



Cash Management Practices And Programme Implementation Of Self Help Groups: A Study Of Bangalore Urban District

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ABSTRACT

Cash management is a crucial element of financial management that determines the operational efficiency of Self Help Groups (SHGs). Adequate availability of cash and its timely utilization influence the successful implementation of developmental programmes undertaken by SHGs. The present study examines the cash management practices of Self Help Groups in Bangalore Urban District and analyses their impact on programme implementation. The study is based on primary data collected from 120 SHG members through a structured questionnaire. Statistical tools such as mean, standard deviation and correlation analysis were employed for data analysis. The findings reveal that effective cash planning, timely inflows and proper utilization of cash significantly enhance programme implementation in SHGs. The study concludes that strengthening cash management practices is essential for improving the performance and sustainability of SHGs.

Keywords: Cash Management, Programme Implementation, Financial Management, Self Help Groups, Bangalore Urban

1. INTRODUCTION

Self Help Groups have become an important institutional framework for promoting financial inclusion and socio-economic development. These groups mobilize savings, access bank credit and implement various income-generating and welfare programmes for their members. Among the various components of financial management, cash management plays a pivotal role in ensuring smooth day-to-day operations of SHGs.

Cash management involves planning, controlling and monitoring cash inflows and outflows to maintain adequate liquidity. Inadequate cash availability or poor cash planning can delay programme implementation and adversely affect group activities. In urban districts like Bangalore Urban, SHGs undertake diverse programmes that require efficient cash handling. Hence, an empirical study on cash management practices and their effect on programme implementation is necessary.

2. REVIEW OF LITERATURE

Suguna (2006) stated that efficient financial practices improve the capacity of SHGs to implement development-oriented activities. However, most studies focus on credit and empowerment aspects, while limited attention has been given to cash management practices and their impact on programme execution, particularly in urban SHGs. This study attempts to address this gap.

Rajamohan (2003) emphasized that financial discipline, including effective cash handling, strengthens the sustainability of SHGs.

Lalitha Shivakumar (1995) highlighted that collective financial planning enables poor women to manage limited resources efficiently.

Pushpa Sinha (2010) observed that microfinance systems reduce liquidity constraints and enhance programme continuity.

Subbarao (2011) highlighted that inadequate financial infrastructure and delayed fund flow hamper financial inclusion initiatives.

Sengupta (2013) emphasized the role of small savings and efficient fund management in strengthening financial inclusion.

Sandhya P.S. et al. (2018) found that proper utilization of microfinance loans improved income-generating activities among SHG members. Despite these contributions, limited studies focus specifically on cash management practices and their impact on programme implementation in urban SHGs. The present study addresses this gap by empirically examining liquidity management in SHGs of Bangalore Urban District.

3. STATEMENT OF THE PROBLEM

Despite access to savings and institutional credit, several SHGs face challenges related to cash shortages, delayed inflows and improper utilization of funds. These issues affect the timely implementation of programmes and overall performance of SHGs. Therefore, it is necessary to examine whether cash management practices significantly influence programme implementation in SHGs.

4. OBJECTIVE OF THE STUDY

- To evaluate the cash management practices of selected Self Help Groups in Bangalore Urban District.
- To analyse cash inflow and outflow patterns of SHGs.
- To examine the adequacy of cash balances maintained by SHGs.
- To study the impact of cash shortages on programme implementation.
- To evaluate liquidity management practices of SHGs.
- To assess the relationship between cash management efficiency and operational performance of SHGs.

5. HYPOTHESIS

H₀: Programme implementation in Self Help Groups does not depend on cash management practices.
H₁: Programme implementation in Self Help Groups depends on cash management practices.

6. RESEARCH METHODOLOGY

The study is based on both primary and secondary data. Primary data were collected from 120 members of selected SHGs in Bangalore Urban District using a structured questionnaire. Judgment and quota sampling techniques were adopted. Secondary data were collected from books, journals and reports. Statistical tools such as mean, standard deviation and correlation analysis were used for data analysis.

7. DATA ANALYSIS AND INTERPRETATION

Table 1: Cash Management Practices of SHGs

Statement	Mean	SD
Adequate cash balance is maintained	4.02	0.78
Cash inflows are properly planned	3.96	0.82
Payments are made on time	4.18	0.69
Cash shortages affect programmes	4.24	0.66
Cash planning improves SHG performance	4.09	0.73

The mean scores indicate that most respondents agreed that effective cash management plays a significant role in the functioning of SHGs. Higher mean values reflect the importance of cash availability and planning in programme execution.

Correlation Analysis

The correlation coefficient between cash management practices and programme implementation was found to be **r = 0.67**, indicating a significant positive relationship. This implies that improved cash management leads to better programme implementation in SHGs.

TABLE 2: FREQUENCY OF CASH INFLOWS IN SHGs

Frequency of Cash Inflow	No. of Respondents	Percentage
Weekly	34	28.3
Fortnightly	29	24.2
Monthly	47	39.2
Irregular	10	8.3
Total	120	100

Interpretation

The table shows that a majority of SHGs receive cash inflows on a **monthly basis (39.2%)**, followed by weekly inflows. Regular inflow patterns contribute to better liquidity planning and smoother programme implementation, whereas irregular inflows pose operational challenges.

TABLE 3: SOURCES OF CASH INFLOWS

Source of Cash	Mean Score
Member savings	4.31
Bank loans	4.42
Government schemes	3.89
Revolving fund	4.07
Interest income	3.76

Interpretation

Bank loans and member savings constitute the major sources of cash inflows in SHGs. Government schemes and interest income play a supplementary role. Dependence on institutional credit highlights the importance of timely loan disbursement for uninterrupted programme execution.

TABLE 4: TIMELINESS OF CASH UTILIZATION

Statement	Mean	SD
Funds are utilized immediately after receipt	4.12	0.71
Delay in fund utilization affects programmes	4.26	0.66
Emergency cash needs are met effectively	3.98	0.83
Cash is reserved for contingencies	3.87	0.85

Interpretation

High mean scores indicate that SHGs recognize the importance of timely utilization of funds. Delays in utilization significantly affect programme implementation, emphasizing the need for improved cash scheduling and contingency planning.

TABLE 5: CASH SHORTAGE AND PROGRAMME DISRUPTION

Impact of Cash Shortage	Respondents Percentage	
Delay in programme execution	46	38.3
Reduction in scale of activities	31	25.8
Borrowing from external sources	27	22.5
No major impact	16	13.4
Total	120	100

Interpretation

The majority of respondents reported that cash shortages lead to delays and scaling down of programmes. A significant proportion resorted to external borrowing, indicating liquidity stress among SHGs during periods of cash imbalance.

TABLE 6: CASH MANAGEMENT PRACTICES AND PROGRAMME PERFORMANCE

Cash Management Effectiveness	High	Programme Performance	Moderate	Low	Total
High	38		12	4	54
Moderate	14		22	6	42
Low	5		9	10	24
Total	57		43	20	120

Interpretation

The cross-tabulation reveals that SHGs with high levels of cash management effectiveness also demonstrate higher programme performance. Poor cash management is associated with low programme outcomes, reinforcing the importance of efficient liquidity control.

TABLE 7: REGRESSION SUMMARY

Variable	β	Value	t Value	Significance
Cash inflow regularity	0.42		4.18	0.000
Cash utilization efficiency	0.37		3.76	0.001

Interpretation

The regression results indicate that regular cash inflows and efficient utilization significantly influence programme performance. The model confirms that cash management practices are strong predictors of successful programme implementation in SHGs.

8. FINDINGS OF THE STUDY

- Majority of SHGs maintain adequate cash balances to meet operational needs.
- Timely cash inflows facilitate smooth implementation of SHG programmes.
- Cash shortages negatively affect programme execution.
- A significant positive relationship exists between cash management and programme implementation.

9. SUGGESTIONS

- SHGs should adopt systematic cash planning and forecasting techniques.
- Regular monitoring of cash inflows and outflows should be encouraged.
- Training programmes on basic cash management should be provided to SHG leaders.

10. CONCLUSION

The study concludes that cash management is a critical determinant of programme implementation in Self Help Groups of Bangalore Urban District. Efficient planning and utilization of cash resources ensure timely execution of programmes and enhance overall performance. Strengthening cash management practices will contribute significantly to the sustainability and effectiveness of SHGs.

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