

Measuring the Organisational Maturity of Self-Help Groups



To measure changes in the situation of poor households, the Monitoring and Evaluation Division of the Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP) developed a participatory assessment tool to measure the organisational maturity of self-help groups (SHG). The tool is called SIHAGA.

Under the context of the NMCIREMP, the SHG is an affiliation of target beneficiaries whose membership ranges from 15 to 20 households. The SHGs were managing poverty alleviation fund (PAF) sub-projects under the CIPD and CI components of the Project.

The SIHAGA tool was used by 780 SHGs (96% of the total number of SHGs assisted by the Project from 2005 to 2009) in assessing their level of organisational maturity. The SHG assessments were conducted on an annual basis with participation of members of the community.

The Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP) 577-PH was an IFAD–assisted poverty alleviation project implemented by the Department of Agrarian Reform (DAR) from 2003 to 2009 in northern Mindanao, Philippines.

The project has six components: Community Institutions and Participatory Development (CIPD), Natural Resource Management (NRM), Community Investments (CI), Support Services and Studies (SSS), Support to Indigenous Peoples (SIP), and Project Management (PM). The Project’s beneficiaries were 58,000 poor households of agrarian reform beneficiaries (ARB), indigenous peoples, upland farmers and fisher folks. Fifty-eight percent of the beneficiaries were women.

The SIHAGA assessment tool

The SIHAGA assessment tool measures the organisational maturity of an SHG by evaluating three major parameters organisational, financial and managerial.

(i) Organisational – refers to membership structure, group activities and participation of members, economic status of members, purpose, programme and undertakings. The weight assigned to this parameter is 75% because organisational strengthening entails the conduct of many activities.

The eight organisational parameter indicators

1. Size of SHG – refers to the number of members; this could range from 15 to 20
2. Constitution – refers to the rules and regulations or group policies, degree of members’ compliance, accessibility by members to documents and imposition of sanctions
3. Economic status of members – refers to the segment to which the members belong (poor, middle class or elite)
4. Meetings – refers to the frequency of meetings held by the SHG (monthly, quarterly or annually)
5. Attendance of members in meetings – refers to the number (or percentage) of members attending meetings;
6. Participation of members in decisionmaking – refers to the degree of participation of members and the degree of interventions
7. Sharing of responsibilities – refers to the regularity of rotation of members in performing tasks related to organisational management, record keeping, cash handling, accounting and committee memberships. In this sub-aspect, participation by gender is also measured
8. Common action program – this refers to the purpose for which members formed the SHG as it relates to community development

(ii) Financial – refers to the aspects of financial management. The sub-aspects being measured are amount of savings, amount of loans availed of by members, resource mobilisation, rotation of common funds, method of cash handling and rate of repayment. The weight assigned to this parameter is 20% and this is borne by the fact that SHGs, as informal groups are not expected to have installed standard financial systems like those used by formal entities such as registered cooperatives.

The six financial parameter indicators

1. Savings – refers to the number of members with savings, regularity of savings and minimum amount of savings
2. Loans – refers to the number of members who avail of loans, amount of loan, purpose of loan and policies governing loan releases
3. Rotation of common funds – refers to the degree of utilisation of funds generated by members and the purpose for which the funds are used
4. Repayment – refers to the rate of repayment of loans by members and the sanctions/penalties imposed on overdue accounts
5. Cash handling – refers to the method of handling cash, who handles the cash and what are the policies related to cash handling
6. Resource mobilisation – refers to the schemes used by the SHG to generate resources. These can be internal or external (savings, capital build up or fund sourcing)

(iii) Managerial – refers to the system of maintaining records, degree of members' awareness in systematic record keeping, attendance in management and technical training, and audit system. The weight assigned to this parameter is 5%.

The four managerial parameter indicators

1. Maintenance of records – refers to the maintenance of organisational and financial records and the type of records maintained, degree of members' consciousness about the importance of record keeping and degree of involvement of members in record keeping
2. Training in all modules – refers to the degree of participation and attendance of members in training programs
3. Credit plus – refers to plans and programme of the SHG that go beyond providing loan assistance to members
4. External audit – refers to the conduct of an audit by an external group and the frequency of conducting the audit to ensure transparency in financial transactions and accountability

Methodologies

Participatory SHG assessment

1. The assessment is done by administering the SHG assessment questionnaire during a focus group discussion. It is undertaken at year-end. Assessment results are used as inputs for the ensuing year's SHG and project planning exercises.
2. The SHG members' responses are recorded by encircling the appropriate letter from among a list of choices under each question in the tool. Responses are validated by cross-checking available documents presented by the group as proof.
3. Questions presented in italics are probe questions and not rated. However, responses are recorded by encircling the corresponding letters. These questions bring out the data needed in the narrative report.
4. The underlying reasons, ideas raised, suggestions made and conditions presented are recorded under the remarks column of the questionnaire.

Data processing and giving feedback at the SHG level

1. The data collected using the SIHAGA assessment questionnaire are processed using an assessment score sheet.

SHG assessment score sheet

Score	Rating	Adjectival rating
1 to 1.7	60 to 69	Very poor
1.8 to 2.5	68 to 75	Poor
2.6 to 3.2	76 to 82	Average
3.4 to 4	84 to 90	Good

Table 1: Rating scale for measuring SHG maturity.

Adjectival rating	Equivalent Maturity Level	Description
Good	Level 4	High level of maturity; capable enough to manage development initiatives
Average	Level 3	Medium level of maturity; capable of managing development initiatives with less degree of interventions from outside sources
Poor	Level 2	Low level of maturity; needs interventions in organisational capacity building
Very Poor	Level 1	Very low level of maturity; needs more intensive interventions

Table 2: Sample assessment output in matrix form.

Shg assessment score Sheet					
Name of SHG		Makugihon Sitio Dagangdang, Colorado, Jabonga,			
Location		Agusan del Norte August 16, 2005			
Date assessed					
Parameter	% Weight	Adjectival rating and corresponding score			
		Good	Average	Poor	Very poor
Organisational	75%				
1. Size of SHG		4			
2. Constitution		3.8			
3. Economic status of members		4			
4. Meetings		4			
5. Attendance of members in meetings			3		
6. Participation of members in decisionmaking		4			
7. Sharing of responsibilities				2.5	
8. Common action programs			3		
Subtotal		19.8	6	2.5	0
Total		28.3			
Weighted total		3.54			
Weighted score		2.7			
Financial	20%				
9. Savings			3		
10. Loans				2.3	
11. Rotation of common fund		4			
12. Repayment		4			
13. Cash handling		4			
14. Resource mobilisation				2	
Subtotal		12	3	4.3	0
Total		19.33			
Weighted total		3.22			
Weighted score		0.6			
Managerial	5%				
15. Maintenance of records				2.5	
16. Training in all modules				2.5	
17. Credit plus				2	
18. External audits					1

Shg assessment score Sheet**Name of SHG****Makugihon Sitio Dagangdang, Colorado, Jabonga,****Location****Agusan del Norte August 16, 2005****Date assessed**

Parameter	% Weight	Adjectival rating and corresponding score			
		Good	Average	Poor	Very poor
Subtotal		0	0	7	1
Total		8			
Weighted total		2			
Weighted score		0.1			
Total weighted score		3.4			
Equivalent adjectival rating		Good			
Equivalent numerical rating		84			

2. The results of the assessment are fed back to the SHG using a rating map matrix (RMM). Together with the respondents, the assessment data are processed to identify weak and strong areas in the organisation. The process allows SHG members to self-rate their organisation's performance using the adjectival ratings provided.

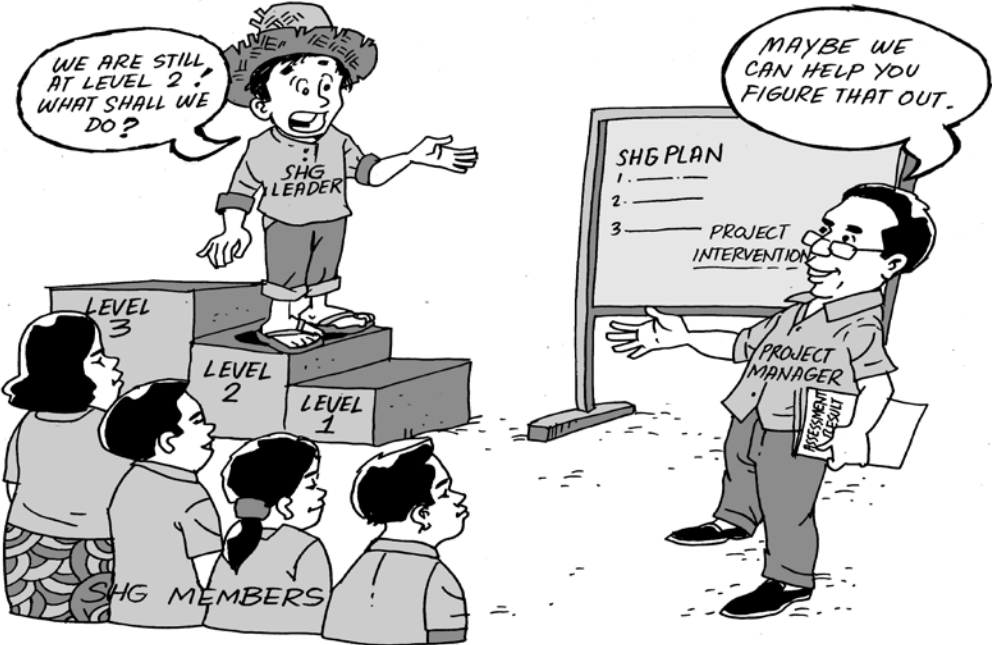
Table 3: The Rating map matrix.

Parameter	Rating				Recommendations
	Good	Average	Poor	Very poor	
Organisational					
1. Size of SHG					
2. Constitutional (rules and regulations)	X				
2.1 Formulation	X				
2.2 Compliance	X				
2.3 Accessibility	X				
2.4 Updating		X			
2.5 Penalties for violations, sanctions	X				
3. Economic status of members	X				
4. Meetings conducted	X				
5. Attendance of members in meetings		X			

Parameter	Rating				Recommendations
	Good	Average	Poor	Very poor	
6. Participation of members in decisionmaking	X				
7. Sharing of responsibilities					
7.1 Regular rotation of representatives			X		Regular rotation of representatives needed
7.2 Members participation in main functions		X			
8. Common action programs		X			

Data processing, reporting and information communication at the project level

The second level of data processing is done at the M&E Division of the project using MS Excel and results are integrated into the project database. A narrative assessment report is generated and incorporated in the periodic reports submitted by the project to DAR and IFAD. The narrative assessment reports containing trends and analyses of SHG assessment are provided to management and component in charge. The assessment reports and recommendations are used by project management in making informed decisions and in planning and designing project interventions.



An excerpt taken from the project level consolidation report of the SHG assessment is shown in table 4.

Table 4: Sample SHG assessment report.

Consolidated SHG assessment report (as of May 31, 2007)						
Province	Rating & frequency distribution of SHGs					Percent total
	Good	Average	Poor	Very Poor	Total	
Agusan Del Norte	25	20			45	11.50
Agusan Del Sur	3	40	1		44	11.30
Bukidnon	1	5			6	1.50
Misamis Oriental	24	27	1		52	13.30
Surigao Del Norte	48	51	17	18	134	34.50
Surigao Del Sur	52	50	7		109	28
Total	153	193	26	18	390	100
Percent total	39.20	49.50	6.60	4.70	100	

The consolidated results of 2005 and 2006 assessments indicate that there were 346 SHGs already at level 3 and above (good=153 and average=193), while there were 44 SHGs at level 2 and below (poor=26 and Very Poor=18) that need to be assisted in of organisational capacity building. The current trend indicates that 88.7% of the SHGs assessed have already reached level 3 and above. The 346 SHGs at level 3 and above represents 48.7% of the 710 SHGs projectwide.

The consolidated rating index is 3.134.

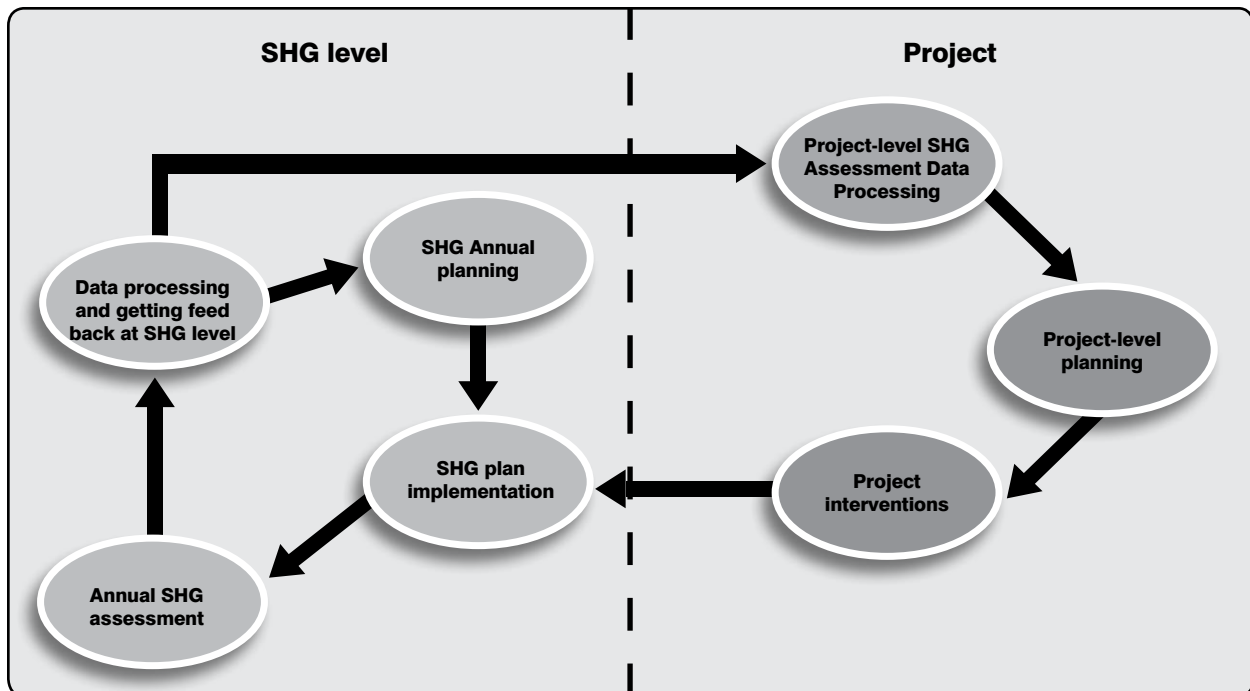


Figure 1: Information flow and utilization at the SHG and project levels.

Lessons learned

1. Pre-testing of questionnaires is a prerequisite before actual use to ensure accuracy in administering the instrument and data processing.
2. Proper orientation/training of assessment facilitators is critical in ensuring an objective assessment.
3. The participation of community members in the assessment process gives the community a sense of ownership and generates community-based solutions for organisational improvement.

References

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 Community Initiatives and Resource Management Project 2005. SIHAGA manual asia.ifad. Available of
at.org/web/resource/-/resource_library

Acronyms and abbreviations

ARB	agrarian reform beneficiaries
CI	Community Investments
CIPD	Community Institutions and Participatory Development
DAR	Department of Agrarian Reform
IFAD	International Fund for Agricultural Development
M&E	monitoring and evaluation
NMCIREMP	Northern Mindanao Community Initiatives and Resource Management Project
PM	project management
RMM	rating map matrix
SHG	self-help group
SIHAGA	self-help group assessment

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