation measures increase their ability to respond and mitigate disaster



situations, hence influences performance of RLF, had a mean score of 3.80



**Figure 4.3:** Effect of Education of Management Staff on Performance of RLF

**Table 4.1:** Effect of Education of SSOPO Members

	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree	Mean	STDEV
Educating members on newly lending programs and products influences performance of RLF	0	0	0	2	3	4.60	0.510
Educating members on financial management skills influences performance RLF	0	0	1	1	3	4.4	0.654
Educating members on disaster risks and mitigation measures increase their ability to respond and mitigate disaster situations, hence influences performance of RLF	0	0	1	1	3	4.4	0.564
Educating members on how to develop loan products for disaster-proofing shelters influences performance of RLF	0	1	1	1	2	3.8	0.874
Educating members on how to enhance financial inclusion of high risk market such as the youth, women and the elderly influences the performance of RLF	0	1	0	1	3	4.20	0.764

## Management Strategies

### Management

As shown Table 4.2, it is evident that there is a positive relationship between management strategies and RLF's performance. 60% of the management staff interviewed strongly agreed that management strategies adopted by RLF has a corresponding influence on its performance.

**Table 4.2:** Management Strategies and Performance of RLF

	Responses	Percentage
Strongly disagree	0	0
Disagree	0	0
Neutral	1	20
Agree	1	20
Strongly agree	3	60
Total	5	100

### SSOPO Members

Table 4.3 below presents findings on the influence of management strategies on the performance of RLF, according to the views of SSOPO members.

From the table, top management commitment had a mean score of 4.60, organization for quality had 4.40, employee training had 3.80, employee participation had 4.40, supplier quality management had 4.50, customer focus had 3.20, continuous support had 4.20 and improvement of quality system had a mean score of 4.50. Therefore, the findings clearly show that all the ten generic strategies influence the performance of RLF.

## Entrepreneurial Competence

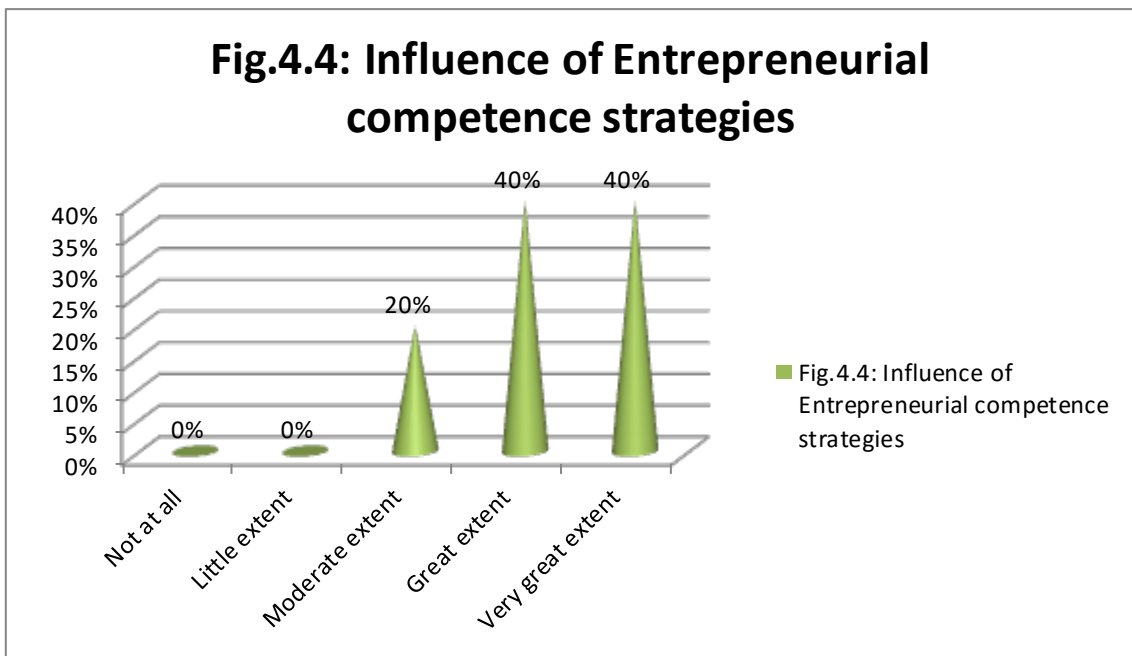
### Management

Figure 4.4 below presents findings of the extent to which entrepreneurial competences influence performance of RLF. Consequently, it's clear that majority of respondents who are management staff of SSOPO agree that entrepreneurial competence influences performance of RLF.

40% of them said entrepreneurial competence influences performance of RLF to a very great extent, 40% said to great extent and 20% said to a moderate extent.

**Table 4.3:** Management Strategies and Performance of RLF

	Not at all	Low extent	Moderate	Great extent	Very great	Mean	STDEV
Top management commitment and support	0	0	0	2	3	4.60	0.710
Organization for quality	0	0	1	1	3	4.40	0.674
Employee training	0	1	1	1	2	3.80	0.884
Employee participation	0	0	1	1	3	4.40	0.664
Supplier quality management	0	0	0	2	3	4.50	0.610
Customer focus	1	1	1	0	2	3.20	0.784
Continuous support	0	1	0	1	3	4.20	0.864
Improvement of quality system	0	0	0	2	3	4.50	0.610
Information and analysis	0	1	1	1	2	3.78	0.974
Use of statistical quality techniques	0	0	1	1	3	4.40	0.674



**Figure 4.4:** Influence of Entrepreneurial Competence Strategies

**SSOPO Members**

**Entrepreneurial competence strategies and Performance of RLF**

**Table 4.4:** Entrepreneurial competence strategies

	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree	Mean	STDEV
The management is involved in entrepreneurship education and training	0	0	0	2	3	4.60	0.810
The management has organizational competences required to sustain and improve their position within the line of work	0	0	1	1	3	4.40	0.374
The management identify the competences necessary to seek or gain that advantage in funds allocation	0	1	1	1	2	3.79	0.884
Management has external relationship that are essential to the groups development	0	1	1	1	2	3.80	0.174
There are business education programmes to prepare people for career success and to increase their capacity for future learning	0	0	1	1	3	4.40	0.264
Entrepreneurship education and training are necessary to foster all loan beneficiaries' aspirations and leads to good performance of the groups	1	1	1	0	2	3.20	0.984
Informal learning is very effective for developing competence	0	1	0	1	3	4.20	0.864
Informal training requires particular skills on the part of the coach/facilitator transferring the requisite knowledge and skills	0	0	0	2	3	4.59	0.410
Lack of knowledge of knowledge of the skills of learning can render informal training inadequate	0	0	0	2	3	4.60	0.810

From Table 4.4 above, whether management is involved in entrepreneurship education had a mean score of 4.60, whether management have organizational competences required to sustain and improve their position within the line of work had a mean score of 4.40, whether management identify the competences necessary for the organization to seek or gain advantage in funds allocation had a mean score of 3.79, whether management has external relationship that are essential to the groups development there are business education programmes to prepare people for career success and to increase their capacity for future learning had a mean score of 3.80, whether there are business education programmes to prepare people for career success and to increase their capacity for future learning had a mean score of 4.40, whether entrepreneurship education and training are necessary to foster all loan beneficiaries' aspirations and leads to good performance of the groups had a mean score of 3.20, whether informal learning is very effective for developing competence had a mean score of 4.20, whether informal training requires particular skills on the part of the coach/facilitator transferring the requisite knowledge and skills had 4.59 scores and whether lack of knowledge of knowledge of the skills of learning can render informal training inadequate had 4.60 scores. In general, it's clear that respondents are in unison to a larger extent with the fact that entrepreneurship competence strategies influence performance of RLF.

**Challenges Faced by SSOPO RLF**

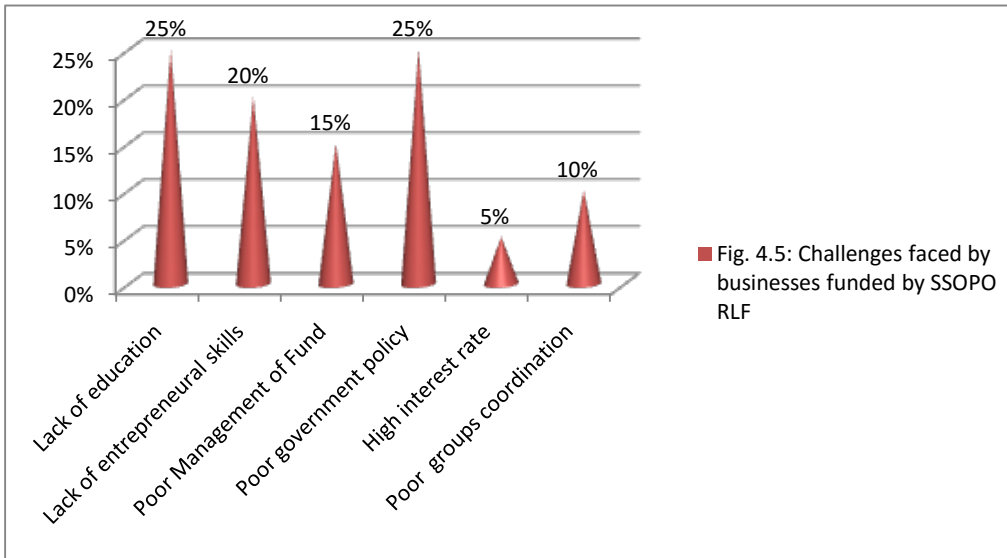
Table 4.5 below presents findings on challenges faced by SSOP RLF. Poor government policy had mean score of 4.60, strong belief in Islamic banking had 4.40, political uncertainty had 4.20, high poverty levels had 3.80 and adverse economic conditions had a mean score of 3.20

**Table 4.5:** Challenges faced by SSOPO RLF

	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree	Mean	STDEV
Poor government policy	0	0	0	2	3	4.60	0.710
High poverty levels	0	1	1	1	2	3.80	0.884
Strong belief in Islamic banking	0	0	1	1	3	4.40	0.664
Adverse economic conditions e.g high inflation	1	1	1	0	2	3.20	0.784
Political uncertainty	0	1	0	1	3	4.20	0.864

**Challenges Faced by Businesses Funded by SSOPO RLF**

In figure 4.5 below, the findings show that major challenges faced by businesses funded by SSOPO RL are lack of education (25%) and poor government policy on RLF (25%). Other challenges include; lack of entrepreneurship skills (20%), poor management of RLF by SSOPO staff (15%), poor lending groups coordination (10%) and high interest rates (5%).



**Figure 4.5:** Challenges Faced by Businesses Funded by SSOPO RLF

**Summary**

This section examines the formulated study objectives against the established findings. Conclusions and recommendations are accordingly given based on information obtained from analyses of the interview guide.

**Summary of the findings**

**Age of respondents**

SSOPO is an organization formed to support the elderly in South Sudan. Therefore majority of its workforce and membership are comprised of elderly persons of 50 years and above

**Gender**

Majority of the management staff of SSOPO were male owing to the culture of South Sudan society that confines women in homes to take care of children and prepare food for their husbands. Conversely, majority of the membership of SSOPO were female because when South Sudan became independent male soldiers who had fought the war for a long time were absorbed into government employment, leaving women in homes without any meaningful economic activity.

**Qualifications**

A half of the management staff of SSOPO did not have any formal education nor professional qualifications. While 95% of SSOPO members had formal primary or secondary education, only 5% percent had professional certificate or diploma qualification.

## **Education Strategies**

Both management and members of SSOPO were in unison that adoption of education strategies influence the performance of RLF. They emphasized that borrowers and management must continually be educated on new products and programs, financial management skills, risk management skills and on inclusion of high risk groups such as the youth, women and the elderly.

## **Management Strategies**

Majority of SSOPO members and management staff strongly agreed that education strategies influence performance of RLF. Specifically, they mentioned strategies that include; top management commitment and support, organization for quality, employee training, employee participation, supplier quality management, customer focus, continuous support, improvement of quality system, information and analysis, and statistical quality techniques use. All these management strategies they pointed out are key contributors to the realization of better performance of RLF.

## **Entrepreneurial Competence Strategies**

The respondents to a large extent were in agreement that there is a relationship between entrepreneurial competence strategies and the performance of RLF. They observed that, while for all intents and purposes each career in business includes some blend of knowledge, technique, and people skills, few involve the integration and combination of all functional knowledge and skills to the extent that entrepreneurial activities do. Entrepreneurship competence is therefore the aggregate capacity of the business person to perform a job effectively. Consequently, borrowers require entrepreneurship competence in order to successfully run their businesses for better RLFs performance.

## **Challenges faced by SSOPO RLF**

According to majority of respondents challenges faced by SSOPO RLF include; poor government policy that support RLF, strong belief in Islamic banking, political uncertainty in South Sudan, high poverty levels and adverse economic conditions.

## **Challenges faced by businesses funded by SSOPO RLF**

It came out clear that major challenges faced by businesses funded by SSOPO RLF are largely lack of education of borrowers and management staff of SSOPO RLF, lack of supportive government policy of RLF, lack of entrepreneurship skills among borrowers, poor management of RLF by SSOPO staff , poor lending groups coordination and high interest rates.

## **5. Conclusions and Recommendations**

### **5.1. Conclusions**

In conclusion, borrowers and management staff of SSOPO RLF were not adequately educated on various aspects of RLF. This was caused by lack or inadequate basic education required for specialized education such as that of RLF. Further, borrowers did not have entrepreneurial competence necessary for the successful running of businesses funded by RLF. This could have been brought about by the long fought war between South and North Sudan that did not give room for South Sudan nationals to think about business. The management staff of SSOPO RLF were not competent enough to ensure effective and efficient implementation of the various management strategies relevant for better performance of RLF. The number of management staff of SSOPO RLF was skewed towards male gender. Further, majority of the staff were persons of 50 years of age. The government of South Sudan has not put in place policies that provide favorable environment for better performance of RLF.

## **5.2. Recommendations**

**Education Strategies:** There is need to provide education and business training to both borrowers and management staff of SSOPO RLF to enhance their knowledge of new products and programs, financial management skills, risk management skills and inclusion of high risk groups such as the youth, women and the elderly [6,7].

**Entrepreneurship Competence Strategies:** To develop entrepreneurship competence of borrowers, there is need to introduce emotional learning where borrowers interact with outside world where they can hear success stories and see successful businesses [8]. Specialized business training can also be organized targeting specific business areas of a borrower's interest.

**Management Strategies:** There is need to build the capacity of SSOPO RLF management staff to gain specific skills necessary for proper implementation of management strategies which include; top management commitment and support, organization for quality, employee training, employee participation, supplier quality management, customer focus, continuous support, improvement of quality system, information and analysis, and statistical quality techniques use [13].

**Government Policy:** There is need to lobby the government to legislate policies that provide good environment which favor RLF. The government can allocate funds in its annual budget that can be allocated to organizations operating RLF for loaning. Further, the government can also pass law that lower interest rates for loans disbursed through RLF [4].

**Delinking Charitable Work from RLF:** Organizations involved in charitable humanitarian activities while at the same time operate RLF schemes should delink their charitable activities from RLF operations as failure to do so may lead to default in loan repayments as borrowers are likely to consider the loan as a grant [1].

## **6. Suggestion for further studies**

To add more insights into the strategies adopted in the performance of revolving funds, further studies have been suggested on the effects of revolving fund schemes on poverty eradication in a turbulent environment, a



case of South Sudan.

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