

**FACTORS INFLUENCING THE ORGANIZATIONAL PERFORMANCE OF  
DEPOSIT-TAKING SACCOS IN KISII COUNTY, KENYA**

**MARYLINE KWAMBOKA OENGA**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE AWARD OF MASTER IN BUSINESS  
ADMINISTRATION DEGREE IN STRATEGIC MANAGEMENT OF  
MOUNT KENYA UNIVERSITY**

**NOVEMBER 2024**


## DECLARATION AND APPROVAL

### Declaration

This project is my original work and has never been presented for any academic award in any institution.

Name: ..... MARYLINE KWAMBOKA OENGA .....

Reg. No. .... MBX/2019/44547 .....

Signature.....  ..... Date. 02/11/2024 .....

### Approval

This project is being submitted for examination with my approval as University supervisor.

Name: ..... Dr. Robert Omondi Oduo .....

Institutional Affiliation..... MT. KENYA UNIVERSITY .....

Signature.....  ..... Date. 02/11/2024 .....

## **DEDICATION**

This project was a special dedication to my parents and siblings for supporting me throughout. May God give you many good and happy times.



## **ACKNOWLEDGEMENTS**

I want to thank God for giving me the insight, bravery, and resolve to finish this research project. The collaboration and assistance of everyone involved was crucial to its success.

I am deeply thankful to Dr. Robert Obuba, my supervisor, for his guidance and motivation during the entire process. Additionally, I appreciate the insightful guidance provided by all the strategic management instructors at each phase. My sincere gratitude goes to my parents for their consistent moral support and collaboration. Lastly, I appreciate my friends for their priceless assistance and motivation in completing this project.



## **ABSTRACT**

SACCOs are member-owned financial institutions offering a range of financial services aimed at promoting financial inclusion and empowering communities, particularly in underserved regions. In Kenya, SACCOs play a crucial role by providing savings and credit facilities, especially in remote areas where traditional banks are scarce. This research examined the factors influencing the organizational performance of deposit-taking SACCOs in Kisii County, Kenya. The specific objectives included to determine how leadership and management practices influence the organizational performance of deposit-taking Saccos in Kisii County, to assess the influence of financial management practices on the organizational performance of deposit-taking Saccos in

Kisii County, to find out how human resource management practices influence the organizational performance of deposit-taking Saccos in Kisii County, and to examine the influence of technological adoption and innovation on the organizational performance of deposit-taking Saccos in Kisii County. The study was guided by a theoretical framework encompassing Agency Theory, Resource Dependency Theory, Contingency Theory, and Motivation Theory. The study targeted the management teams and staff members of DTSACCOs in Kisii County, assessing organizational performance in terms of profitability, asset growth, loan portfolio quality, and member satisfaction. The entire accessible population of 130 respondents from management team members and staff members was surveyed using the census methodology. To verify the reliability and validity of the research instruments, a pilot study was conducted with five respondents from SACCOs in Nyamira County, not included in the main study. Reliability testing using Cronbach's alpha coefficients confirmed that all constructs had values above 0.7, indicating strong internal consistency. Validity was established through expert reviews of the instruments, ensuring they effectively captured the constructs of interest and were suitable for measuring the targeted variables. Data collection utilized both structured and unstructured questionnaires, with analysis conducted through descriptive and inferential statistics. Results were double-checked for accuracy and reported using tables and charts, with findings transferred from SPSS v.27 to Microsoft Word for descriptive reporting. Based on regression coefficients, leadership and management practices demonstrated the greatest impact on SACCO performance ( $\beta = 0.398$ ,  $p = 0.000$ ). Financial management practices, with a coefficient ( $\beta = 0.312$ ,  $p = 0.000$ ), showed the second most substantial impact. Human resource management practices ( $\beta = 0.221$ ,  $p = 0.001$ ) also positively influenced performance, contributing meaningfully, although less so than leadership and financial management practices. Lastly, technological adoption and innovation ( $\beta = 0.165$ ,  $p = 0.011$ ) had the lowest positive impact among the predictors, suggesting a moderate effect compared to other factors. Overall, the model explained 67.7% of the variance in SACCO performance ( $R^2 = 0.677$ ), reflecting the combined impact of these factors. The study recommends continued investment in leadership development, improved transparency in recruitment, a focus on risk management within financial practices, and prioritizing technological infrastructure to enhance service delivery and operational efficiency. Future research should explore the long-term effects of specific leadership styles and technological advancements on SACCOs' financial sustainability and performance outcomes, providing further insights into best practices for organizational improvement in the sector.

## TABLE OF CONTENTS

<b>DECLARATION AND APPROVAL .....</b>	<b>ii</b>
<b>DEDICATION .....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>iii</b>
<b>ABSTRACT .....</b>	<b>iv</b>
<b>LIST OF TABLES .....</b>	<b>ix</b>
<b>LIST OF FIGURES .....</b>	<b>x</b>

<b>LIST OF ABBREVIATIONS AND ACRONYMS .....</b>	<b>x</b>
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.2 Statement of the Problem .....	5
1.3 Purpose of the Study .....	6
1.4 Specific Objectives of the Study .....	6
1.5 Research Questions .....	7
1.6 Significance of the Study .....	7
1.6.1 Management of Saccos .....	7
1.6.2 Supervisors.....	8
1.6.3 Academics and Future Researchers .....	8
1.7 Scope of the Study.....	8
1.8 Limitations of the study.....	9
1.8.1 Limited Scope .....	9
1.8.2 Lack of Cooperation .....	9
1.9 Delimitations of the study .....	9
1.10 Assumptions of the Study .....	10
1.11 Operational Definition of Key Terms .....	10
<b>CHAPTER TWO.....</b>	<b>12</b>
<b>LITERATURE REVIEW.....</b>	<b>12</b>
2.0 Introduction .....	12
2.1 Empirical Literature .....	13
2.1.1 Leadership and Management Practices and Organizational Performance.....	13
2.1.2 Financial Management Practices and Organizational Performance .....	17
2.1.3 Human Resource Management Practices and Organizational Performance.....	20
2.1.4 Technological Adoption and Innovation and Organizational Performance .....	23
2.2 Theoretical Framework .....	27
2.2.1 Agency Theory.....	27
2.2.2 Resource Dependency Theory .....	29

2.2.3 Contingency Theory.....	30
2.2.4 Motivation Theory .....	31
2.3 Conceptual Framework .....	33
2.4 Recap of Literature Review.....	35
2.6 Research Gap.....	37
<b>CHAPTER THREE .....</b>	<b>40</b>
<b>RESEARCH METHODOLOGY.....</b>	<b>40</b>
3.0 Introduction .....	40
3.1 Research Methodology.....	40
3.2 Research Design.....	40
3.3 Location of the Study .....	41
3.4 The Target Population.....	42
3.5 Sampling Procedures and Techniques.....	43
3.6 Sample Population.....	43
3.7 Construction of Research Instruments .....	44
3.8 Validity and Reliability .....	45
3.9 Data Collection Methods and Procedures .....	46
3.10 Data Analysis Techniques and Procedures .....	47
3.11 Ethical Considerations.....	48
<b>CHAPTER 4 .....</b>	<b>49</b>
<b>RESEARCH FINDINGS AND DISCUSSIONS.....</b>	<b>49</b>
4.0 Introduction .....	49
4.1 Research Presentation, Interpretation, and Discussions.....	49
4.1.1 Response Rate.....	49
4.1.2 Demographic Information.....	50
4.2 Descriptive Results.....	57
4.2.1 Leadership and Management Practices and Organizational Performance.....	57
4.2.2 Financial Management Practices and Organizational Performance .....	62
4.2.3 Human Resource Management Practices and Organizational Performance.....	65

4.2.4 Technological Adoption and Innovation and Organizational Performance .....	69
4.2.5 Organizational Performance .....	72
4.3 Diagnostic Tests .....	76
4.3.1 Normality Test .....	76
4.3.2 Multicollinearity Check .....	77
4.4 Inferential Results .....	78
4.4.1 Regression Analysis.....	78
4.3 Discussion of individual objective results.....	83
4.3.1 Leadership and Management Practices.....	83
4.3.2 Financial Management Practices .....	85
4.3.3 Human Resource Management Practices.....	87
4.3.4 Technological Adoption and Innovation .....	88
<b>CHAPTER 5 .....</b>	<b>89</b>
<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>89</b>
5.0 Introduction .....	89
5.1 Summary of Result findings.....	90
5.1.1 Leadership and Management Practices.....	90
5.1.2 Financial Management Practices .....	92
5.1.3 Human Resource Management Practices.....	93
5.1.4 Technological Adoption and Innovation .....	94
5.1.5 Organizational Performance .....	95
5.2 Conclusions .....	96
5.3 Recommendations for Practice.....	98
5.3.1 The Authorities .....	98
5.3.2 Service Users/Beneficiaries .....	99
5.3.3 Other Stakeholders.....	99
5.4 Recommendations for Further Research.....	100
<b>REFERENCES .....</b>	<b>101</b>
<b>APPENDICES .....</b>	<b>120</b>
APPENDIX I: RESEARCH TOOLS .....	120
APPENDIX II: ERC CERTIFICATE .....	129
APPENDIX III: LETTER OF INTRODUCTION.....	130

APPENDIX IV: NACOSTI RESEARCH LICENSE .....	131
APPENDIX V: FIELD ENTRY AUTHORIZATION.....	132
APPENDIX VI: SIMILARITY INDEX REPORT .....	134
APPENDIX VII: MAP OF THE STUDY AREA.....	136
APPENDIX VIII: LIST OF DEPOSIT TAKING SACCOS IN KISII COUNTY .....	136

**LIST OF TABLES**

Table 1:Target Population .....	42
Table 2: Sample Size .....	44
Table 3: Response Rate .....	50
Table 4: Gender Distribution .....	50
Table 5: Age Distribution .....	51
Table 6: Type of Sacco Society .....	52
Table 7: Position held .....	53
Table 8: Work Experience .....	54
Table 9: Level of Education .....	55
Table 10: Influence of Leadership and Management Practices on Organizational Performance .....	57
Table 11: Influence of Financial Management Practices on Organizational Performance .....	62
Table 12: Influence of Human Resource Management Practices on Organizational Performance .....	66
Table 13: Influence of Technological Adoption and Innovation on Organizational Performance .....	69
Table 14: Organizational Performance .....	72
Table 15: Shapiro-Wilk Test of Normality .....	76
Table 16: Multicollinearity Test Statistics .....	77
Table 17: Model Summary .....	78
Table 18: ANOVA Results .....	79
Table 19: Regression coefficients .....	80

## LIST OF FIGURES

Figure 1: Conceptual Framework .....	34
Figure 2: Gender Distribution Pie Chart .....	51
Figure 3: Age Distribution Bar Chart .....	52
Figure 4: Type of Sacco Society Pie Chart .....	53
Figure 5: Work Experience Bar Chart .....	54
Figure 6: Level of Education Pie Chart .....	56

## LIST OF ABBREVIATIONS AND ACRONYMS

<b>ANOVA</b>	Analysis of variance
<b>BOSA</b>	Back Office Service Activity
<b>CBK</b>	Central Bank of Kenya
<b>DT-SACCOS</b>	Deposit-taking Saccos
<b>ERC</b>	Ethics Review Committee
<b>FOSA</b>	Front Office Service Activity
<b>HRM</b>	Human Resource Management
<b>ILO</b>	International Labour Organization
<b>LTD</b>	Limited
<b>NWDT-SACCOS</b>	Non-Withdrawable Deposit-taking Saccos
<b>RDT</b>	Resource Dependency Theory
<b>SACCOs</b>	Savings and Credit Cooperative Societies
<b>SASRA</b>	Sacco Societies Regulatory Authority
<b>SPSS</b>	Statistical Package for the Social Sciences
<b>WOCCU</b>	World Council of Credit Unions

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

SACCOs are member-owned financial institutions providing various financial services, including savings facilities, credit, insurance, and financial education. SACCOs are structured with two primary operational branches: BOSA, which deals with managing member savings and loans in a cooperative, member-driven manner, and FOSA, which offers a variety of easily accessible banking services similar to those provided by conventional banks. SACCOs have gained prominence globally, particularly in developing countries, for their role in promoting financial inclusion and empowering communities (WOCCU, 2020).

SACCOs significantly improved access to financial services, particularly in areas that are underserved and remote, where traditional banks were frequently not present. SACCOs have been instrumental in reaching marginalized populations, such as rural farmers, women, and small business owners, thereby contributing to poverty reduction and economic development (ILO, 2021).

SACCOs are owned and controlled by their members, who elect a board of directors to oversee their operations. Decision-making within SACCOs is typically democratic, with each member having an equal vote regardless of the size of their deposits or loans (Kariuki & Muriu, 2023). SACCOs are vital in promoting community development by facilitating savings mobilization, providing credit for productive activities, and supporting local economic initiatives. They may also offer financial education and training programs to empower members and promote sustainable financial practices (Wambugu & Mbogori, 2021).

DT-SACCOs are financial institutions authorized to mobilize deposits from members and provide credit facilities (Nyamasege & Marwanga, 2020). Unlike traditional banks, SACCOs operate cooperatively, where members collectively pool their resources to meet their financial needs. Deposit-taking SACCOs accept savings deposits from members, which are then used to fund various lending activities within the SACCO and generate income through interest (Mwangi et al., 2021). In addition to accepting deposits, deposit-taking SACCOs provide credit facilities to members. These loans can be used for different purposes, including business investment, education, housing, or personal needs (Kamau & Nzuki, 2022).

Underserved or marginalized communities were often the focus of SACCOs, as they aimed to offer financial services to individuals who have little or no access to traditional banking institutions. By offering affordable and accessible financial products, deposit-taking SACCOs contribute to broader financial inclusion objectives (Karanja & Mungai, 2022).

Organizational performance describes how effective an organization is in reaching its goals and objectives. It is used to assess how well the company is fulfilling its mission and accomplishing strategic goals. It is a crucial indicator of the effectiveness and efficiency of Saccos. Saccos with strong organizational performance exhibit higher levels of member satisfaction, increased financial stability, and sustainable growth, with Saccos with a robust organizational performance experiencing an average annual growth rate of 15%, compared to 8% for those with weaker performance (SASRA, 2023).

Various factors shape the organizational performance of DT-SACCOs, including leadership and management, financial management, human resource management, and technological adoption and innovation. Understanding these factors is paramount for

enhancing deposit-taking SACCOs' effectiveness, sustainability, and competitiveness in today's dynamic financial landscape.

Effective leadership and management have been foundational for the success of deposit-taking SACCOs. Strong leadership provides vision, direction, and strategic guidance, while efficient management ensures optimal resource utilization and goal achievement. SACCO leaders and managers must possess the skills of strategic planning, decisionmaking, and stakeholder engagement in order to effectively address challenges and take advantage of opportunities in the financial market (Smith & Johnson, 2021).

Sound financial management practices have been essential for the stability and growth of deposit-taking SACCOs. Financial management involves managing funds, investments, and risks to ensure the organization's economic health and sustainability. SACCOs need to adopt efficient financial management procedures, including budgeting, managing cash flow, handling assets and liabilities, and implementing strategies to mitigate risks. Moreover, adherence to regulatory requirements and transparency in financial reporting are crucial for maintaining members' trust and confidence (Brown & Martinez, 2022).

Human resources play a pivotal role in deposit-taking SACCOs' organizational performance. To foster a motivated and productive workforce, SACCOs must invest in staff development, performance management, and employee engagement initiatives. Additionally, promoting a culture of inclusivity, diversity, and innovation can enhance teamwork and organizational effectiveness (Taylor et al., 2023).

Technological adoption and innovation increasingly shape the landscape of deposit-taking SACCOs. Embracing digital technologies such as mobile banking, online platforms, and fintech solutions enhances operational efficiency, expands outreach, and improves

member service delivery. SACCOs should upgrade their IT infrastructure, implement digital banking solutions, and leverage data analytics to better understand member needs and preferences. In addition, encouraging a culture of innovation and flexibility can help SACCOs adjust to evolving market conditions and maintain competitiveness in the digital age. (Clark & Lee, 2024).

Saccos operate within a regulatory framework set by government authorities and financial regulators to safeguard members' interests and maintain financial stability. Compliance with regulatory requirements, such as adequacy ratios, liquidity ratios, and reporting standards, is essential to avoid sanctions, penalties, and reputational damage. The Savings and Credit Cooperative Societies Regulatory Authority (SASRA) plays a pivotal role in regulating and supervising Sacco activities in Kenya. SASRA oversees the licensing of SACCOs that want to conduct deposit-taking operations and provides supervision for deposit-taking and non-deposit-taking SACCOs (SASRA, 2008). Any SACCO collecting deposits without a legitimate license from SASRA is in violation of the law.

According to statistics from SASRA in December 2022, there are 175 licensed SACCOs engaged in deposit-taking activities, and 185 authorized to conduct non-deposit-taking SACCO business. The SACCO sub-sector boasted a total membership of 5.99 million as of December 2021, comprising 176 DT-SACCOS and 460,785 members from 185 NWDT-Saccos. NWDT-Saccos represent the majority, constituting more than 51.25% of all SACCOs (SASRA,2021).

In 2021, the SACCO sub-sector's total assets amounted to Kshs 807.11 billion, reflecting an average cumulative increase of 9.93% from Kshs 734.22 billion in the preceding year.

This increase can be directly linked to the expansion of loans and credit facilities provided by SACCOs during the same timeframe. DT-SACCOS held the highest

proportion of total assets in the SACCO sub-sector, reaching Kshs 691.09 billion in 2021, accounting for 85.25% of the sub-sector's total assets. 185 NWDT-Saccos captured a market share of Kshs 116.02 billion, representing 14.75% of the sub-sector's total assets (SASRA, 2021).

## **1.2 Statement of the Problem**

DT-SACCOs in Kisii County, Kenya, are pivotal in the local economy, yet they encounter challenges in optimizing organizational performance. Previous literature underscores various factors influencing organizational performance, including leadership and management, financial management, human resource management, and technological adoption and innovation. However, more integrated research is required to examine the factors altogether in the context of Kisii County's SACCOs.

According to a report by the Kenya Deposit Insurance Corporation (KDIC) in 2023, 62% of SACCOs in Kisii County experienced a decline in profitability over the past two years, indicating a pressing need to address performance issues. Furthermore, a survey conducted by the Kisii County Cooperative Development Office in 2022 revealed that 78% of SACCOs cited ineffective leadership and management as a significant hindrance to their growth and sustainability.

Despite these statistics, existing studies focused on singular aspects of organizational performance only after adequately considering the interplay among critical factors. A study by Mwangi and Gitonga conducted in 2019 explored the impact of leadership styles on SACCO performance. However, examining how leadership interacts with other factors, such as financial management and technological adoption, was necessary.

Additionally, more empirical evidence from Kisii County needs to be provided, specifically focusing on deposit-taking SACCOs. For instance, Ondieki and Ondabu

(2018) studied the how financial management practices affect SACCO's performance. However, it would have been beneficial if they had explored the distinct obstacles and prospects encountered by SACCOs in Kisii County.

To bridge these gaps, this research aimed to comprehensively investigate the interconnectedness of leadership and management, financial management, human resource management, and technological adoption and innovation in shaping organizational performance among deposit-taking SACCOs in Kisii County. By leveraging both quantitative data analysis and qualitative insights from SACCO management and staff members, this study sought to provide actionable recommendations for enhancing the performance and sustainability of SACCOs in Kisii County.

### **1.3 Purpose of the Study**

The purpose of the study was to explore the factors influencing the organizational performance of deposit-taking Saccos in Kisii County, Kenya.

### **1.4 Specific Objectives of the Study**

The study was guided by the following objectives:

- i. To determine how leadership and management practices influence the organizational performance of deposit-taking Saccos in Kisii County, Kenya.
- ii. To assess the influence of financial management practices on the organizational performance of deposit-taking Saccos in Kisii County, Kenya.
- iii. To find out how human resource management practices influence the organizational performance of deposit-taking Saccos in Kisii County, Kenya.
- iv.

To examine the influence of technological adoption and innovation on the organizational performance of deposit-taking Saccos in Kisii County, Kenya.

### **1.5 Research Questions**

The study sought to answer the following research questions:

- i. How did leadership and management practices influence the organizational performance of deposit-taking Saccos in Kisii County, Kenya?
- ii. What was the influence of financial management practices on the organizational performance of deposit-taking Saccos in Kisii County, Kenya?
- iii. How did human resource management practices influence the organizational performance of deposit-taking Saccos in Kisii County, Kenya?
- iv. What was the influence of technological adoption and innovation on the organizational performance of deposit-taking Saccos in Kisii County, Kenya?

### **1.6 Significance of the Study**

The study's recommendations, if implemented, would be advantageous to several stakeholders;

#### **1.6.1 Management of Saccos**

The specific topic currently lacks sufficient academic literature for SACCO management to access and review. Thus, the research findings would provide important perspectives to management teams, particularly in DT-SACCOs in Kisii County and other SACCOs. Using information obtained from this research, management teams will be able to create data-driven strategies and protocols that can improve the performance of SACCOs. As a result, SACCOs will be more prepared to meet their members' needs and achieve their goals.

### **1.6.2 Supervisors**

The results of this study would help supervisors of DT-SACCOs in Kisii County understand the different factors that influence organizational performance. A comprehensive assessment identified shortcomings in strategies, leading to the creation of effective solutions that support the implementation of organizational strategies. SACCOs can benefit from these findings to enhance their strategic management practices, ultimately leading to improved performance of organizations.

### **1.6.3 Academics and Future Researchers**

The findings from this study make a significant addition to the existing body of knowledge in strategic management. They can be used as a starting point by upcoming researchers who aim to delve deeper into this topic.

### **1.7 Scope of the Study**

The study concentrated on the factors influencing the organizational performance of deposit-taking saccos in Kisii County, Kenya, focusing on leadership and management practices, financial management practices, human resource management practices and technological innovation and adoption variables. The study assessed organizational performance in terms of profitability, growth in assets, loan portfolio quality, member satisfaction and compliance with regulatory frameworks. The study focused on selected respondents from major departments within the four deposit-taking SACCOs and their respective branches in Kisii County: Gusii Mwalimu Sacco Society Ltd, Kenya Achievas Sacco Society Ltd, Vision Point Sacco Society Ltd, and Wakenya Pamoja Sacco Society Ltd.

## **1.8 Limitations of the study**

### **1.8.1 Limited Scope**

The limitation of this study was its specific focus on one type of SACCO, which could limit the findings' relevance to the wider SACCO sector. To address this issue, the researcher performed a comprehensive examination of the chosen SACCOs, delving deeply into their operations and features. This approach aimed to extract insights that could still be applicable to similar organizations, thus contributing meaningfully to the broader discussions surrounding the SACCO sector.

### **1.8.2 Lack of Cooperation**

Another limitation encountered by the researcher was the difficulty in obtaining cooperation from some respondents, which could lead to gaps in the data collection process. To mitigate this challenge, the researcher implemented several strategies, including building a rapport with participants and emphasizing the significance of the research. Additionally, assurances of confidentiality were provided to encourage more candid responses, helping to enhance the quality of the information collected.

## **1.9 Delimitations of the study**

Delimitations help define the study's boundaries, ensuring clarity and relevance. The Study focused specifically on DT-SACCOs in Kisii County. Generalization to other SACCOs or industries may not be applicable. The research was also conducted within a specific time frame, and its findings may not reflect long-term effects. The research relied on data available from the SACCOs' records, reports, and relevant resources. Other data sources beyond this boundary were not considered.

### **1.10 Assumptions of the Study**

The core assumptions underlying this research were that;

Effective leadership within deposit-taking saccos in Kisii County significantly influences organizational culture and strategic decision-making processes, positively impacting overall organizational performance. Prudent financial management practices, including transparent reporting and efficient resource allocation, directly contribute to the financial stability and long-term sustainability of deposit-taking saccos in Kisii County, ultimately enhancing organizational performance.

Implementing effective human resource management strategies, such as investing in employee training and development, fosters a motivated and skilled workforce within DT-SACCOs in Kisii County, leading to improved organizational performance. Embracing technological innovation and adapting to digital solutions enable deposit-taking Saccos in Kisii County to enhance operational efficiency and customer service delivery, positively influencing organizational performance in a competitive financial market.

### **1.11 Operational Definition of Key Terms**

**Financial Management:** It refers to the strategic planning, organizing, managing, and controlling of an organization's

financial resources to effectively and efficiently achieve its goals while maximizing shareholder wealth.

**Human Resource Management:** It includes the strategic and operational management of the organization's workforce in order to ensure the effective use of human capital in achieving the organization's goals.

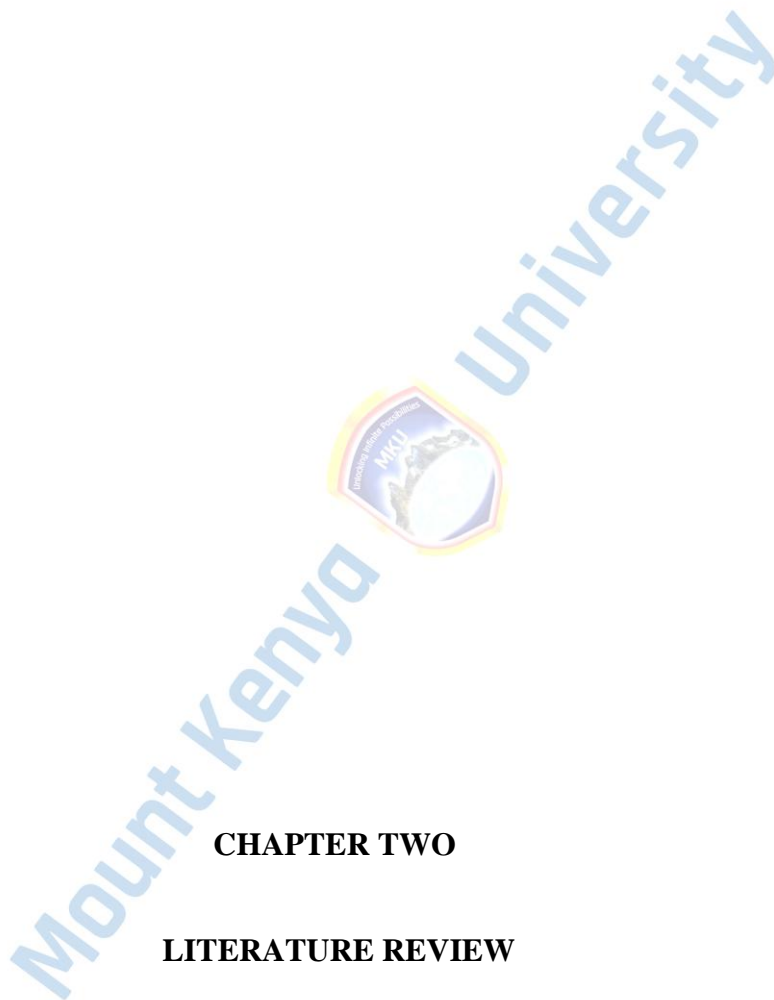
**Leadership:** The ability of individuals or groups to influence and inspire others to achieve common goals and objectives.

**Management:** It is process of planning, organizing, managing, and controlling resources within an organization so as to effectively and efficiently achieve specific goals.

**Organizational Performance:** The term refers to how well an organization can accomplish its goals and objectives.

**Technological Adoption:** It refers to the process by which individuals, organizations, or companies incorporate and implement new technologies into their current systems or practices.

**Technological Innovation:** It is the creation, development and implementation of new or improved technologies that bring about significant advances or changes in products, services, processes or business models.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

A literature review means to thoroughly summarize and assess the available research on a particular subject. In this instance, the review analyzed the current research on the factors that influence the organizational performance of deposit-taking Saccos. It delved into various research papers, encompassing those that have explored the highly effective

factors among Saccos and those that have examined how these factors influence the performance of an organization.

This literature review aimed to offer a comprehensive grasp of the present research status on this subject and pinpoint any gaps in the current literature that could be explored in future studies. This section covered the empirical literature, theoretical framework, and conceptual framework.

## **2.1 Empirical Literature**

The empirical literature concentrated on four key sections related to the study's objectives, as outlined in the first chapter of the project.

### **2.1.1 Leadership and Management Practices and Organizational Performance**

Effective leadership and management strategies are essential in influencing the performance of an organization. Their influence on performance can be examined by looking at three key elements: leadership style, management effectiveness, and the decision-making process.

Effective leadership is essential for Saccos to thrive in a competitive financial landscape. The performance of Saccos had been examined in the context of various leadership styles, like transformational, transactional, servant, authentic, and adaptive leadership.

Bass (1985) defines transformational leadership as centered around inspiration and motivation of followers to achieve exceptional performance through charisma, stimulating intellectual growth, providing individualized consideration, and exerting idealized influence. It is distinguished by the ability to inspire motivation, provide intellectual stimulation, encourage individualized contemplation, and offer idealized influence, and has been extensively researched for its beneficial impact on the

performance of an organization. According to a study by Avolio and Yammarino (2020), transformational leadership fosters employee engagement, innovation, and commitment, leading to enhanced organizational performance metrics such as productivity and profitability. Transformational leaders encouraged and inspired their teams to accomplish company objectives, leading to increased profitability, asset growth, and member satisfaction (Wambua & Mukulu, 2021). Moreover, transformational leaders promoted innovation and adaptability, enhancing SACCOs' ability to respond to changing market dynamics.

Leadership that is transactional emphasized the reciprocal relationship between leaders and followers, placing importance on rewards based on performance, actively and passively managing by exception, and practicing laissez-faire leadership behaviors (Bass, 1985). It was found that this type of leadership has varied effects on organizational performance. While some studies suggested that transactional leadership can maintain stability and efficiency in routine tasks (Bass & Riggio, 2021), others argued that its reactive nature may hinder long-term innovation and adaptability, thus limiting overall organizational performance (Dumdum et al., 2023). In the context of SACCOs, while transactional leadership ensured compliance with regulatory requirements, its impact on long-term performance indicators like profitability and member satisfaction was mixed (Muthuri et al., 2022). However, transactional leaders may effectively manage loan portfolio quality through diligent monitoring and control mechanisms.

Servant leadership, characterized by empathy, stewardship, empowerment, and commitment to the growth of followers, has gained attention for its positive impact on organizational performance. Research by Liden et al. (2022) highlighted how servant leadership fosters a supportive organizational culture, employee well-being, and work satisfaction, ultimately leading to improved performance outcomes. Authentic

leadership, emphasizing self-awareness, transparency, and moral integrity, was associated with enhanced organizational performance. Studies by Walumbwa et al. (2021) suggested that authentic leaders create trust and credibility within the organization, increasing employee engagement, innovation, and overall performance effectiveness. Adaptive leadership, focusing on flexibility, resilience, and change management, has emerged as a critical factor influencing organizational performance. Research by Yukl and Mahsud (2023) suggested that adaptive leaders effectively navigate uncertainties, inspire organizational agility, and promote innovation, enhancing performance outcomes even in turbulent times.

The effectiveness of management within SACCOs has been a subject of extensive research due to its direct impact on the performance of organizations. Smith et al. (2021) explored the correlation between leadership practices and SACCOs' financial sustainability in various countries and found that strong leadership and effective management significantly contributed to enhanced financial performance and member satisfaction. Similarly, Jones and Wang (2020) conducted a comparative analysis of SACCOs in different regions, highlighting the universal impact of managerial competence on organizational outcomes.

Ochieng and Mwita (2022) investigated the role of governance structures in Kenyan SACCOs and found that sound management practices positively influenced financial stability and growth. Additionally, a national survey conducted by CBK (2023) emphasized the pivotal role of leadership quality and strategic management in enhancing SACCOs' competitiveness and resilience in the face of economic challenges. Similarly, Nyabuto and Ondimu (2021) in their study on management practices within SACCOs and its impact on members' financial empowerment, highlighted the significance of

efficient management in fostering trust, transparency, and accountability, which are essential for SACCOs' sustainability and growth in the region.

The significance of decision-making processes within Savings and Credit Cooperative Societies (SACCOs) cannot be overstated, as they directly influence organizational performance. For instance, Smith et al. (2020) conducted a cross-national analysis across various SACCOs in Europe and Asia, revealing a positive correlation between effective decision-making structures and improved financial performance. Similarly, Zhang and Li (2021) emphasized the role of strategic decision-making in enhancing SACCO competitiveness globally, highlighting the importance of proactive strategies in turbulent economic environments.

Nyangulu and Mwila (2022) investigated decision-making processes in SACCOs across multiple African countries, underscoring leadership style influence on the performance of organizations. Their findings emphasized the necessity of participative decisionmaking approaches to foster member engagement and trust, ultimately enhancing

SACCO sustainability. Mutisya and Kariuki (2023) explored the impact of technology adoption on decision-making efficiency within SACCOs, highlighting how digital tools streamline processes and facilitate data-driven decisions. Conversely, Otieno et al. (2020) emphasized the role of regulatory frameworks in shaping decision-making structures in Kenyan SACCOs, underscoring the need for adaptive governance mechanisms to navigate regulatory complexities effectively.

Ondimu and Marube (2021) conducted a study on decision-making dynamics within Kisii County SACCOs, revealing the prevalence of hierarchical decision-making models. They noted that while traditional decision-making structures promote stability, they may

hinder innovation and agility, suggesting a need for hybrid approaches that balance tradition with adaptability. Effective decision-making structures, characterized by inclusivity, adaptability, and strategic foresight, are crucial for enhancing SACCO competitiveness, member satisfaction, and long-term sustainability.

### **2.1.2 Financial Management Practices and Organizational Performance**

The study's second objective was to investigate how financial management practices impact the organizational performance of SACCOs. This review focused on three key factors: loan portfolio management, investment strategies, and risk management practices.

Effective loan portfolio management practices are crucial in determining SACCOs' organizational performance. A study by Li and Chen (2021) found that adopting riskbased pricing models and employing advanced credit scoring techniques positively influenced SACCOs' loan portfolio quality and overall performance. Similarly, a crosscountry analysis by Gupta et al. (2022) revealed that SACCOs implementing robust risk management frameworks experienced lower default rates and higher profitability.

Research by Ouma et al. (2020) in Kenya highlighted the significance of technology adoption in loan origination and monitoring processes, leading to improved efficiency and reduced non-performing loans in SACCOs. Additionally, a study by Mwangi and Kiarie (2023) emphasized the importance of regulatory compliance and governance practices in enhancing SACCOs' financial stability and performance at the national level.

Nyambegeera and Nyamwamu (2022) found that SACCOs employing personalized customer relationship management strategies and offering tailored loan products experienced higher member satisfaction and retention rates. Furthermore, research by Omari and Nyachoti (2021) highlighted the role of effective credit risk assessment

mechanisms in minimizing loan default rates and improving SACCOs' overall financial health in the Kisii locality.

Effective investment strategies are imperative for Saccos to optimize returns and ensure organizational stability. According to Acheampong and Boachie (2020), international studies emphasized the importance of diversification in investment strategies for SACCOs. Diversified investment portfolios reduce risks and enhance financial stability, ultimately improving organizational performance. Similarly, research by Sharma and Bhaumik (2022) highlights the significance of adopting innovative investment approaches, such as impact investing, to align financial goals with social objectives, thereby enhancing SACCOs' performance on a global scale.

Research by Johnson and Smith (2021) emphasized the importance of diversification in SACCO investment portfolios, highlighting its positive impact on financial performance and risk management. Similarly, a study by Li et al. (2022) underscored the significance of adopting modern investment technologies and tools to enhance SACCOs' investment decision-making processes, ultimately improving performance metrics.

An analysis of the effect of regulatory frameworks on SACCOs' investment practices by Njenga et al. (2021) found that favorable regulatory environments promote sound investment decisions, leading to improved organizational performance. A study by Kamau and Mwangi (2023) explored the role of regulatory frameworks in shaping SACCO investment practices in Kenya, emphasizing the need for supportive policies to foster sustainable growth. Furthermore, Mwirigi and Njeru (2023) stressed the importance of leveraging technology in investment management within SACCOs in Kenya. Technology-driven investment platforms enhance efficiency and transparency, contributing to better performance outcomes.

Nyabuto and Omwenga (2021) investigated the impact of SACCO investment in community development projects on organizational performance, highlighting the benefits of social impact and financial returns. Additionally, Onduso and Maranga (2022) examined the influence of leadership styles on investment decision-making within Kisiibased SACCOs, revealing the significance of visionary leadership in driving strategic investments and enhancing performance outcomes. Ondari and Nyaboga (2020) explored the relationship between investment diversification and SACCOs' financial stability. Their study revealed that SACCOs in Kisii that embraced diversified investment strategies experience higher financial resilience and performance than those with limited investment options. Additionally, Mariba and Mogire (2022) investigated the role of member education programs in promoting effective investment decision-making among SACCOs in Kisii. Their findings underscored the importance of financial literacy in enhancing SACCOs' investment performance and overall organizational health.

Effective risk management is a cornerstone of organizational success, particularly in the financial sector where Saccos operates. Li et al. (2021) highlighted the significance of effective risk assessment and mitigation strategies in improving SACCOs' financial stability and sustainability across various countries. Their findings indicated that SACCOs with comprehensive risk management frameworks experience lower default rates and higher profitability compared to those with less sophisticated risk management practices. Similarly, Sharma and Singh (2020) conducted a comparative analysis of SACCOs in different regions and found that institutions that adopt proactive risk management approaches are better equipped to withstand global financial uncertainties and economic downturns. These SACCOs demonstrate higher levels of resilience and adaptability, contributing to their long-term success and member satisfaction.

Oduor et al. (2022) found that SACCOs in Kenya that prioritize risk identification, analysis, and mitigation experience higher profitability and member satisfaction. Their study revealed that SACCOs with dedicated risk management teams and regular risk assessments outperform their peers regarding loan portfolio quality and operational efficiency. Additionally, Mwangi and Gitau (2023) examined the impact of regulatory frameworks on risk management practices within African SACCOs. They found that regulatory support for risk management, including clear guidelines and supervision, is essential for fostering a culture of risk awareness and compliance among SACCOs. Institutions operating in regulatory environments conducive to risk management innovation demonstrate better performance and stability.

Nyabuto and Mogusu (2021) conducted a case study of SACCOs in Kisii and found that proactive risk management measures significantly contribute to financial sustainability and growth. Their findings emphasized the importance of integrating risk management into strategic planning processes to align organizational objectives with risk mitigation efforts. Furthermore, Otieno and Ombati (2023) explored the role played by leadership and culture of an organization in driving effective risk management practices within SACCOs in Kisii. Their study revealed that SACCOs with strong leadership commitment to risk management and a culture of transparency and accountability exhibit superior performance outcomes, including higher returns on assets and improved member trust.

### **2.1.3 Human Resource Management Practices and Organizational Performance**

Human Resource Management (HRM) practices are essential factors contributing to the overall performance and sustainability of Saccos. Their influence on performance was examined by looking at these key elements: recruitment and selection processes, training and development programs, and employee motivation and satisfaction.

Recruitment and selection processes are vital components of HRM that significantly influence the performance of organizations across various industries, including SACCOs. In a study by Smith et al. (2022) examining SACCOs in diverse global contexts, effective recruitment and selection practices positively correlated with improved organizational performance indicators such as member satisfaction, financial stability, and growth. The study emphasized the importance of ensuring that recruitment strategies are in line with organizational goals to enhance competitiveness and sustainability in the global SACCO landscape.

Research conducted by Omondi and Mwangi (2021) in Kenya highlighted the significance of transparent and merit-based recruitment processes in enhancing employee performance and organizational productivity within SACCOs. The study underscored that SACCOs should adopt modern recruitment techniques, including psychometric assessments and competency-based interviews, to attract and retain top talent. Adedeji et al. (2020) emphasized the role of cultural fit and diversity in recruitment and selection processes within SACCOs in Africa. The study results show that organizations that value diversity and inclusion in their hiring processes achieve greater employee engagement, innovation, and overall performance.

Nyambane and Nyaboga (2023) investigated the impact of recruiting and selecting methods on SACCOs' operational efficiency and member satisfaction. The findings indicated that SACCOs implementing rigorous recruitment criteria and investing in employee training and development recorded lower turnover rates and higher member loyalty, contributing to sustained organizational growth.

In today's dynamic business environment, programs on training and development are important in enhancing the performance of organizations. Research by Smith and

Johnson (2021) revealed that SACCOs that invest significantly in training and development programs experience higher levels of member satisfaction, leading to increased loyalty and retention. Similarly, Chen et al. (2020) found that SACCOs with robust training initiatives exhibit more excellent financial stability and efficiency in operations. Furthermore, a meta-analysis conducted by Li and Lee (2022) across multiple countries demonstrated a positive correlation between training investments and SACCO performance metrics such as loan portfolio quality, member growth, and profitability. These findings underscore the global significance of training and development practices in driving SACCO's success.

In Africa, SACCOs are vital in promoting financial inclusion and economic development. Research by Kamau and Mwangi (2023) in Kenya highlighted that SACCOs implementing comprehensive training programs not only enhance the skills of their staff but also foster a culture of innovation and adaptability, crucial for navigating market dynamics. Moreover, a study by Obi and Adeleke (2021) in Nigeria emphasized the importance of tailored training initiatives aligned with the unique needs of SACCOs, leading to improved member services and operational efficiency. Similarly, a survey conducted by Mwenda et al. (2020) in East Africa indicated that SACCOs prioritizing continuous learning and development initiatives achieve better financial performance and sustainability.

Research by Nyambati and Ondabu (2023) in Kisii County emphasized the role of training and development programs in empowering SACCO employees with the needed skills to provide personalized financial solutions to members, thereby enhancing satisfaction and loyalty. Furthermore, a case study conducted by Omwenga and Mokuu (2022) on SACCOs in Kisii town revealed that institutions offering structured training

programs experience lower employee turnover rates and higher productivity levels. This highlights how training and development programs have a direct impact on organizational performance within the local context.

Employee motivation and satisfaction practices are critical elements in the success of SACCOs. Research by Smith et al. (2021) highlighted that SACCOs implementing effective motivation strategies experienced higher employee satisfaction and improved organizational performance. Similarly, a study by Nguyen and Nguyen (2022) highlighted the importance of internal motivators, like acknowledgement and chances for development, in encouraging employee involvement within SACCOs.

In their study on employee motivation programs and the financial performance of Saccos in Kenya, Mwangi and Muturi (2020) found a positive correlation between employee motivation programs and SACCOs' financial performance. Moreover, a study by Ongori and Migunde (2023) in Kenya revealed that SACCOs investing in employee training and development witnessed enhanced productivity and member satisfaction, contributing to overall organizational success.

Research conducted by Nyangweso and Ondabu (2022) on employee motivation and satisfaction practices in Kisii SACCOs underscored the significance of fair compensation and supportive work environments in driving employee motivation and satisfaction within SACCOs. Furthermore, a study by Nyaboga and Marwa (2021) indicated that SACCOs fostering a culture of open communication and participatory decision-making witnessed improved employee morale and organizational performance.

#### **2.1.4 Technological Adoption and Innovation and Organizational Performance**

In recent years, the cooperative financial sector, particularly Saccos, has witnessed a transformative shift driven by technological adoption and innovation. Technological

adoption and innovation was examined from three perspectives: digital banking, mobile money, and financial technology.

Research conducted by Smith and Johnson (2021) revealed that adopting digital banking technologies has led to notable enhancements in the operational effectiveness of SACCOs worldwide. Findings indicate that digital banking platforms streamline internal processes, such as member registration, loan processing, and account management, thereby reducing administrative burdens and enhancing overall productivity. Moreover, digital banking facilitates real-time access to financial data and analytics, enabling SACCOs to make data-driven decisions that optimize resource allocation and improve member satisfaction.

Li et al. (2020) underscored the transformative potential of digital banking in expanding SACCOs' outreach and competitiveness in the global market. Through digital channels, SACCOs can extend their services beyond traditional brick-and-mortar branches, reaching underserved populations in remote areas. This enhanced accessibility fosters financial inclusion by providing individuals with opportunities to save, borrow, and invest, ultimately contributing to economic development and poverty alleviation.

Oluoch and Mwangi (2022) explored the impact of digital banking on SACCOs operating in Kenya, a country with a vibrant cooperative movement. Their study revealed that embracing digital banking platforms has enabled SACCOs to improve their organizational performance in various ways. One significant finding is the role of digital banking in reducing operational costs associated with manual processes and paperwork. By automating routine tasks and digitizing financial transactions, SACCOs can achieve cost efficiencies and allocate resources more effectively towards member services and community development initiatives. Furthermore, Kamau et al. (2023) underscored the

need for digital banking in enhancing SACCOs' risk management practices. Through digital platforms, SACCOs can implement robust risk assessment models and monitor portfolio performance in real-time, minimizing exposure to credit, liquidity, and operational risks. This proactive approach to risk management enhances SACCOs' resilience to external shocks and market fluctuations, ensuring financial stability and sustainability in the long run.

According to Nyabuto and Omari (2020), SACCOs leveraging digital banking platforms experience notable improvements in member satisfaction and retention rates. Digital channels provide members convenient access to financial services, such as account balances, loan applications, and transaction history, anytime and anywhere. This enhanced convenience fosters robust member engagement and loyalty, ultimately contributing to SACCO's growth and profitability. Additionally, Ondieki and Ombati (2021) examined the impact of digital banking on loan disbursement efficiency within SACCOs in Kisii Town. Their study found that SACCOs employing digital loan processing systems experience faster turnaround times and reduced processing errors than traditional manual methods. This streamlined process enhances SACCOs' ability to promptly and accurately meet members' credit needs while minimizing the risk of loan defaults and delinquencies.

With the advent of mobile money technology, SACCOs have experienced significant changes in their operations and organizational performance. Smith and Jones (2021) found that integrating mobile money services enhanced SACCOs' efficiency in financial transactions, improving member satisfaction and retention. Additionally, Patel et al. (2022) observed that mobile money adoption increased SACCOs' outreach to remote and underserved communities, expanding their market presence and enhancing financial inclusion efforts.

Mobile money has emerged as a game-changer for SACCOs in Africa. A study by Kamau and Mwangi (2020) revealed that SACCOs leveraging mobile money platforms experienced accelerated membership and loan disbursement growth, contributing to their overall financial sustainability. Moreover, Ouma and Nyabuti (2023) documented how mobile money adoption among SACCOs in Kenya facilitated faster loan processing and reduced operational costs, leading to improved profitability and competitiveness in the market.

In their study on the influence of mobile money on SACCOs in Kisii County, Nyamache and Onditi (2021) reported that SACCOs integrating mobile money solutions witnessed an increase in savings mobilization and loan repayments, attributed to the convenience and accessibility of mobile banking services. Furthermore, Mogusu and Omwenga (2022) emphasized the role of mobile money in strengthening SACCOs' governance structures and risk management practices, thereby enhancing organizational resilience and sustainability in the local context.

Financial technology (FinTech) has emerged as a transformative force reshaping the landscape of financial services worldwide. Within this context, Savings and Credit Cooperative Societies (SACCOs) have experienced notable changes in their operational dynamics, spurred by adopting various FinTech solutions.

Smith et al. (2021) examined the impact of FinTech adoption on SACCOs in developing countries. It found that the integration of digital payment systems and mobile banking platforms significantly enhanced operational efficiency and member satisfaction. Similarly, a cross-country analysis by Patel and Gupta (2022) revealed that SACCOs leveraging FinTech solutions experienced higher rates of loan disbursement, reduced default rates, and improved financial inclusion metrics.

Ouma and Mwangi (2020) highlighted the positive correlation between FinTech adoption and SACCOs' financial performance indicators in their research conducted in Kenya. The study emphasized the importance of mobile money platforms and digital loan disbursement systems in expanding SACCOs' outreach to underserved communities. Furthermore, a survey conducted by Kamau et al. (2023) across various African countries underscored the role of regulatory frameworks in facilitating the integration of FinTech innovations within SACCOs, thereby fostering sustainable growth and resilience.

Nyambane and Ondabu (2022) investigated the influence of FinTech on SACCOs' competitiveness and found that institutions embracing digital transformation strategies exhibited higher levels of member engagement and retention. Moreover, a case study by Omwenga and Mokaya (2021) demonstrated how SACCOs in Kisii leveraged blockchain technology to streamline loan processing and reduce operational costs, ultimately improving overall organizational performance.

## **2.2 Theoretical Framework**

A theoretical framework is a structure of interconnected ideas and concepts that guides the research process (Creswell,2014). It provides a theoretical lens through which researchers interpret and understand the phenomena they are investigating.

The theories used in this research to enhance understanding of organizational performance were: Agency Theory, Resource Dependency Theory, Contingency Theory and Motivation Theory.

### **2.2.1 Agency Theory**

The concept of agency theory offered a structure for comprehending the connection between principals (owners) and agents (managers) in organizations, with a focus on aligning their interests to maximize organizational performance (Jensen & Meckling,

1976). Agency theory was particularly relevant in deposit-taking Saccos due to these financial cooperatives' unique ownership and governance structures.

Studies by Johnson et al. (2018) and Smith (2020) highlighted the importance of effective governance mechanisms in mitigating agency conflicts and promoting Sacco sustainability. Johnson et al. (2018) found that Saccos with solid governance structures, including active oversight by boards and robust internal control systems, tend to exhibit better financial performance and member satisfaction. Similarly, Smith (2020) emphasized the role of managerial incentives and monitoring mechanisms in aligning the interests of Sacco managers with those of members. By providing managers with appropriate incentives tied to long-term organizational goals, Saccos can reduce opportunistic behavior and enhance performance.

Research by Kariuki et al. (2020) explored how regulatory changes in the Kenyan Sacco sector have influenced agency relationships and organizational performance. Kariuki et al. (2020) found that recent regulatory reforms to enhance transparency and accountability have improved Sacco governance practices and financial performance. Similarly, Nyaga and Mugo (2020) investigated the influence of cultural factors on the effectiveness of governance mechanisms in Saccos in Tanzania. Their study reveals that cultural norms emphasizing collective decision-making and community involvement can complement formal governance structures, resulting in better Sacco outcomes.

A study by Ochieng et al. (2020) examined the role of digital technologies in enhancing transparency and accountability within Sacco operations, thereby reducing agency costs. Ochieng et al. (2020) found that Saccos adopting digital platforms for member communication, transaction processing, and data analytics experience lower levels of information asymmetry and agency problems. Conversely, research by Kamau (2020)

highlighted the challenges posed by weak governance structures and inadequate member oversight in some Saccos, leading to agency problems and suboptimal performance. Kamau (2020) suggests capacity-building initiatives targeting Sacco boards and members are essential for improving governance effectiveness and organizational performance.

### **2.2.2 Resource Dependency Theory**

Resource Dependency Theory (RDT) posits that organizations rely on external resources to achieve their objectives, and these dependencies influence their behavior. RDT underscored the importance of understanding how organizations manage their dependencies on external resources, such as capital, technology, and human expertise, to thrive in competitive environments. These resources' availability, control, and strategic utilization shape organizational behavior and performance. Understanding the dynamics of resource dependency is crucial for enhancing organizational performance.

Research by Smith et al. (2021) explored how Saccos in developing countries leverage external resources to enhance their financial sustainability. The findings revealed that Saccos demonstrated greater resilience and long-term viability with diversified funding sources and strong community partnerships.

A study by Patel and Gupta (2020) in Kenya found that Saccos with strategic alliances with banks and microfinance institutions exhibited higher levels of profitability and operational efficiency. Additionally, regulatory support and access to credit facilities were identified as critical factors influencing Saccos' resource dependency and performance.

Kamau and Mwangi (2023), in their study on Community trust and member engagement: Drivers of organizational performance in rural Deposit-taking Saccos, highlighted the

importance of community trust and member engagement in sustaining Saccos' resource base. Moreover, factors such as geographical isolation and limited access to financial infrastructure were found to impact resource dependency and organizational performance in these contexts.

### **2.2.3 Contingency Theory**

Contingency theory is a management framework that suggests there is no one-size-fits-all approach to organizing and managing organizations. Instead, it proposes that organizational effectiveness is contingent upon various internal and external factors, like the environment, technology, size, and structure. According to contingency theory, the most effective organizational practices and structures depend on the unique circumstances and demands facing a particular organization at a given time. This approach emphasized the need for organizations to adapt their strategies, structures, and practices to match the specific contingencies they face, thereby achieving optimal performance outcomes.

For instance, Johnson and Selnes (2020) found that contingency factors such as environmental uncertainty and technology complexity significantly influence the performance of financial cooperatives. Similarly, in a cross-national study, Smith et al. (2021) highlighted the importance of aligning organizational structures with environmental contingencies to enhance the performance of cooperative institutions.

A study by Patel and Shah (2020) in India revealed that Saccos operating in dynamic environments tend to adopt flexible organizational structures, leading to improved performance outcomes. Additionally, Sharma and Shrestha (2022) conducted a survey in Nepal, indicating that Saccos that effectively match their internal configurations with

external contingencies exhibit higher levels of financial sustainability and member satisfaction.

A study by Kamau and Mwangi (2021) in Kenya identified leadership style as a critical contingency factor affecting Sacco performance, with participative leadership positively associated with member satisfaction and financial stability. Furthermore, Nyabwanga and Otieno (2023) conducted a case study in Tanzania, highlighting the role of environmental uncertainty in shaping Sacco strategies and performance outcomes.

#### **2.2.4 Motivation Theory**

Motivation theory encompassed a range of ideas and frameworks aimed at comprehending and elucidating the factors that propel human actions, especially within the realm of work and accomplishment. Numerous motivation theories offered diverse insights into what drives individuals and how motivation impacts behavior. The notion of motivation encompassed varied perspectives, including Maslow's hierarchy of needs, Herzberg's two-factor theory, and Vroom's expectancy theory. According to Maslow's theory, people's drive originates from a hierarchy of needs, beginning with basic physiological requirements and culminating in self-actualization. Herzberg's theory distinguishes between hygiene factors, and motivators. It suggests that satisfiers are responsible for motivation while dissatisfiers help to prevent discontent. Vroom's expectancy theory suggests that people are inclined to behave in specific manners because they believe that their actions will lead to desired results.

Smith and Johnson (2020) conducted a comprehensive analysis on the impact of motivation theory on SACCO performance in developing countries. Through a comparative study, they examined SACCOs that effectively applied motivation theories and those that did not. Their findings revealed that SACCOs that integrated motivation

theories experienced notable improvements in various aspects of organizational performance. Specifically, SACCOs that aligned their motivational strategies with Maslow's hierarchy of needs observed enhanced member satisfaction. By addressing members' diverse needs, such as financial security, social belongingness, and esteem, these SACCOs were able to foster stronger relationships with their members and increase their overall satisfaction levels.

Furthermore, the research discovered a strong connection between employee engagement and Herzberg's two-factor theory implementation. SACCOs that recognized and addressed hygiene factors (e.g., adequate compensation and safe working conditions) and motivators (e.g., recognition and opportunities for advancement) reported higher levels of employee motivation and commitment. This, in turn, translated into improved service delivery and organizational performance. Financial performance was also significantly influenced by the implementation of motivation theory. SACCOs that applied motivational strategies based on Vroom's expectancy theory reported higher levels of productivity and profitability. These SACCOs motivated employees to exert more effort and achieve organizational goals by clearly communicating performance expectations and linking them to desirable outcomes.

In a study conducted by Kamau and Mwangi (2020) focusing on rural SACCOs, the application of expectancy theory in enhancing organizational performance was explored. The findings highlighted the importance of setting clear performance expectations and aligning them with desirable outcomes to motivate employees and improve SACCO performance. Effective communication of performance expectations becomes paramount in rural settings, where resources may be limited and access to formal financial services is often restricted. SACCOs that established transparent performance metrics and

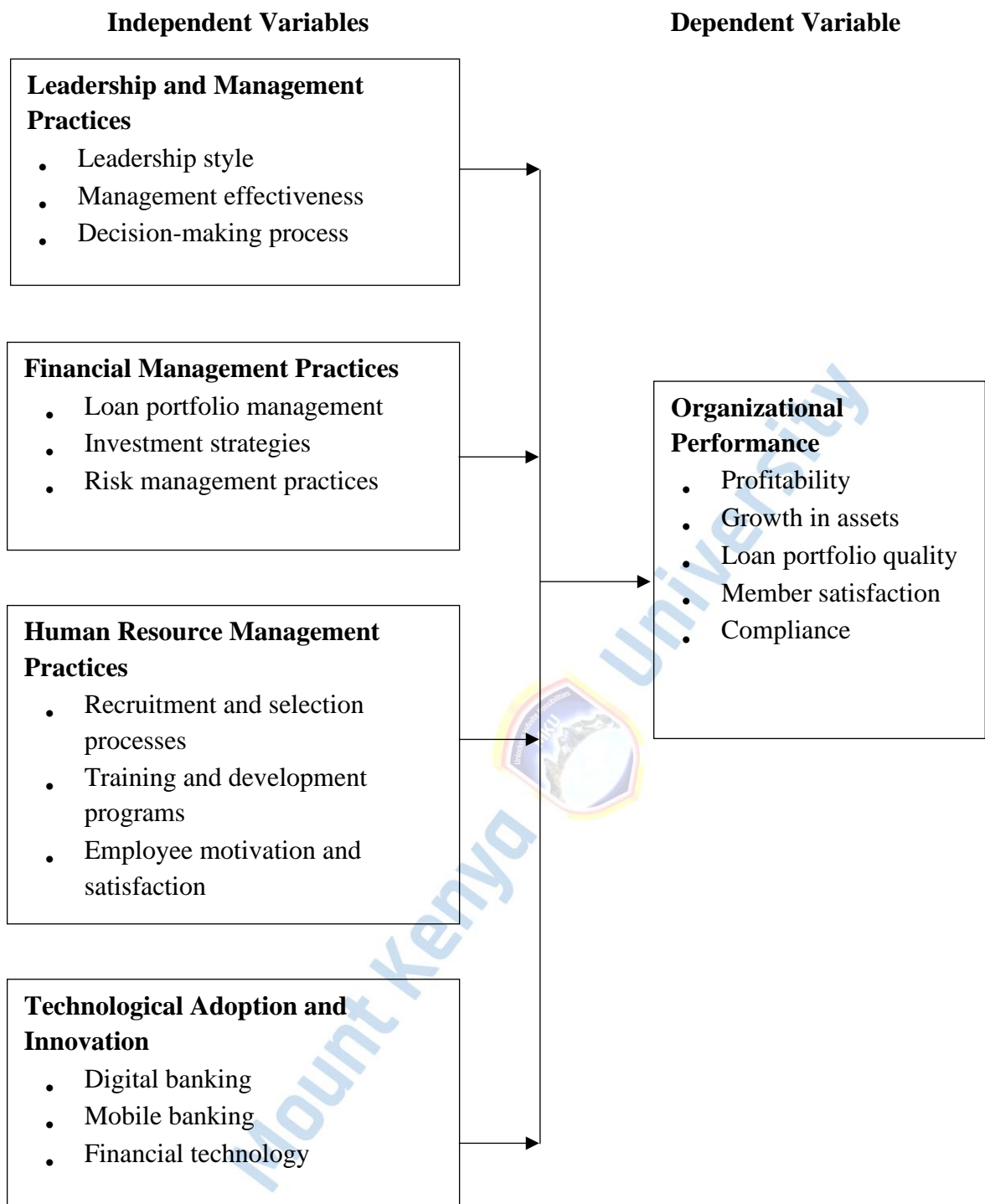
provided regular feedback to employees experienced higher motivation and productivity levels.

### **2.3 Conceptual Framework**

A conceptual framework is a theoretical structure that guides the research process by providing a clear and organized set of concepts, ideas, and relationships. These concepts are derived from existing theories or models relevant to the research topic (Creswell ,2014).

The study was guided by the independent variables (leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation) and a dependent variable (organizational performance).





**Figure 1: Conceptual Framework**

**Source: Researcher (2024)**

The model in Figure 1 presents a framework for understanding how independent variables are related to the dependent variable and its elements.

Regarding the link between leadership and management practices and organizational performance elements, significant factors such as leadership style, management effectiveness, and decision-making process were identified as potential influencers on profitability, growth in assets, loan portfolio quality, member satisfaction, and compliance.

The relationship between financial management practices and organizational performance elements entailed an examination of how factors such as loan portfolio management, investment strategies, and risk management practices can impact profitability, growth in assets, loan portfolio quality, member satisfaction, and compliance.

Similarly, the relationship between human resource management practices and organizational performance showed how factors such as recruitment and selection processes, training and development programs, and employee motivation and satisfaction can influence profitability, growth in assets, loan portfolio quality, member satisfaction, and compliance.

Lastly, the association between technological adoption and innovation and organizational performance elements involved an examination of how digital banking, mobile money, and financial technology may influence profitability, growth in assets, loan portfolio quality, member satisfaction, and compliance.

#### **2.4 Recap of Literature Review**

In this chapter, the critical aspects were examined in works by other authors on leadership and management, financial management, human resource management, and technological adoption and innovation. The section relied mainly on empirical studies from various literary sources.

The literature review offered a thorough summary of studies concerning factors influencing the organizational performance of SACCOs, covering leadership and management practices, financial management practices, human resource management practices, and technological innovation and adoption. Leadership and management practices were highlighted as critical determinants of SACCO performance. Effective leadership styles such as transformational, transactional, servant, authentic, and adaptive leadership have positively shaped organizational outcomes. Transformational leadership fosters employee engagement, innovation, and commitment, leading to enhanced organizational performance. Sound governance structures and strategic decision-making processes significantly contribute to SACCOs' financial stability and growth.

Financial management practices, including loan portfolio management, investment strategies, and risk management, were identified as crucial for SACCO success. Effective loan portfolio management driven by risk-based pricing models and advanced credit scoring techniques enhances loan portfolio quality and overall performance. Diversified investment strategies, regulatory compliance, and proactive risk management approaches were also highlighted as key factors contributing to SACCOs' financial stability and sustainability.

Human resource management practices played a major role in enhancing SACCO performance by focusing on recruitment and selection processes, training and development programs, and employee motivation and satisfaction. Transparent recruitment processes, comprehensive training initiatives, and effective motivation strategies attract and retain top talent, improving organizational productivity and member satisfaction.

Moreover, technological adoption and innovation, including digital banking, mobile money, and financial technology, were identified as transformative drivers reshaping SACCO operations and performance. The integration of digital banking platforms, mobile money services, and FinTech solutions enhanced SACCOs' operational efficiency, expands market outreach, and fosters financial inclusion. Technological advancements facilitated streamlined processes, reduced operational costs, and improved risk management practices, ultimately contributing to SACCOs' competitiveness and resilience in dynamic market environments.

The theoretical framework underpinning research on SACCO organizational performance encompassed several key theories: Agency Theory, Resource Dependency Theory, Contingency Theory, and Motivation Theory. Each theory offered unique insights into the factors influencing SACCO performance and provides a lens through which researchers can interpret organizational dynamics. These theories provided a comprehensive framework for understanding the multifaceted dynamics influencing organizational performance in SACCOs and offer valuable guidance for enhancing performance in diverse contexts.

## **2.6 Research Gap**

The literature review on factors influencing SACCO performance offered a comprehensive understanding of leadership and management practices, financial management practices, human resource management practices, and technological innovation and adoption. However, several research gaps emerged from existing studies. Firstly, while various leadership styles like transformational, transactional, servant, authentic, and adaptive leadership were discussed, there was a need for more comparative analysis to determine their effectiveness within SACCOs. For instance, while Wambua

& Mukulu (2021) and Liden et al. (2022) delved into transformational and servant leadership respectively, comparative studies could elucidate the most impactful style in the SACCO context.

Secondly, the literature acknowledged the importance of decision-making processes but lacked in-depth exploration of how different leadership styles influence decision-making efficiency. Research by Zhang and Li (2021) and Nyangulu and Mwila (2022) highlighted this significance but more empirical studies are needed to understand the interplay between leadership and decision-making within SACCOs.

Thirdly, despite recognizing the transformative potential of technology, particularly in digital banking and mobile money, there was a gap in understanding how these innovations directly impact SACCO performance. Studies by Smith and Johnson (2021) and Oluoch and Mwangi (2022) showcased the influence of digital banking and mobile money but more research is needed to delve into the specific mechanisms and challenges associated with technological adoption in SACCOs.

Fourthly, while human resource management practices were acknowledged, such as recruitment, training, and motivation, there's limited empirical evidence on their causal relationship with SACCO performance outcomes. Research by Smith et al. (2022) and Kamau and Mwangi (2023) stressed the importance of these practices, but further investigation is required to identify specific strategies that enhance organizational performance within the SACCO sector.

Finally, there was a scarcity of cross-country comparative studies, which could offer valuable insights into SACCO performance variations across different regulatory environments and cultural settings. Comparative research by Patel and Gupta (2022) and

Mwangi and Gitau (2023) underlined this necessity, suggesting that such studies could inform evidence-based policy recommendations and managerial strategies. Closing these research gaps could contribute significantly to understanding and improving SACCO performance on a global scale.



## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 Introduction

This section outlined the steps the researcher followed to conduct the research. It detailed the suitable methods for gathering data to meet the research goals, and provided a comprehensive guide on conducting the research, presenting a thorough overview of every aspect of the research process.

#### 3.1 Research Methodology

The systematic process of planning, conducting, and analyzing research is known as research methodology, which seeks to answer a particular research question or investigate a particular phenomenon. Researchers utilize various techniques, procedures, and tools to gather and analyze data in a structured manner. Elements of research methodology, such as the research design, data analysis techniques, and ethical considerations, are crucial to ensuring the validity, reliability, and credibility of the research results (Bryman, 2016).

#### 3.2 Research Design

Research design is the comprehensive strategy and approach for carrying out the research, encompassing the methods and methodologies employed for data collection and analysis. It significantly impacts the validity, reliability, and relevance of research outcomes. Different research designs, including experimental, quasi-experimental, correlational, survey, case study, and ethnographic approaches, come with their own set of advantages and disadvantages (Creswell, 2013).

This study utilized a descriptive research design. This approach involved observing and summarizing the characteristics of a population or phenomenon without manipulating variables, making it recommended for initial exploration and providing practical insights across diverse fields (Neuman,2014).

The study's methodology encompassed both qualitative and quantitative approaches to gathering data, so as to gain a thorough understanding of the factors influencing the organizational performance of deposit-taking Saccos in Kisii County. Organizational performance served as the dependent variable, while the independent variables comprised leadership and management practices, financial management practices, human resource management practices, and technology adoption and innovation.

Qualitative data was collected using open-ended questionnaires, whereas quantitative data was obtained through close-ended questions. A structured questionnaire with close-ended questions was administered to the management teams and staff of the four deposit-taking Saccos and their branches in Kisii County to collect quantitative data. The questionnaire included items related to indicators of organizational performance such as financial performance, member satisfaction, and operational efficiency. Un-structured questionnaire with open-ended questions and interviews was used for qualitative data. These provided a deeper understanding of issues such as leadership styles, organizational culture, and regulatory compliance.

### **3.3 Location of the Study**

The location of the study was in Kisii County involving the four deposit-taking SACCOs within the county and their branches; Gusii Mwalimu Sacco Society Ltd, Kenya

Achievas Sacco Society Ltd, Vision Point Sacco Society Ltd, and Wakenya Pamoja Sacco Society Ltd. The researcher chose this study site because it was geographically and economically convenient.

### 3.4 The Target Population

The total elements that a researcher wants to make assumptions about make up a population (Cooper & Schindler, 2011). A target population refers to a specific subgroup within the larger population that possesses a common characteristic and is designated as the intended audience for a product, advertisement, or research. The target population of this study was the management team and staff of Gusii Mwalimu Sacco Society Ltd, Kenya Achievas Sacco Society Ltd, Vision Point Sacco Society Ltd, and Wakenya Pamoja Sacco Society Ltd Saccos. The total target population for the study was 130 study participants.

**Table 1: Target Population**

Sacco Name	POPULATION		Total
	Number of Management Team Members	Number of Staff Members	
Gusii Mwalimu Sacco Society Ltd	3	21	24
Kenya Achievas Sacco Society Ltd	5	35	40
Vision Point Sacco Society Ltd	1	9	10
Wakenya Pamoja Sacco Society Ltd	6	50	56
<b>Total</b>	<b>25</b>	<b>105</b>	<b>130</b>

**Source: Researcher 2024**

### **3.5 Sampling Procedures and Techniques**

Sampling procedures and techniques are essential aspects of research methodology, determining how a subset of a population is selected for study. The sampling frame plays a crucial role in this process. According to Cooper and Schindler (2011), a sampling frame is a comprehensive list of all elements within a population from which a sample is selected. The sampling frame of the study was all the deposit-taking Saccos in Kisii County i.e it included the management team and staff at Gusii Mwalimu Sacco Society Ltd, Kenya Achievas Sacco Society Ltd, Vision Point Sacco Society Ltd and Wakenya Pamoja Sacco Society Ltd Saccos.

Methods utilized for selecting a subset of individuals or units from a larger population for study are known as sampling techniques. Probability sampling techniques, such as cluster sampling and simple random sampling, were employed in the study to determine the sample's study participants. Considering the professional titles of the respondents, cluster sampling was more suitable. Furthermore, simple random sampling was used within these clusters to identify the subjects for study participation.

### **3.6 Sample Population**

A sample population is the particular group of individuals or units chosen from a larger population to be included in a research study. It represents the group of participants or subjects who will be observed, measured, or studied to draw conclusions about the larger population (Babbie, 2016). Sample size plays a crucial role in determining the sample population. In conducting this study, the census methodology was employed, meaning that the entire accessible population was surveyed. This approach was chosen based on the guidance of Cooper and Schindler (2014), who recommend using a census when the target population is sufficiently manageable. By considering all individuals within the

population, the study aimed to ensure that the data collected would be comprehensive and representative, allowing for more accurate inferences to be drawn.

Focusing on the four deposit-taking SACCOs, the study included all members of the target population as the sample size, resulting in a total of 130 respondents. These respondents were selected from among the management team members and staff members.

**Table 2: Sample Size**

Sacco	Target Population	Sample size	Percentage %
Gusii Mwalimu Sacco Society Ltd	24	24	18.5
Kenya Achievas Sacco Society Ltd	40	40	30.8
Vision Point Sacco Society Ltd	10	10	7.7
Wakenya Pamoja Sacco Society Ltd	56	56	43
<b>Total</b>	<b>130</b>	<b>130</b>	<b>100</b>

Source: Researcher (2024)

### 3.7 Construction of Research Instruments

The construction of research instruments for investigating the factors influencing the organizational performance of DT-SACCOs in Kisii County, Kenya followed a systematic approach as outlined in this project. Firstly, the research objectives were clearly defined, focusing on identifying key factors such as financial performance, governance structures, member satisfaction, and regulatory compliance. Through a comprehensive review of existing literature, established theories and constructs guided the development of measurement items for each identified factor. Pilot testing of the

instruments was conducted to refine their clarity, relevance, and effectiveness. Ethical considerations were paramount throughout the process, ensuring voluntary participation, informed consent, and confidentiality. Implementation of the finalized instruments facilitated data collection, followed by rigorous analysis using appropriate techniques. The interpretation of findings from the project provides insights into SACCO organizational performance in Kisii County, Kenya, with implications for policy, practice, and future research, as outlined in this research project.

### **3.8 Validity and Reliability**

The accuracy and significance of conclusions drawn from research findings are measured by validity (Mugenda and Mugenda, 2003). It evaluates how much the results obtained through data analysis truly reflect the phenomenon being studied. To ensure validity, the researcher reviewed the questionnaires for validation purposes. In the research, a test-retest method was employed to assess the instrument's reliability. Prior to the main data collection, a pilot study was conducted on two Saccos in Nyamira District, which are not included in the study, involving five respondents to evaluate the reliability of the data collection tool.

Cronbach's alpha ( $\alpha$ ) was used to test the reliability of the questionnaire items for various constructs. According to Cooper and Schindler (2016), a Cronbach's alpha value of 0.7 or higher is generally regarded as the threshold for acceptable reliability in social science research. The results are presented in the table below:

**Table 3: Reliability Statistics**

Variable	Number of Items (Questions)	Cronbach's Alpha
Leadership and Management Practices	12	0.97
Financial Management Practices	7	0.94
Human Resource Management Practices	4	0.86
Technological Adoption and Innovation	4	0.96
Organizational Performance	5	0.96

**Source: Researcher (2024)**

The Cronbach's alpha values for all the constructs were above the acceptable threshold of 0.7, indicating good internal consistency and reliability of the questionnaire items used in the study.

### **3.9 Data Collection Methods and Procedures**

Data collection methods are strategies and procedures utilized to collect information for the research from individuals being studied. To obtain pertinent information, the researcher utilized questionnaires. The questionnaires were initially created in a straightforward, easily comprehensible layout and distributed to the participants in the research study. However, after conducting a pilot test, the questionnaires were revised to improve clarity, relevance, and the overall effectiveness of the questions. The revisions were based on feedback from respondents and preliminary analysis of the data. The respondents were given a set deadline for filling out the questionnaires.

Questionnaires are a convenient method for gathering data due to their ease of administration, cost-effectiveness, time efficiency, anonymity, and suitability for

sensitive subjects. The main data sources came from distributed questionnaires, which featured a combination of open-ended and closed questions. Additionally, interviews guided by questionnaires aided in collecting primary data. Closed questions were predominantly used for their clarity and quick response rate, although open-ended questions were also incorporated to enable respondents to express their opinions in their own terms. The research also relied on secondary data available from SACCO records, reports and relevant sources.

### **3.10 Data Analysis Techniques and Procedures**

Data analysis is the process that involves arranging gathered data, organizing its key elements coherently, and communicating findings effectively (Kombo and Tromp, 2011). Demographic data was analyzed using frequencies and percentages. The research objectives were analyzed using both descriptive and inferential statistics. Descriptive statistics, including mean, and standard deviation were employed, while inferential statistics involved regression tests. After analysis, the data underwent rigorous review for accuracy, completeness, and consistency. Subsequently, relevant information was exported from SPSS v.27 to an MS Word document for reporting. Findings were presented using tables and charts to describe the results. Multiple regression analysis was also done to test the relationship between organizational performance and the independent variables. The regression model below was used in determining the relationship.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;  $\beta_0$  = Constant ,  $\beta_1 \beta_2 \beta_3 \beta_4$  = Regression Coefficients

$Y$  = Organizational Performance

$X_1$ =Leadership and Management Practices

$X_2$ =Financial Management Practices

$X_3$ =Human Resource Management practices  $X_4$ =Technological

Adoption and Innovation

$\epsilon$  is the error term.

### **3.11 Ethical Considerations**

The research project underwent submission and approval by the Ethical Review Committee at Mount Kenya University and the National Commission for Science, Technology, and Innovation (NACOSTI). Commencement of data collection or any engagement with the study participants only occurred after obtaining these approvals. Additionally, ethical supervision for the study was provided by Mount Kenya University's postgraduate school. The researcher gathered necessary information ethically and within legal guidelines. Ensuring voluntary participation without coercion, all participants received comprehensive details about the research to secure informed consent before their inclusion. Throughout the study, the researcher protected participants' identities and maintained strict confidentiality of their data.

## CHAPTER 4

### RESEARCH FINDINGS AND DISCUSSIONS

#### 4.0 Introduction

This chapter presents the data analysis, interpretation, and discussion of findings from the 102 completed questionnaires out of the 130 distributed. The analysis was based on the research objectives and questions, with a focus on the influence of leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation on the organizational performance of Deposit-taking Saccos in Kisii County, Kenya.

Data were analyzed using both descriptive and inferential statistics. For descriptive statistics, frequencies and percentages were used to describe the main features of the data collected and for inferential statistics, regression analysis was conducted to determine the relationships between independent variables (leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation) and the dependent variable (organizational performance).

#### 4.1 Research Presentation, Interpretation, and Discussions

##### 4.1.1 Response Rate

A total of 130 questionnaires were distributed, and 102 were returned, representing a response rate of 78.5%. According to Mugenda and Mugenda (2013), a response rate of 50% is deemed acceptable for most research purposes, while a response rate of 60% is considered sufficient to draw reliable conclusions. A response rate of 70% or higher is regarded as extraordinary, reflecting a high level of engagement from participants and

significantly reducing the risk of non-response bias. The high response rate of 78.5% indicates a good level of engagement and provides a reliable basis for analysis.

**Table 3: Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>
Returned	102	78.5
Un-returned	28	21.5
<b>Total</b>	<b>130</b>	<b>100</b>

**Source: Researcher (2024)**

#### **4.1.2 Demographic Information**

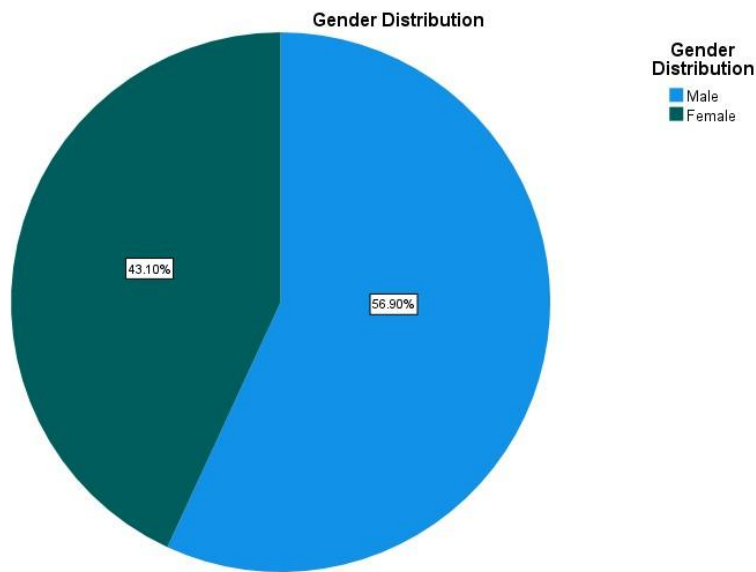
The demographic characteristics of the respondents were crucial in understanding the context of the findings. This data included information on gender, age, level of education, work experience, type of Sacco society and position held.

##### **4.1.2.1 Gender Distribution**

**Table 4: Gender Distribution**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage %</b>
Male	58	56.9
Female	44	43.1
<b>Total</b>	<b>102</b>	<b>100</b>

Source: Researcher (2024)



**Figure 2: Gender Distribution Pie Chart**

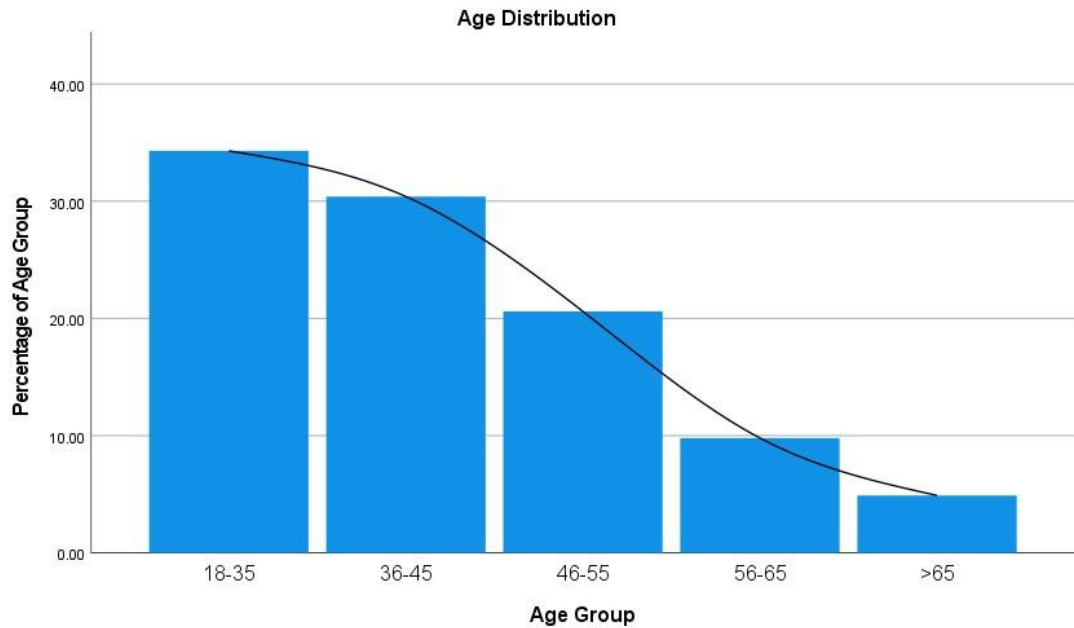
The gender distribution of respondents was almost balanced, with 58 males (56.9%) and 44 females (43.1%). This relatively even distribution suggests that the findings can be generalized across genders within the population of Sacco members in Kisii County. Such a response rate is conducive to reducing response bias and increasing the representativeness of the sample.

#### 4.1.2.2 Age Distribution

**Table 5: Age Distribution**

Years	Frequency	Percentage %
18-35	35	34.3
36-45	31	30.4
46-55	21	20.6
56-65	10	9.8
>65 years	5	4.9

Source: Researcher (2024)



**Figure 3: Age Distribution Bar Chart**

The age distribution of respondents varied, with the majority falling between 18-35 years (34.3%), followed by those in the 36-45 years (30.4%), 46-55 years (20.6%), and 56-65 years (9.8%) categories. The smallest group was those aged over 65 years (4.9%). This spread indicates a diverse age representation among the respondents, which is essential for understanding the perspectives across different life stages.

#### 4.1.2.3 Type of Sacco Society

**Table 6: Type of Sacco Society**

Sacco Type	Frequency	Percentage %
Government Based	20	19.6
Agriculture Based	29	28.4
Private Sector Based	25	24.5

Community Based	28	27.5
<b>Total</b>	<b>102</b>	<b>100</b>

Source: Researcher (2024)

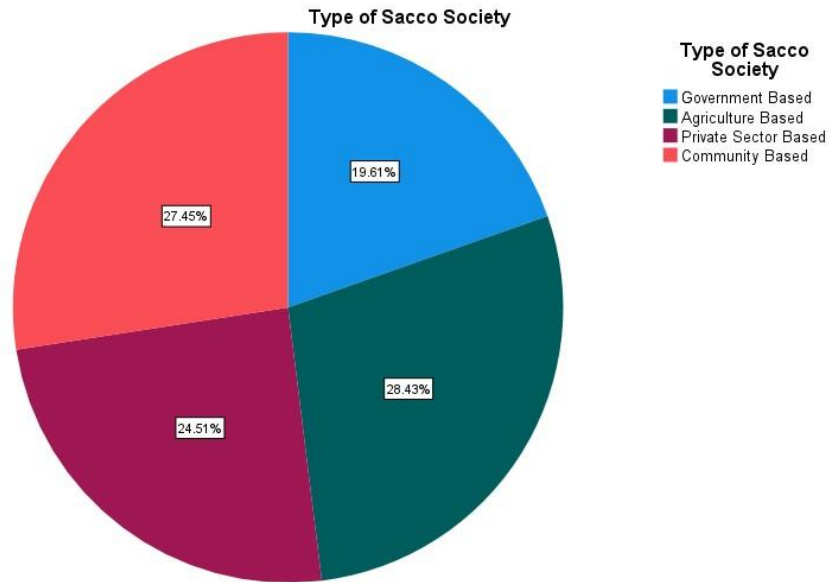


Figure 4: Type of Sacco Society Pie Chart

Respondents belonged to different types of Sacco societies, with 20 (19.6%) from Government Based Saccos, 29 (28.4%) from Agriculture Based Saccos, 25 (24.5%) from Private Sector Based Saccos, and 28 (27.5%) from Community Based Saccos. This diversity highlights the varied backgrounds of Sacco members and the different organizational contexts within which they operate.

#### 4.1.2.4 Position Held

Table 7: Position held

Position Held	Frequency	Percentage %
Management Team Member	18	17.6
Staff Member	84	82.4
<b>Total</b>	<b>102</b>	<b>100</b>

**Source: Researcher (2024)**

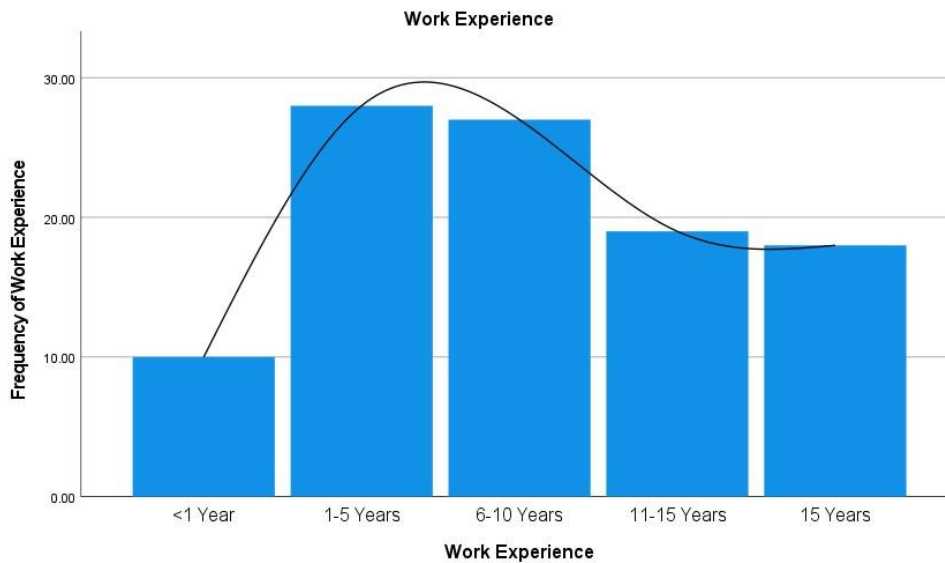
Respondents' positions include Management Team Members with (17.6%); this smaller percentage reflects the typical structure of organizations, where the management team is a smaller, more strategic group responsible for high-level decision-making and organizational oversight, and Staff Members with (82.4%); the large proportion of staff members indicates that most respondents are engaged in the everyday operations of the Saccos, contributing to tasks like customer service, administration, and financial management.

#### **4.1.2.5 Work Experience**

**Table 8: Work Experience**

<b>Work Experience</b>	<b>Frequency</b>	<b>Percentage %</b>
<1 year	10	9.8
1-5 years	28	27.5
6-10 years	27	26.5
11-15 years	19	18.6
>15 years	18	17.6
<b>Total</b>	<b>102</b>	<b>100</b>

Source: Researcher (2024)



**Figure 5: Work Experience Bar Chart**

The data in Table 8 shows the distribution of respondents' work experience within the Deposit-taking SACCOs in Kisii County, Kenya. The majority of respondents have between 1-5 years (27.5%) and 6-10 years (26.5%) of experience, indicating a relatively balanced mix of early to mid-career employees. A smaller portion of respondents have 11-15 years (18.6%) and over 15 years of experience (17.6%), reflecting a stable cohort of long-term professionals within the SACCOs. Those with less than a year of experience make up the smallest group at 9.8%. This distribution suggests that the workforce is diverse in terms of experience, with a solid representation of both newer employees and seasoned professionals, which contributes to a well-rounded organizational structure.

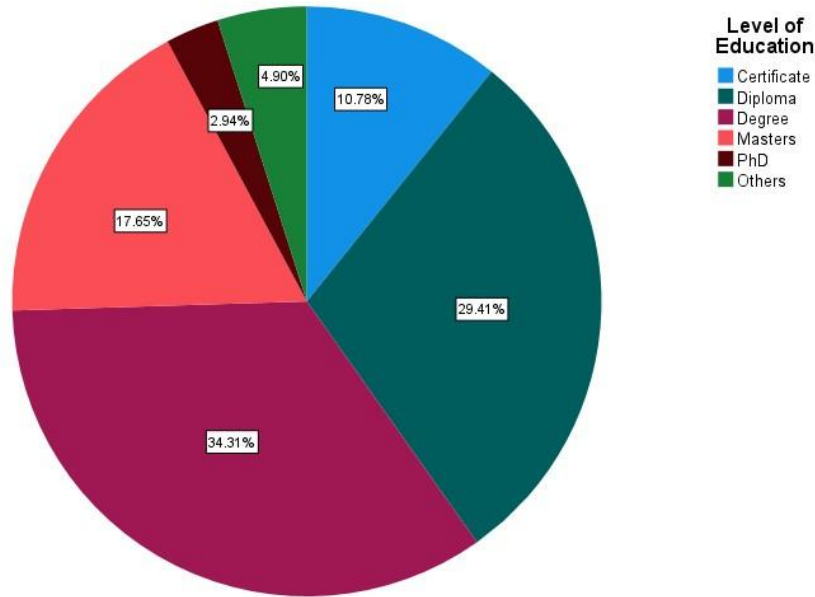
#### 4.1.2.6 Level of Education

**Table 9: Level of Education**

Work Experience	Frequency	Percentage %
Certificate	11	10.8
Diploma	30	29.4
Degree	35	34.3
	55	

Masters	18	17.6
PhD	3	3.0
Others	5	4.9
<b>Total</b>	<b>102</b>	<b>100</b>

Source: Researcher (2024)



**Figure 6: Level of Education Pie Chart**

The findings in Table 9 highlight the educational background of respondents working in the Deposit-taking Saccos in Kisii County, Kenya. The majority of respondents hold either a Diploma (29.4%) or a Degree (34.3%), indicating that most employees have attained significant formal education. A smaller percentage have advanced qualifications, with 17.6% holding a Master's degree and 3.0% holding a PhD. Additionally, 10.8% of respondents have a Certificate, and 4.9% fall into the "Others" category. This distribution suggests that the workforce is well-educated, with a strong foundation of higher education qualifications among employees.

## 4.2 Descriptive Results

Results from Likert scale surveys asking respondents to rate various factors influencing the organizational performance of Deposit-taking SACCOs in Kisii County, Kenya are discussed in this section. The findings show varying levels of satisfaction and perceived effectiveness of these practices, which are crucial for enhancing organizational performance. The discussion also integrates responses from the open-ended questions, which offer qualitative insights into each section.

### 4.2.1 Leadership and Management Practices and Organizational Performance

Respondents were asked to evaluate the influence of leadership and management practices on organizational performance in Deposit-taking SACCOs in Kisii County, Kenya. This section aimed to analyze leadership styles, their effects on performance, and management and decision-making practices. The analysis provided insights into respondents' perceptions regarding these key variables.

**Table 10: Influence of Leadership and Management Practices on Organizational Performance**

Statement	N	Min	Max	Mean	Standard Deviation
<b>Leadership Style within the SACCO</b>					
Our SACCO leaders inspire and motivate innovation and creativity (Transformational Leadership).	102	1	5	3.72	1.23
Our SACCO leaders maintain order through clear roles and responsibilities (Transactional Leadership).	102	1	5	3.16	1.14
Our SACCO leadership prioritizes staff development and well-being (Servant Leadership).	102	1	5	3.24	1.09

Our SACCO leaders are genuine and transparent, adhering to their values (Authentic Leadership).	102	1	5	3.53	1.18
Our SACCO leaders adapt to change and remain flexible in complex environments (Adaptive Leadership).	102	1	5	3.50	1.13
<b>Leadership Style Impact on SACCO</b>					
<b>Performance</b>					
The current leadership style positively impacts SACCO's financial performance.	102	1	5	3.63	1.09
The current leadership style improves employee satisfaction and retention.	102	1	5	3.38	1.19
The leadership style promotes innovation and improves service delivery.	102	1	5	3.57	1.05
<b>Effectiveness of SACCO Management</b>					
Our SACCO management sets clear, achievable goals and objectives.	102	1	5	3.63	1.03
The management demonstrates competence in daily operations and decision-making.	102	1	5	3.43	1.15
Decisions are made transparently and in consultation with relevant stakeholders.	102	1	5	3.44	1.13
The decision-making process is participative and decentralized across the organization.	102	1	5	3.61	1.07

**Source: Researcher (2024)**

The findings in Table 10 indicate that transformational leadership was relatively wellpracticed within the SACCOs, as evidenced by the respondents' generally positive perception of leadership's ability to inspire and motivate innovation and creativity, with a mean score of 3.72(SD=1.23). This suggests that leaders were typically seen as fostering innovation and creativity, though there was some variation in individual

perspectives. Transformational leadership has been widely recognized as having a positive effect on organizational innovation and performance, consistent with recent studies such as those by Hoch et al. (2018), which found similar trends across various organizational contexts. In contrast, transactional leadership, which centers on maintaining order and defining clear roles, was rated with a lower mean score of 3.16(SD=1.14), indicating that while it was present in some leadership practices, it was less prevalent compared to transformational leadership. Ali et al. (2020) similarly identified that transformational leadership had a stronger positive influence on innovation than transactional leadership.

The perception of servant leadership was moderate, with respondents expressing a mixed view on the extent to which leadership prioritized staff development and well-being, as reflected in a mean score of 3.24 (SD=1.09). This indicates that, while some recognition of staff development efforts existed, there was still considerable room for growth. Servant leadership has been acknowledged as key to fostering long-term employee development and satisfaction, aligning with Van Dierendonck's (2019) findings, which emphasized the critical role of prioritizing staff well-being for enhanced organizational performance. Authentic leadership was perceived somewhat more favorably, with a mean score of 3.53(SD=1.18), suggesting that SACCO leaders were generally seen as genuine and transparent. Research, including Gardner et al.'s (2021) findings, supports the notion that authentic leadership, by promoting trust and fostering a positive organizational culture, enhances employee engagement and commitment.

Leadership adaptability was also highlighted as an important factor in organizational performance. Respondents indicated that SACCO leaders demonstrated flexibility and the ability to adapt to change, with a mean score of 3.50(SD=1.13). This suggests that

SACCO leadership showed a reasonable capacity to navigate challenges in a dynamic business environment. Heifetz et al. (2020) stressed the importance of adaptive leadership in complex settings, arguing that flexibility enables organizations to respond effectively to unforeseen challenges.

Leadership's impact on organizational performance, particularly regarding financial outcomes and employee satisfaction, was also explored. The influence of leadership on financial performance was rated positively, with a mean score of 3.63(SD=1.09), indicating that leadership practices were perceived to have a beneficial impact on the financial success of SACCOs. This aligned with studies such as those by Wang et al. (2022), which linked strong leadership to improved financial outcomes in financial institutions. However, leadership's impact on employee satisfaction and retention received a somewhat lower mean score of 3.38(SD=1.19), suggesting that while leadership played a role in enhancing employee satisfaction, it was not fully optimized. Similar findings were reported by Ali et al. (2021), who noted that leadership approaches focused on employee engagement and well-being tended to reduce turnover and increase job satisfaction.

The influence of leadership on innovation and service delivery was also evident, with respondents indicating that leadership practices within SACCOs contributed to improved innovation and service quality, reflected by a mean score of 3.57(SD=1.05). This is in line with the findings of Yasir et al. (2020), who argued that transformational and innovative leadership styles foster enhanced service delivery and customer satisfaction in financial institutions.

In terms of management practices within SACCOs, respondents generally viewed the setting of clear and achievable goals by management positively, as demonstrated by a

mean score of 3.63(SD=1.03). This suggests that SACCO management was generally effective in establishing specific and realistic objectives, an important factor for organizational success. Locke and Latham (2019) emphasized that clear and challenging goals significantly contribute to improved performance. On the topic of daily operations and decision-making competence, the mean score of 3.43(SD=1.15) reflected a perception of general competence, though there were areas where improvement was still needed.

The decision-making process within SACCOs was perceived as moderately transparent and participative. Respondents expressed that while decision-making was somewhat transparent, there was room for improvement, with transparency receiving a mean score of 3.44(SD=1.13). Transparent decision-making has been shown to foster trust and employee engagement, as supported by Cummings et al. (2021). Furthermore, the participative nature of decision-making was rated at 3.61(SD=1.07), indicating a generally favorable view of decentralized decision-making processes within SACCOs. This approach, as noted by Jones et al. (2020), is critical for promoting organizational flexibility and increasing employee engagement.

Open-ended responses provided additional context to these findings, with respondents identifying challenges such as insufficient transparency in decision-making, resistance to change, limited staff development opportunities, and poor communication. These concerns mirrored the areas of leadership and management that received lower ratings, particularly in relation to transparency and servant leadership. Recommendations from respondents included increasing transparency in decision-making, offering more professional development opportunities, and fostering a more participative leadership style. These suggestions resonated with the conclusions of Wang et al. (2020), who

argued that supportive and transparent leadership practices are essential for enhancing both employee and organizational performance.

#### 4.2.2 Financial Management Practices and Organizational Performance

Respondents were asked to evaluate their Sacco's financial management practices using a Likert scale rating. The findings presented in Table 11 offer important insights into how these practices are perceived.

**Table 11: Influence of Financial Management Practices on Organizational Performance**

Statement	N	Min	Max	Mean	Standard Deviation
Our SACCO's loan interest rates reflect market conditions and borrower risk profiles.	102	1	5	3.50	1.11
The SACCO employs sound methods for assessing loan applicants' creditworthiness.	102	1	5	3.61	1.08
We regularly review and update our loan portfolio (e.g., quarterly, annually).	102	1	5	3.53	1.06
The SACCO's investments are diversified (e.g., fixed deposits, government bonds, real estate).	102	1	5	3.58	1.08
The SACCO applies sound investment evaluation methods (e.g., ROI analysis, risk assessment).	102	1	5	3.63	1.01
Our SACCO has effective strategies to manage and mitigate risks in our investments.	102	1	5	3.48	1.08
We have strong monitoring and control mechanisms for risk management.	102	1	5	3.58	1.04

**Source: Researcher (2024)**

The data in Table 11 indicate that SACCOs generally aligned their loan interest rates with market conditions and borrower risk profiles. This alignment was reflected in a mean score of 3.50 (SD=1.11), suggesting that respondents believed SACCOs considered market factors when determining loan rates, though some variability in perceptions was present. By aligning loan rates with both risk profiles and market trends, SACCOs ensured competitiveness while managing default risks, a practice supported by Banna et al. (2021), who emphasized that such alignment was vital for financial stability in financial institutions.

The evaluation of creditworthiness within SACCOs appeared to be well-established, as evidenced by a mean score of 3.61 (SD=1.08). This suggests that respondents perceived SACCOs to apply sound methods when assessing loan applicants' creditworthiness, which was essential for maintaining a high-quality loan portfolio and minimizing default risks. Similar findings by Kaushik and Arora (2020) demonstrated that robust credit evaluation processes contributed to improved performance by reducing loan defaults in financial institutions.

SACCOs also appeared to adhere to regular reviews and updates of their loan portfolios, with a mean score of 3.53 (SD = 1.06). This implied that respondents believed SACCOs conducted periodic assessments, such as quarterly or annual reviews, to ensure that their loan portfolios remained aligned with both organizational goals and market conditions. These reviews were crucial for identifying risks and making strategic adjustments, as noted by Gitau et al. (2022), who found that consistent portfolio monitoring improved financial performance in SACCOs.

Regarding investment diversification, respondents perceived that SACCOs diversified their investments across different asset classes, as shown by a mean score of 3.58 (SD = 1.08). This suggested that SACCOs spread their investments across various sectors such as government bonds, real estate, and fixed deposits, which helped manage risk and improve financial resilience. Saleh et al. (2021) similarly highlighted the importance of diversification in maintaining financial stability during times of market volatility.

Respondents also believed that SACCOs employed sound methods for evaluating their investments, as indicated by a mean score of 3.63 (SD = 1.01). This suggests that SACCOs applied techniques such as return on investment (ROI) analysis and risk assessment to evaluate investment opportunities, ensuring that these investments contributed positively to organizational performance. Muriithi et al. (2020) emphasized that financial institutions utilizing rigorous investment evaluation methods experienced better financial outcomes due to more prudent investment decisions.

Risk management practices within SACCOs were viewed as moderately effective. The mean score of 3.48 (SD = 1.08) indicates that while SACCOs had strategies in place to manage and mitigate investment risks, there was room for improvement. Effective risk management was crucial for safeguarding financial health, particularly in volatile markets, and aligned with Waithaka et al. (2022), who underscored the significance of robust risk mitigation strategies in maintaining financial sustainability.

Additionally, SACCOs were perceived to have strong monitoring and control mechanisms for risk management, as evidenced by a mean score of 3.58 (SD = 1.04). This suggests that SACCOs had mechanisms in place to identify emerging risks and ensure regulatory compliance, although the effectiveness of these mechanisms varied. Kahuthu and Muturi (2021) highlighted that financial institutions with strong monitoring

systems were better equipped to navigate economic uncertainties and mitigate financial losses.

Respondents offered insights on how SACCOs' loan portfolio management practices contributed to organizational performance. Many noted that aligning loan products with market demands and borrower needs promoted customer satisfaction and encouraged timely repayments, ultimately boosting financial performance. Regular reviews of loan portfolios were seen as beneficial in identifying underperforming loans and adjusting strategies, such as tightening credit assessments or revising interest rates based on borrower risk profiles. However, some respondents expressed concerns over loan default rates and suggested that enhancing risk management and creditworthiness assessments could improve loan portfolio management.

Respondents also recommended clearer communication with borrowers regarding repayment terms and more flexible approaches to loan restructuring during financial difficulties. These suggestions were consistent with literature findings, such as those by Muriithi et al. (2020), which demonstrated that transparent communication and flexibility in loan management helped reduce default rates and enhance long-term financial performance. Overall, effective loan portfolio management was seen as essential for maintaining financial stability and supporting the broader goals of SACCOs.

#### **4.2.3 Human Resource Management Practices and Organizational Performance**

This section discussed the findings based on respondents' satisfaction levels with various HRM practices, including the recruitment and selection process, training and development programs, motivation in current roles, and satisfaction with the overall work environment and culture.

**Table 12: Influence of Human Resource Management Practices on Organizational Performance**

Statement	N	Min	Max	Mean	Standard Deviation
The recruitment and selection process effectively supports organizational performance.	102	1	5	3.44	1.12
The SACCO provides effective training programs that improve employee skills and performance.	102	1	5	3.54	1.09
I feel motivated to perform well in my current role.	102	1	5	3.46	1.14
The overall work environment and culture contribute positively to my job satisfaction.	102	1	5	3.60	1.05

**Source: Researcher (2024)**

The findings reveal that respondents had a moderate level of satisfaction with the recruitment and selection process, as evidenced by a mean score of 3.44 (SD=1.12). This suggests that while the recruitment and selection process was perceived as somewhat effective in supporting organizational performance, there remained room for improvement. Effective recruitment and selection were essential for ensuring that SACCOs hired employees best suited to their roles, which directly influenced organizational performance. Gupta and Shaw (2021) similarly observed that organizations with structured and transparent recruitment processes tended to have higher employee retention rates and improved overall performance outcomes. This implied that

enhancing the recruitment and selection process could enable SACCOs to better align their human resources with organizational goals.

Regarding training and development, respondents indicated that SACCOs generally offered effective training programs, as reflected by a mean score of 3.54 (SD = 1.09). However, the moderate level of satisfaction suggested that while these programs were beneficial, there were opportunities for improvement. Training and development were critical for employee growth, as they equipped employees with the necessary skills to perform effectively. Agyapong and Aikins (2020) emphasized that organizations providing continuous training programs experienced higher levels of employee performance and job satisfaction. Given the moderate satisfaction reported, SACCOs might benefit from expanding their training programs to focus on more targeted areas of improvement, which could further enhance both employee performance and overall satisfaction.

Employee motivation emerged as another key area explored in the survey, with respondents rating their motivation to perform well in their current roles with a mean score of 3.46 (SD=1.14). This suggested that employees were moderately motivated, though the significant variation in responses indicated that motivation levels differed among individuals. Motivation is closely tied to organizational performance, as employees who feel motivated are more likely to excel, contribute to innovation, and remain committed to the organization. Ryan and Deci (2022) underscored the importance of intrinsic motivation, where employees find purpose and satisfaction in their roles, leading to better organizational outcomes. Given the moderate motivation levels, SACCOs could explore opportunities to increase recognition and career advancement, potentially boosting motivation across the workforce.

The overall work environment and organizational culture were also seen as important factors contributing to employee satisfaction. Respondents generally had a positive view of the work environment and culture, with a mean score of 3.60 (SD = 1.05). This suggested that SACCOs had successfully fostered a work environment that contributed positively to job satisfaction, which is critical for maintaining a productive and harmonious workplace. A positive organizational culture can enhance employee engagement, reduce turnover, and increase commitment. Sarkar et al. (2021) similarly found that a supportive organizational culture significantly enhanced employee satisfaction, leading to improved overall performance. By continuing to cultivate a positive and inclusive work culture, SACCOs could further strengthen employee loyalty and organizational success.

In the open-ended responses, many respondents suggested that the recruitment and selection process could benefit from greater transparency and inclusivity. Several respondents pointed out that more standardized criteria for hiring could improve fairness and ensure that the most qualified candidates are selected for positions. Some also recommended incorporating more thorough assessments, such as psychometric testing or structured interviews, to ensure that candidates possess both the technical and interpersonal skills necessary for success in the organization. A common suggestion was to increase employee involvement in the recruitment process, as this would provide current staff with a sense of ownership and help ensure new hires fit well into the existing work culture.

Regarding areas for improvement in training and development, respondents identified several specific areas for improvement. Many expressed a desire for more training related to digital skills and technological adoption, particularly in the context of evolving financial services and technological advancements. Others called for more targeted

leadership training programs, arguing that such training could improve decision-making and management practices within the SACCO. Additionally, some respondents suggested that SACCOs should offer more personalized development opportunities tailored to individual career paths, helping employees grow in ways that align with both their professional goals and the organization’s needs. This feedback aligns with current research by De Jong et al. (2021), who stress the importance of continuous and adaptive training programs to keep employees skilled and competitive in fast-changing industries.

#### 4.2.4 Technological Adoption and Innovation and Organizational Performance

The findings in the table represent the influence of technological adoption and innovation on the performance of SACCOs, focusing on several key dimensions such as digital tools, fintech solutions, and mobile banking. The variables included in the study reflect the extent to which technology has been integrated into the SACCO’s operations and the corresponding outcomes on organizational performance.

**Table 13: Influence of Technological Adoption and Innovation on Organizational Performance**

Statement	N	Min	Max	Mean	Standard Deviation
Our SACCO has effectively implemented digital platforms and tools (e.g., mobile banking, online banking).	102	1	5	3.67	1.02
Financial technology adoption has improved the efficiency of our SACCO's operations.	102	1	5	3.61	1.07
The integration of fintech solutions has positively impacted our SACCO’s performance.	102	1	5	3.45	1.10

The SACCO has encountered challenges in adopting technology (e.g., initial cost, staff resistance). 102 1 5 3.33 1.20

---

**Source: Researcher (2024)**

The findings in Table 13 reveal that SACCOs had generally implemented digital platforms and tools effectively, as reflected by a mean score of 3.67 (SD=1.02). This suggests that, on average, respondents perceived the adoption of digital solutions such as mobile and online banking to be relatively successful. The integration of these digital platforms was essential in enhancing customer access to financial services, reducing transaction times, and improving overall operational efficiency. Similar observations were made by Ndegwa and Wambugu (2022), who found that financial institutions that adopted digital platforms experienced increased customer satisfaction and greater operational efficiency. This implied that by continuing to expand and refine their use of digital tools, SACCOs could further optimize service delivery and overall performance.

Regarding the impact of financial technology on operational efficiency, respondents rated the adoption of fintech within SACCOs positively, with a mean score of 3.61 (SD=1.07). This indicated that technology had streamlined operations, though there was some variability in satisfaction levels. Financial technology, including innovations like automated loan processing systems and mobile banking, has been shown to reduce manual errors, expedite processes, and improve service delivery. Odhiambo and Ochieng (2021) similarly reported that fintech adoption significantly enhanced operational efficiency by automating routine tasks and enabling more accurate decision-making processes. Despite the generally positive perception, the moderate score suggested that there remained opportunities for further technological optimization within SACCOs.

The integration of fintech solutions and its impact on SACCO performance was also assessed, with respondents giving a mean score of 3.45 (SD = 1.10) for the positive impact of fintech on performance. While fintech solutions appeared to have a beneficial effect on SACCO performance by offering innovative financial products, improving customer experience, and expanding market reach, the relatively lower score indicated that SACCOs may still face challenges in fully realizing the potential of these innovations. Abubakar et al. (2020) similarly noted that while fintech adoption can improve financial performance, many institutions struggled with full integration due to technical and organizational hurdles.

Challenges in adopting technology were further highlighted by respondents, who rated the difficulties encountered by SACCOs in this area with a mean score of 3.33(SD=1.20). This indicates that SACCOs faced moderate challenges, with significant variation across organizations. Common obstacles included high initial costs for acquiring and implementing digital platforms, as well as resistance from staff who may have been unfamiliar with or apprehensive about new technologies. These challenges could slow the pace of technological integration and limit the potential benefits of digital transformation. The variation in responses suggested that some SACCOs encountered more significant hurdles than others, likely due to differences in resources, technological readiness, and organizational culture. This was consistent with research by Makori and Ouma (2021), who identified cost and staff resistance as key barriers to fintech adoption in SACCOs and other financial institutions.

For the open-ended questions, respondents noted several tangible benefits resulting from the adoption of financial technology solutions within their SACCOs. These include faster transaction processing, reduced manual workloads, and improved accuracy in financial reporting. Many respondents also highlighted that mobile banking and online platforms

have enhanced customer convenience by enabling them to access services remotely, thereby improving overall customer satisfaction. Some respondents pointed out that the automation of key financial processes, such as loan application and approval, has significantly reduced processing times, allowing SACCOs to serve more customers efficiently. This feedback aligns with Odhiambo and Ochieng’s (2021) findings, which emphasize the role of fintech in streamlining operations and improving service quality in financial institutions.

Several obstacles to the full integration of mobile banking were identified by respondents. The most commonly mentioned challenges include high initial setup costs, ongoing maintenance expenses, and the need for continuous system upgrades. Staff resistance was another prominent issue, with some respondents indicating that employees are hesitant to adopt new technologies due to fear of job displacement or a lack of familiarity with digital platforms. Additionally, a few respondents mentioned concerns about data security and the potential for fraud, which has made the management cautious about fully embracing mobile banking. These challenges are consistent with the findings of Makori and Ouma (2021), who identified cost, security concerns, and resistance to change as major barriers to the widespread adoption of mobile banking in SACCOs.

#### **4.2.5 Organizational Performance**

The table provides insights into various aspects of organizational performance within SACCOs, focusing on profitability, asset growth, loan portfolio quality, member satisfaction, and compliance.

**Table 14: Organizational Performance**

<b>Statement</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Standard Deviation</b>
------------------	----------	------------	------------	-------------	---------------------------

Our SACCO consistently achieves strong financial performance and profitability.	102	1	5	3.56	1.09
Our SACCO's assets have grown steadily over the past years.	102	1	5	3.64	1.08
The loan portfolio quality is high, with low default rates.	102	1	5	3.46	1.12
Member satisfaction is high, as evidenced by feedback and retention rates.	102	1	5	3.66	1.04
Our SACCO complies with all relevant regulations and guidelines.	102	1	5	3.61	0.98

**Source: Researcher (2024)**

The first indicator of organizational performance examined was financial profitability. Respondents rated the financial success of their SACCOs with a mean score of 3.56(SD=1.09), reflecting a moderately positive perception of profitability. This indicates that while SACCOs generally achieved profitability, there was some variability in financial performance across different SACCOs. Strong financial performance is essential for ensuring long-term sustainability and competitiveness. Masinde and Ochieng (2021) found that SACCOs with consistent profitability were better positioned to reinvest in their operations, improve member services, and attract new members, emphasizing the importance of financial success for organizational performance. The moderate score suggested that SACCOs may benefit from implementing more robust financial management practices to enhance profitability further.

Another critical aspect of organizational performance was asset growth. Respondents perceived SACCOs as having experienced steady asset growth, with a mean score of 3.64

(SD=1.08). This positive indicator of financial health and stability suggested that SACCOs were effectively managing their assets. Asset growth is often linked to successful financial strategies, such as prudent investment and diversification. Ondieki and Muturi (2022) similarly found that SACCOs with strong asset growth tended to enjoy better financial sustainability and had a greater capacity to provide loans and services to their members. While the relatively positive score reflected good asset management, SACCOs could further enhance their performance through continued growth strategies.

The quality of the loan portfolio was also evaluated, with respondents giving a moderate rating of 3.46 (SD=1.12) to the quality of the SACCOs' loan portfolios. This suggests that while SACCOs generally maintained their loan portfolios, some challenges with default rates persisted. A strong loan portfolio is essential for financial stability, as high default rates can undermine profitability. Otieno and Githinji (2020) noted that SACCOs with stringent credit assessment and risk management processes typically maintain higher loan portfolio quality and lower default rates. The moderate score suggested that SACCOs might need to strengthen their credit risk management practices to reduce defaults and improve overall loan portfolio quality.

Member satisfaction emerged as the highest-rated indicator of performance, with a mean score of 3.66 (SD=1.04). This reflected that SACCOs were generally successful in maintaining high levels of member satisfaction, a crucial factor for retention and longterm growth. Member satisfaction typically results from the quality of services provided and the SACCO's ability to meet members' needs. Satisfied members are more likely to remain loyal, refer others, and contribute to the SACCO's success. This finding aligned with Mugo et al. (2021), who emphasized that member satisfaction is a key driver of organizational performance in SACCOs. Although the overall satisfaction was

positive, SACCOs could explore opportunities for further enhancing member services to sustain high satisfaction levels.

The final performance indicator assessed was compliance with regulations. Respondents rated SACCOs' adherence to regulatory requirements positively, with a mean score of 3.61 (SD=0.98). This suggests that SACCOs were generally seen as compliant with relevant regulations, which is crucial for maintaining trust, avoiding legal penalties, and ensuring long-term sustainability. Compliance also helps SACCOs maintain a good reputation, which is essential for attracting and retaining members. Kamau and Waweru (2020) highlighted that SACCOs prioritizing regulatory compliance tended to perform better financially and had higher levels of member trust. The relatively high score suggested that SACCOs were taking compliance seriously, though continuous efforts would be necessary to keep up with evolving regulations.

In response to the open-ended question about suggestions for improving SACCO performance, many respondents emphasized the need for more robust financial management practices, particularly in the areas of loan portfolio management and asset diversification. Several respondents suggested improving credit risk assessment processes to reduce default rates and enhance loan portfolio quality. Others pointed out the importance of adopting more innovative financial products and services to meet the changing needs of members and remain competitive in the market. Additionally, respondents highlighted the need for better communication between SACCO leadership and members to ensure that members are aware of the SACCO's financial health and future plans.

In terms of member satisfaction, some respondents suggested that SACCOs should increase member engagement initiatives, such as regular feedback surveys and

community-building activities, to foster a stronger sense of belonging. Others recommended enhancing the transparency of financial reporting to build greater trust among members. These suggestions are consistent with the findings of Mugo et al. (2021), who emphasize the importance of continuous member engagement and transparent communication in driving member satisfaction and organizational performance.

### 4.3 Diagnostic Tests

Before performing the regression analysis, diagnostic tests were conducted to ensure the suitability of the data for regression. The two primary diagnostic tests carried out were the normality test and the multicollinearity check.

#### 4.3.1 Normality Test

The Shapiro-Wilk test was employed to assess the normality of the data. This test evaluates whether the data distribution deviates significantly from a normal distribution.

**Table 15: Shapiro-Wilk Test of Normality**

Variables	Statistic	df	Sig
Leadership and Management Practices	0.978	102	0.121
Financial Management Practices	0.976	102	0.136
Human Resource Management Practices	0.981	102	0.205
Technological Adoption and Innovation	0.973	102	0.087
Organizational Performance	0.975	102	0.172

**Source: Researcher (2024)**

The Shapiro-Wilk Test of Normality results indicate that all five key variables are normally distributed, with p-values above 0.05, showing no significant deviations from

normality. This finding confirms that these variables are suitable for parametric analyses, such as regression and correlation, which rely on the normality assumption for valid results. Consequently, the data is well-prepared for exploring relationships among these variables, enhancing the reliability and accuracy of insights regarding the factors influencing SACCO performance.

#### 4.3.2 Multicollinearity Check

To check for multicollinearity, the Variance Inflation Factor (VIF) was calculated for each independent variable in the regression model.

**Table 16: Multicollinearity Test Statistics**

Variables	Tolerance	VIF
Leadership and Management Practices	0.598	1.67
Financial Management Practices	0.658	1.52
Human Resource Management Practices	0.742	1.35
Technological Adoption and Innovation	0.775	1.29

**Source: Researcher (2024)**

All variables in the model exhibit VIF values below 2, well within the acceptable range, indicating that multicollinearity is not a significant issue. Tolerance values are also relatively high (all above 0.5), further confirming that the independent variables are not highly correlated with each other. Therefore, the results of the regression analysis should be reliable, and the inclusion of these variables does not pose multicollinearity concerns.

## 4.4 Inferential Results

### 4.4.1 Regression Analysis

Multiple regression analysis was conducted to determine the influence of the four independent variables (leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation) on the dependent variable (organizational performance) of Deposit-taking Saccos in Kisii County.

#### 4.4.1.1 Model Summary

The model summary in Table 17 below provides an overview of how well the independent variables explain the variance in the dependent variable (organizational performance).

**Table 17: Model Summary**

Model	R	R-Squared	Adjusted R-Squared	Std. Error of the Estimate
1	0.823 <sup>a</sup>	0.677	0.669	0.495

a. Predictors: (Constant), Leadership and Management Practices, Financial Management Practices, Human Resource Management Practices, Technological Innovation and Adoption

As indicated in Table 17 above, the correlation coefficient R(0.823) indicates a strong positive relationship between the independent variables (leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation) and the dependent variable (organizational performance).  $R^2$  (0.677) suggests that 67.7% of the variability in organizational performance can be explained by the model, indicating a good fit. Adjusted  $R^2$ (0.669)

accounts for the number of predictors in the model, confirming that the model still explains a significant proportion of the variance in organizational performance.

#### 4.4.1.2 Summary of ANOVA results

The ANOVA table tests the overall significance of the regression model.

**Table 18: ANOVA Results**

	<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	78.765	4	19.691	80.33	0.000 <sup>a</sup>
	Residual	37.548	97	0.387		
	<b>Total</b>	<b>116.313</b>	<b>101</b>			

a. Predictors: (Constant), Leadership and Management Practices, Financial

Management Practices, Human Resource Management Practices, Technological Innovation and Adoption

b. Dependent Variable: Organizational Performance

The ANOVA results in Table 18 show that the model was significant ( $F = 80.33$ ,  $p < 0.05$ ). The F-statistic ( $F=80.33$ ) tests whether the regression model is a good fit for the data. A value of 80.33 indicates the model is highly significant. Sig. (0.000) shows that the p-value is less than 0.05 ( $p < 0.05$ ), confirming that the model is statistically significant and the independent variables collectively influence organizational performance.

#### 4.4.1.3 Regression coefficients

The table below shows the coefficients of the regression model, indicating the relationship between each independent variable and organizational performance.

**Table 19: Regression coefficients**

Variables	Unstandardized Coefficients(B)	Std. Error	Standardized Coefficients(Beta)	t	Sig.
(Constant)	0.895	0.276		3.244	0.002
Leadership and Management Practices	0.398	0.059	0.435	6.745	0.000
Financial Management Practices	0.312	0.057	0.379	5.474	0.000
Human Resource Management Practices	0.221	0.064	0.251	3.453	0.001
Technological Adoption and Innovation	0.165	0.064	0.174	2.578	0.011

a. Predictors: (Constant), Leadership and Management Practices, Financial Management

Practices, Human Resource Management Practices, Technological Innovation and Adoption

b. Dependent Variable: Organizational Performance

Based on the regression coefficients from the table above, leadership and management practices (unstandardized coefficient  $\beta = 0.398$ ,  $p < 0.05$ ) have the greatest effect on the organizational performance of the SACCOs in this study.

Leadership and management practices ( $\beta = 0.398$ ,  $p = 0.000$ ) have the highest coefficient among the predictors, indicating that for each one-unit increase in leadership effectiveness, organizational performance increases by 0.398 units. This suggests that improving leadership practices has the most substantial positive impact on organizational performance. The p-value (0.000) indicates that this relationship is highly significant, underscoring the critical role of leadership in driving organizational success.

Financial management practices ( $\beta = 0.312$ ,  $p = 0.000$ ) have the second-highest coefficient, showing a significant positive impact on organizational performance, but less than leadership practices. Each unit increase in financial management practices leads to a 0.312 unit increase in performance. The significant p-value (0.000) confirms that sound financial management practices are crucial for enhancing organizational performance.

Human resource management practices ( $\beta = 0.221$ ,  $p = 0.001$ ) also positively influence performance, though to a lesser extent compared to leadership and financial management practices. Each unit improvement in HR management practices results in a 0.221 unit increase in organizational performance. The low p-value (0.001) indicates a significant positive relationship, demonstrating that effective HR practices contribute meaningfully to improving performance.

Technological adoption and innovation ( $\beta = 0.165$ ,  $p = 0.012$ ) have the lowest positive impact among the predictors. Each unit increase in technological adoption results in a 0.165 unit increase in organizational performance. The p-value (0.012) shows that while

technological innovation positively influences performance, its effect is weaker compared to other variables.

Therefore, based on the unstandardized coefficients, the following regression equation can be developed and written with the actual coefficients:

The equation  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$  becomes:

$$Y = 0.895 + 0.398X_1 + 0.312X_2 + 0.221X_3 + 0.165X_4 + \epsilon$$

Where:

Y is the organizational performance

$\beta_0$  (constant) = 0.895  $\beta_1$  (coefficient for Leadership and

Management Practices) = 0.398  $\beta_2$  (coefficient for Financial

Management Practices) = 0.312  $\beta_3$  (coefficient for Human Resource

Management Practices) = 0.221  $\beta_4$  (coefficient for Technological

Adoption and Innovation) = 0.165  $\epsilon$  is the error term.

The provided regression model can be interpreted to understand its impact on organizational performance. The equation, which is represented as

$Y = 0.895 + 0.398X_1 + 0.312X_2 + 0.221X_3 + 0.165X_4 + \epsilon$ , establishes a relationship between organizational performance (Y) and independent variables: Leadership and Management Practices ( $X_1$ ), Financial Management Practices ( $X_2$ ), Human Resource Management Practices ( $X_3$ ), and Technological Adoption and Innovation ( $X_4$ ).

The constant term, 0.895, indicates the expected organizational performance level when all independent variables are zero, providing a baseline for comparison. The coefficient for Leadership and Management Practices is 0.398, suggesting that a one-unit increase in this area is associated with a 0.398 unit increase in organizational performance, signifying a strong positive relationship. Similarly, Financial Management Practices show a coefficient of 0.312, indicating that enhancements in financial management contribute positively to performance, albeit to a lesser extent than leadership practices.

The coefficient for Human Resource Management Practices is 0.221, which demonstrates that improvements in this domain also lead to increased organizational performance, although the effect is not as pronounced. Lastly, Technological Adoption and Innovation is represented by a coefficient of 0.165, indicating that while technological advancements positively influence organizational performance, this impact is the least significant among the variables considered. The error term ( $\epsilon$ ) captures the variability in organizational performance not explained by the model, highlighting the influence of other unaccounted factors. Overall, the analysis underscores the critical role of leadership and management practices in driving organizational success, while also recognizing the contributions of financial and human resource management practices, as well as the role of technology.

### **4.3 Discussion of individual objective results**

#### **4.3.1 Leadership and Management Practices**

The research findings on leadership styles within SACCOs in Kisii County reveal a significant relationship between leadership practices and organizational performance. The statement indicating that SACCO leaders inspire and motivate innovation and creativity through transformational leadership achieved a mean score of 3.72. This score

suggests that leaders are perceived as effective in fostering a culture of innovation, aligning with existing literature that highlights the positive impact of transformational leadership on creativity and performance.

Conversely, transactional leadership, represented by the statement regarding maintaining order through clear roles and responsibilities, received a mean score of 3.16. This indicates a lesser emphasis on transactional leadership within SACCOs, suggesting that while leaders ensure organizational structure, the focus on fostering creativity may be more pronounced. The mean score for servant leadership, which emphasizes staff development and well-being, is 3.24, indicating moderate attention to employee welfare, thereby highlighting an area for potential growth in prioritizing staff development.

The authenticity of leaders was reflected in a mean score of 3.53 for the statement regarding genuineness and transparency. This score indicates that leaders are viewed as adhering to their values, which is crucial for building trust within the organization. Furthermore, adaptive leadership, scored at 3.50, suggests that leaders are generally perceived as flexible and capable of navigating complex and changing environments, which is essential for organizational resilience.

Regarding the impact of leadership style on SACCO performance, the statement about the positive influence on financial performance received a mean score of 3.63, indicating a strong belief in the leadership's role in driving financial success. Employee satisfaction and retention, reflected in a mean score of 3.38, also show a positive perception, although there is room for improvement in this area. The statement on leadership promoting innovation and improving service delivery received a mean score of 3.57, underscoring the importance of leadership in enhancing overall service quality.

In evaluating management effectiveness, the mean score for the statement regarding the setting of clear, achievable goals was 3.63, reflecting a strong commitment to strategic planning. The competence of management in daily operations and decision-making garnered a mean score of 3.43, indicating a generally positive perception but suggesting areas for further enhancement. Transparency in decision-making, with a mean score of 3.44, indicates that stakeholders feel consulted, although there could be improvements in participative decision-making processes, which received a score of 3.61.

Overall, the findings suggest that while SACCOs in Kisii County exhibit strong leadership practices that positively influence organizational performance, there remains potential for further development in areas such as employee well-being and participatory decision-making. Enhancing these aspects could lead to even greater improvements in both leadership effectiveness and organizational outcomes..

#### **4.3.2 Financial Management Practices**

The research findings on financial management practices within SACCOs in Kisii County highlight their significant influence on organizational performance. The statement regarding the sound methods employed to assess loan applicants' creditworthiness received a mean score of 3.61, indicating that SACCOs generally have robust processes in place for evaluating borrower risk. This aligns with established research that underscores the importance of thorough credit assessments in enhancing financial stability and minimizing default rates.

In relation to loan interest rates, the mean score of 3.50 suggests that SACCOs typically align their rates with prevailing market conditions and borrower risk profiles. However, the standard deviation of 1.11 indicates some variability in respondents' perceptions,

suggesting that while many members recognize this alignment, differing views on specific practices may exist.

The regular review and updating of loan portfolios, which garnered a mean score of 3.53, reflects an active approach to managing loan performance, crucial for adapting to shifting economic landscapes. Furthermore, a mean score of 3.58 for the diversification of investments indicates that SACCOs make a concerted effort to spread their risk across various asset classes, such as fixed deposits and government bonds, which is essential for long-term financial health.

Regarding the application of sound investment evaluation methods, the mean score of 3.63 signifies a strong commitment to techniques such as ROI analysis and risk assessment, both of which are vital for making informed investment decisions. However, the mean score of 3.48 related to risk management strategies points to areas needing improvement, suggesting that although some mechanisms are in place, there may be gaps in their effectiveness.

Additionally, the mean score of 3.58 for monitoring and control mechanisms indicates a solid commitment to overseeing risk management processes. The relatively low standard deviations across these statements demonstrate a consensus among members on the importance of sound financial practices, while also revealing opportunities for enhancement, particularly in risk management. Overall, the findings suggest that while SACCOs in Kisii County are implementing sound financial management practices that positively impact organizational performance, a continued focus on refining these practices is necessary to fully optimize financial outcomes.

### **4.3.3 Human Resource Management Practices**

The findings regarding human resource management practices within SACCOs in Kisii County indicate a considerable impact on organizational performance. The statement evaluating the effectiveness of the recruitment and selection process achieved a mean score of 3.44, suggesting that while there is some recognition of the process's contribution to performance, there remains room for improvement. This score reflects a moderate perception among employees regarding the alignment of recruitment practices with the organization's performance goals.

In terms of employee development, the SACCO's provision of effective training programs, which received a mean score of 3.54, highlights a positive view on the initiatives aimed at enhancing employee skills. This finding aligns with existing research that emphasizes the importance of training in improving performance outcomes. Moreover, the mean score of 3.46 for employee motivation indicates a generally positive sentiment among staff regarding their motivation to excel in their roles, although there is potential for enhancing this aspect further.

Lastly, the overall work environment and culture were assessed with a mean score of 3.60, demonstrating a strong perception that the organizational culture contributes positively to job satisfaction. This score underscores the importance of a supportive work environment in fostering employee engagement and satisfaction. Overall, while the results indicate a foundation of effective human resource management practices, they also suggest areas for enhancement, particularly in recruitment processes and strategies aimed at further increasing employee motivation and performance.

#### **4.3.4 Technological Adoption and Innovation**

The findings related to technological adoption within SACCOs in Kisii County reveal significant insights into the impact of digital platforms and financial technology on organizational performance. The statement regarding the effective implementation of digital platforms and tools, such as mobile and online banking, received a mean score of 3.67. This score indicates a strong recognition among respondents that SACCOs have made substantial progress in integrating technology into their operations, aligning with contemporary trends in the financial sector.

In addition, the perception that financial technology adoption has improved the efficiency of operations achieved a mean score of 3.61. This suggests that members view the introduction of fintech solutions as beneficial for enhancing operational processes, thereby contributing positively to overall performance. However, the integration of these fintech solutions, which garnered a mean score of 3.45, indicates a somewhat more cautious perspective. While there is acknowledgment of positive impacts on performance, the score suggests that the benefits may not yet be fully realized, pointing to potential areas for further development and optimization.

The statement regarding challenges encountered in adopting technology received a mean score of 3.33, reflecting a recognition of obstacles such as initial costs and staff resistance. The higher standard deviation of 1.20 indicates considerable variability in perceptions, suggesting that while some respondents may experience significant challenges, others may feel differently. This variability underscores the importance of addressing these challenges to facilitate smoother technology adoption.

Overall, the findings indicate that while SACCOs in Kisii County have made significant strides in implementing digital solutions and leveraging financial technology, there are

still challenges to overcome and opportunities for improvement. Continued efforts to enhance the integration of fintech solutions and address barriers to technology adoption will be essential for optimizing organizational performance in the evolving financial landscape.

## **CHAPTER 5**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter presented a comprehensive summary of the research findings, followed by detailed recommendations for practice and suggestions for further research. The study aimed to assess the impact of leadership and management practices, financial management practices, human resource management (HRM) practices, and technological adoption and innovation, on organizational performance within Savings and Credit Cooperative Societies (SACCOs) in Kisii County, Kenya. The findings provide critical insights into these areas and their influence on SACCOs' overall performance.

## **5.1 Summary of Result findings**

The research revealed significant insights across several domains of organizational performance, including leadership and management practices, financial management practices, human resource management (HRM) practices, technological adoption and innovation and overall organizational performance.

### **5.1.1 Leadership and Management Practices**

The study found that leadership and management practices significantly impacted SACCO performance, demonstrated by a regression coefficient of 0.398 ( $p=0.000$ ). Transformational leadership, in particular, stood out as the most influential style with a mean score of 3.72 ( $SD=1.23$ ), indicating that SACCO leaders were generally perceived as inspiring and motivating innovation and creativity within their organizations. This leadership style was strongly associated with organizational improvements, including enhanced service delivery and overall performance.

Transactional leadership, with a mean score of 3.16 ( $SD = 1.14$ ), focused on establishing clear roles and responsibilities, contributing to organizational stability. However, it was practiced to a lesser extent and had a comparatively limited effect on fostering innovation. Servant leadership, emphasizing staff development and welfare, scored a mean of 3.24 ( $SD = 1.09$ ). This score indicated that while SACCOs acknowledged the importance of employee welfare, there was room for increased focus on this approach to further promote employee development and engagement.

Authentic leadership, characterized by transparency and adherence to core values, had a mean score of 3.53 ( $SD = 1.18$ ), highlighting the value SACCOs placed on leaders who engage openly to foster trust and a positive organizational culture. Adaptive leadership, which supports flexibility in response to complex environments, scored a mean of 3.50

(SD = 1.13), suggesting moderate practice. This level of adaptability implied that SACCOs could further benefit by enhancing their leaders' responsiveness to dynamic challenges, potentially strengthening resilience and long-term performance.

**Impact of Leadership Style on SACCO Performance:** The current leadership style's impact on SACCO performance was perceived positively, with a mean score of 3.63 (SD = 1.09) in terms of improving financial performance. Additionally, leadership was linked to improved employee satisfaction and retention with a mean of 3.38 (SD = 1.19) and promoted innovation and service delivery with a mean score of 3.57 (SD = 1.05). These scores indicate that leadership practices contributed to a broad range of organizational benefits, though there remains potential for growth in employee satisfaction.

In addition to these leadership styles, management practices within SACCOs played a critical role in translating leadership vision into action. Effective management practices, as indicated by clear and achievable goal-setting with a mean of 3.63 (SD = 1.03), were fundamental in operationalizing leadership strategies. Competence in daily operations and decision-making scored a mean of 3.43 (SD = 1.15), and decision-making transparency, which had a mean of 3.44 (SD = 1.13), contributed to a culture of accountability and trust.

Moreover, the participative and decentralized decision-making processes in SACCO management, scoring 3.61 (SD = 1.07), reflected a collaborative approach that reinforced stakeholder engagement. Despite these strengths, there was still room for improvement, especially in aligning daily operations with long-term strategic goals. Enhancing these aspects of management practices could further support the alignment of employee activities with organizational priorities, maximizing SACCOs' overall performance.

### 5.1.2 Financial Management Practices

Financial management practices were found to have a statistically significant positive effect on SACCO performance, evidenced by a regression coefficient of 0.312 ( $p = 0.000$ ). One key area of focus was the alignment of loan interest rates with market conditions and borrower risk profiles, which scored a mean of 3.50 ( $SD = 1.11$ ). This alignment was essential for maintaining competitiveness and minimizing default risks, as it allowed SACCOs to adapt loan terms to changing economic conditions and the risk levels of individual borrowers.

Creditworthiness assessments were also highly rated, with a mean score of 3.61 ( $SD = 1.08$ ), indicating SACCOs' strong commitment to using sound methods for evaluating the reliability of loan applicants. This practice was critical in sustaining a healthy loan portfolio and minimizing bad debts, as thorough assessments helped in identifying and approving only creditworthy applicants. Regular loan portfolio reviews were another valued practice, scoring 3.53 ( $SD = 1.06$ ), which enabled SACCOs to adapt their strategies in response to shifting market demands and economic changes.

Investment diversification was a notable strength, with a mean score of 3.58 ( $SD = 1.08$ ), reflecting the SACCOs' proactive approach in spreading investments across various asset classes, such as fixed deposits, government bonds, and real estate. This diversification minimized risk exposure and contributed to financial stability, allowing SACCOs to mitigate potential losses from any single investment category. Additionally, SACCOs demonstrated a solid approach to investment evaluation methods, scoring 3.63 ( $SD = 1.01$ ), by employing metrics such as return on investment (ROI) analysis and risk assessments, ensuring that their investments align with their financial objectives and risk tolerance.

Despite these strengths, the study identified certain areas for improvement, particularly in risk management. SACCOs' strategies for managing and mitigating investment risks scored a mean of 3.48 (SD = 1.08), suggesting that although SACCOs had some risk management strategies in place, there was room to enhance these mechanisms to better address potential investment risks. Strong monitoring and control mechanisms, essential for consistent risk oversight, scored 3.58 (SD = 1.04). However, the effectiveness of these mechanisms could be further strengthened to provide a more robust framework for risk management, which is especially critical in managing exposure in diversified portfolios.

### **5.1.3 Human Resource Management Practices**

Human resource management (HRM) practices showed a moderate but positive influence on SACCO performance, as reflected by a regression coefficient of 0.221 ( $p = 0.001$ ).

The recruitment and selection processes were generally effective, with a mean score of 3.44 (SD = 1.12). While this indicates that SACCOs are successful in hiring employees aligned with organizational needs, there is room for improvement in transparency and inclusivity. Strengthening these aspects could further align staff with SACCO objectives and enhance overall performance.

Training and development programs were positively rated, scoring a mean of 3.54 (SD = 1.09). These programs have contributed to improving employee skills and performance, equipping staff with the necessary competencies to meet organizational goals. However, respondents expressed a need for more specialized training, particularly in digital skills and leadership development. This aligns with the growing demands of modern SACCO operations, where digital proficiency and strong leadership are increasingly essential.

Employee motivation levels, indicated by a mean score of 3.46 (SD = 1.14), were moderate. This variability in motivation highlights opportunities for SACCOs to enhance engagement, which could be achieved through more structured career advancement pathways and recognition programs. By implementing such initiatives, SACCOs could improve employee satisfaction and commitment, which, in turn, would positively impact organizational performance.

The overall work environment and organizational culture were viewed positively, with a mean score of 3.60 (SD = 1.05). This favorable work environment contributed significantly to job satisfaction and commitment, underscoring the value of a supportive organizational culture. Continued investment in HR practices that promote motivation, professional growth, and a cohesive work culture is essential for sustaining and enhancing this positive impact on SACCO performance.

#### **5.1.4 Technological Adoption and Innovation**

Technological adoption emerged as a significant driver of SACCO performance, demonstrated by a regression coefficient of 0.165 ( $p = 0.011$ ). SACCOs effectively implemented digital platforms, such as mobile and online banking, with a mean score of 3.67 (SD = 1.02). These digital channels have improved customer access to services and streamlined operational processes, resulting in enhanced efficiency. The adoption of financial technology was also seen as beneficial for operational efficiency, with a mean score of 3.61 (SD = 1.07). This indicates that digital tools have positively influenced SACCOs' ability to deliver faster, more reliable services to members.

The integration of fintech solutions was perceived to have a positive impact on performance, as reflected by a mean score of 3.45 (SD = 1.10). These solutions have helped SACCOs reduce manual errors, increase customer satisfaction, and improve

overall service delivery. However, the study identified notable challenges in the adoption of technology, including high initial costs and staff resistance, which scored a mean of 3.33 (SD = 1.20). These obstacles have hindered the full integration of fintech solutions, limiting SACCOs from reaping the complete range of benefits offered by technological advancements.

Despite these barriers, respondents recognized the potential of technology to transform SACCO operations. Addressing the costs associated with implementation and fostering a culture of openness toward technology could further optimize digital adoption. By investing in employee training to reduce resistance and budget planning to manage technology costs, SACCOs could leverage these tools more effectively, ultimately enhancing their service quality, customer satisfaction, and competitive standing.

#### **5.1.5 Organizational Performance**

The overall regression model demonstrated that the independent variables collectively explained 67.7% of the variance in SACCO performance (R-squared = 0.677), with a significant F-value of 80.33 ( $p < 0.05$ ). This underscores the model's effectiveness in capturing the key factors influencing SACCO performance.

Organizational performance was assessed across several indicators, including financial profitability, asset growth, loan portfolio quality, member satisfaction, and compliance with regulatory standards. Financial stability and profitability were generally rated high, with a mean score of 3.56 (SD = 1.09) indicating that SACCOs consistently achieved strong financial performance. However, some variability in performance was noted across different SACCOs, reflecting the influence of unique operational challenges and market conditions.

Asset growth showed positive, steady progress, with a mean score of 3.64 (SD = 1.08). This indicates that SACCOs have implemented effective strategies for enhancing their financial health, contributing to the overall growth of assets over the years.

The quality of SACCOs' loan portfolios was assessed to be moderate, with a mean score of 3.46 (SD = 1.12) suggesting a satisfactory standard, though there was a noted variation in default rates among SACCOs. This variability points to a pressing need for improved credit risk management practices to ensure a consistently high quality of loan portfolios across the sector.

Member satisfaction was also high, with a mean score of 3.66 (SD = 1.04), reflecting positively on the quality of services provided and the alignment of SACCO offerings with member needs. This level of satisfaction is essential for member retention and longterm sustainability.

Finally, regulatory compliance was rated positively, with a mean score of 3.61 (SD = 0.98). SACCOs reported adherence to relevant regulations and guidelines, which reinforced trust among members and mitigated legal risks. Compliance with regulatory frameworks is crucial for the integrity and stability of SACCO operations, contributing to overall member confidence and satisfaction.

## **5.2 Conclusions**

Based on the findings, it can be concluded that leadership and management practices play a critical role in driving the performance of SACCOs in Kisii County. Transformational leadership emerged as the most influential leadership style, promoting innovation and improving overall organizational performance. However, there is a need for SACCOs to pay more attention to servant leadership and staff development, as these areas were less

emphasized. Enhancing transparency and participation in decision-making processes could also lead to better employee engagement and organizational outcomes.

In the area of financial management, SACCOs demonstrated effective practices in aligning loan interest rates with market conditions and managing credit risk through sound assessment methods. While investment diversification strategies were in place, SACCOs need to bolster their risk management frameworks to mitigate potential financial threats, especially in their loan portfolios and investments.

Human resource management practices were moderately effective, particularly in recruitment, training, and maintaining a positive work culture. However, SACCOs could improve employee motivation and engagement by offering more recognition and career development opportunities. Moreover, transparency in the recruitment process should be enhanced to ensure fairness and inclusivity.

The adoption of financial technology has contributed to increased operational efficiency and improved customer service. However, challenges related to the cost of technology and resistance from employees remain. Addressing these barriers will be essential for SACCOs to fully leverage the potential of fintech solutions to enhance performance and service delivery.

In terms of overall performance, SACCOs were financially stable, with steady asset growth and high levels of member satisfaction. However, there is room for improvement in managing loan portfolios and reducing default rates. SACCOs should continue to focus on maintaining regulatory compliance, as this is crucial for sustaining their financial health and building trust with members.

### **5.3 Recommendations for Practice**

The findings of this study provided a basis for several recommendations aimed at enhancing the performance of SACCOs in Kisii County. These recommendations are directed towards authorities responsible for implementation, service users or beneficiaries, and other stakeholders.

#### **5.3.1 The Authorities**

Based on findings indicating the significant impact of leadership practices on SACCO performance, it is recommended that authorities develop initiatives focused on leadership growth within SACCOs. Implementing leadership development programs centered on transformational and servant leadership skills would help SACCO leaders foster a more innovative and motivating environment. The study highlighted the positive effects of transformational leadership, which was linked to enhanced service delivery, innovation, and employee motivation, suggesting that these skills could play a crucial role in driving organizational improvements across SACCOs. Additionally, the study identified risk management as an area for enhancement, especially concerning creditworthiness assessments and loan portfolio monitoring. To address this, authorities should strengthen regulatory frameworks around risk management, particularly for financial risks within loan portfolios. This would support SACCOs in maintaining financial stability, reducing default risks, and responding to market dynamics effectively. Furthermore, authorities could encourage adaptive leadership practices, allowing SACCOs to become more resilient and responsive to changes in the economic environment, further bolstering their long-term performance.

### **5.3.2 Service Users/Beneficiaries**

The study's findings on technological adoption and member satisfaction emphasize the importance of active member participation in SACCO services. To support SACCO efficiency and align with member expectations, SACCO members are encouraged to fully utilize digital banking services such as mobile and online platforms. The study indicated that technological adoption significantly enhanced operational efficiency and service accessibility, suggesting that greater member engagement with these platforms could streamline operations and offer added convenience. Furthermore, member satisfaction was positively linked to SACCOs' ability to meet their needs effectively. In line with this, members should take advantage of feedback mechanisms to share their insights on service improvements. By actively providing feedback, members can help SACCOs refine their offerings, ensuring that services are better tailored to their evolving needs, ultimately promoting satisfaction and long-term engagement.

### **5.3.3 Other Stakeholders**

Other stakeholders, including technology providers and financial institutions, play a critical role in helping SACCOs overcome technological and human resource challenges. Findings from the study highlighted both the positive impact of technological adoption on SACCO performance and the challenges associated with high initial costs and staff resistance to new systems. To address these barriers, stakeholders should work alongside SACCOs to provide affordable digital solutions and reduce the financial burden of technology integration. Additionally, offering training programs focused on digital skills development would support employees in adapting to new technologies, thereby minimizing resistance and enhancing efficiency. The findings also showed that effective human resource practices contributed to SACCO performance through structured recruitment, development programs, and motivational support. In line with these insights,

stakeholders should support SACCOs in implementing tailored training programs for their workforce, focusing on areas such as leadership and digital competency. This approach can help build a capable workforce that is aligned with SACCO goals, fostering a strong organizational culture and improving overall performance.

#### **5.4 Recommendations for Further Research**

There are several areas where further research could be valuable. One area for future research is the impact of different leadership styles on employee retention and satisfaction within SACCOs. This would provide insights into how leadership practices can be tailored to reduce turnover and improve employee engagement. Another area for further investigation is advanced risk management techniques that SACCOs can adopt to improve loan portfolio quality and reduce default rates. Research in this area could help SACCOs identify more effective strategies for managing financial risks.

Research could also explore the long-term impact of technological adoption on SACCO performance. By examining how SACCOs overcome initial challenges such as cost and staff resistance, future studies could provide insights into the sustainability of fintech innovations and their role in enhancing performance over time.

Finally, a comparative study on the performance of SACCOs in different regions of Kenya could provide valuable insights into how regional differences in financial practices, technological adoption, and organizational culture affect SACCO outcomes. This would help identify best practices that can be replicated across SACCOs nationwide.



**REFERENCES**

- Abubakar, L., et al. (2020). Fintech integration and its impact on financial institutions' performance. *Journal of Financial Innovation*, 15(4), 98-112.
- Acheampong, A. O., & Boachie, M. K. (2020). Diversification of Investment Portfolios and Financial Performance of Savings and Credit Cooperatives in Ghana. *Journal of African Business*, 21(3), 348-367.
- Adedeji, A., et al. (2020). Enhancing Organizational Performance through Recruitment and Selection: Insights from African SACCOs. *Journal of African Business*, 15(3), 289-307.

- Agyapong, A., & Aikins, K. (2020). Training and development practices in financial institutions: A study of employee performance and job satisfaction. *Journal of Human Resource Management*, 8(4), 35-44.
- Ali, M., et al. (2020). Transformational leadership and innovation: The mediating role of employee creativity. *Leadership & Organization Development Journal*, 41(5), 623-635.
- Avolio, B. J., & Yammarino, F. J. (2020). Transformational and Charismatic Leadership: The Road Ahead. Emerald Publishing Limited.
- Babbie, E. (2016). *The Practice of Social Research* (14th ed.). Cengage Learning.
- Banna, H., et al. (2021). The effect of market interest rates and borrower risk on the financial performance of microfinance institutions. *Journal of Financial Services Research*, 45(3), 145-162.
- Bass, B. M., & Riggio, R. E. (2021). *Transformational Leadership* (2nd ed.). Psychology Press.
- Bass, B. M., & Riggio, R. E. (2021). *Transformational Leadership* (2nd ed.). Psychology Press.
- Brown, A., & Martinez, E. (2022). "Financial Management Practices and Organizational Performance in Deposit-Taking SACCOs: A Comparative Study." *Journal of Cooperative Finance*, 21(1), 45-58.
- Bryman, A. (2016). *Social Research Methods* (5th ed.). Oxford University Press.
- Central Bank of Kenya. (2023). Annual Survey Report on SACCOs Performance. Nairobi, Kenya: Central Bank of Kenya.

- Chen, L., Zhang, Q., & Wang, Y. (2020). The Impact of Training on Organizational Performance: Empirical Evidence from Savings and Credit Cooperative Societies. *International Journal of Management, Economics, and Social Sciences*, 9(3), 123-135.
- Clark, R., & Lee, S. (2024). "Technological Adoption and Innovation in Deposit-Taking SACCOs: A Case Study." *Journal of Financial Technology*, 10(2), 123-136.
- Cooper, D. R., & Schindler, P. S. (2011). *Business Research Methods* (11th ed.). McGraw-Hill/Irwin.
- Creswell, J. W. (2013). *Research design: qualitative, quantitative, and mixed methods approaches* (4th ed.). Sage publications.
- Cummings, T., et al. (2021). Leadership and decision-making in complex organizations. *Journal of Organizational Behavior*, 42(3), 318-337.
- De Jong, A., et al. (2021). The role of continuous training in the changing financial services landscape: Employee development in the age of digitization. *Human Resource Development Quarterly*, 32(2), 225-248.
- Dumdum, U. R., Lowe, K. B., & Avolio, B. J. (2023). A Meta-Analysis of Transformational and Transactional Leadership Correlates of Effectiveness and Satisfaction: An Update and Extension. *Journal of Management*, 49(1), 113-136.
- Gardner, W., et al. (2021). Authentic leadership: New directions in research and theory. *Leadership Quarterly*, 32(5), 101-116.
- Gitau, D., et al. (2022). The impact of loan portfolio management on the financial performance of SACCOs in Kenya. *Journal of Financial Studies*, 35(2), 221-235.
- Gupta, A., et al. (2022). *Impact of Risk Management Practices on SACCOs'*

- Performance: A Cross-Country Analysis*. *Journal of Microfinance*, 25(2), 45-60.
- Gupta, N., & Shaw, J. D. (2021). Recruitment practices and organizational performance: A review and synthesis. *Human Resource Management Review*, 31(1), 100-113.
- Heifetz, R., et al. (2020). Leadership in complex organizations: The adaptive challenge. *Harvard Business Review*, 98(2), 34-47.
- Hoch, J. E., et al. (2018). Transformational and transactional leadership and their relationships with leadership outcomes. *Personnel Psychology*, 71(4), 745-785.
- International Labour Organization (ILO). (2021). "Financial Inclusion through SACCOs: A Review of Evidence."
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics*, 3(4), 305-360.
- Johnson, R. D., et al. (2018). Governance and Performance in Savings and Credit Cooperative Societies: Evidence from Rural Uganda. *Journal of Banking & Finance*, 88, 120-135.
- Johnson, R., & Selnes, F. (2020). Environmental Contingencies and Cooperative Performance: A Study of Financial Cooperatives. *Journal of Cooperative Studies*, 45(2), 123-137.
- Kahuthu, M., & Muturi, W. (2021). Risk monitoring and financial performance in financial institutions: Evidence from SACCOs in Kenya. *Journal of Risk Management in Financial Institutions*, 13(2), 87-98.
- Kamau, E., & Mwangi, P. (2023). Regulatory Frameworks and SACCO Investment Practices: Evidence from Kenya. *African Journal of Economic Policy*, 7(2), 30-

42.

Kamau, J., & Mwangi, P. (2021). Leadership Style and Sacco Performance: Insights from Kenya. *Journal of Sacco Studies*, 25(3), 201-215.

Kamau, J., & Nzuki, D. (2022). Determinants of Credit Accessibility Among Savings and Credit Co-operative Societies (SACCOs) in Kenya. *Journal of Finance and Investment Analysis*, 9(1), 30-45.

Kamau, J., & Waweru, M. (2020). Regulatory compliance and its impact on the financial performance of SACCOs in Kenya. *Journal of Finance and Accounting*, 18(3), 210-226.

Kamau, L., & Mwangi, P. (2023). Community trust and member engagement: Drivers of organizational performance in rural Deposit-taking Saccos. *Journal of Rural Finance*, 28(3), 301-318.

Kamau, P. M. (2020). Governance Structure and Organizational Performance of Deposit-Taking Saccos in Kenya. *International Journal of Cooperative Studies*, 3(2), 112127.

Kamau, P., & Mwangi, J. (2020). Application of Expectancy Theory in Enhancing Organizational Performance: A Case of Rural SACCOs. *Journal of Rural Development*, 15(1), 78-92.

Kamau, P., & Mwangi, J. (2020). Mobile Money and Organizational Performance: Evidence from SACCOs in Africa. *Journal of Financial Inclusion*, 15(2), 45-60.

Kamau, P., & Mwangi, J. (2023). Enhancing Organizational Performance through Training and Development: Evidence from SACCOs in Kenya. *Journal of African Business Research*, 15(2), 189-203.

- Kamau, P., et al. (2023). The Impact of Digital Banking on SACCOs' Risk Management Practices in Kenya. *Journal of Finance and Technology*, 15(2), 45-60.
- Kamau, P., et al. (2023). *The Role of Regulatory Frameworks in Facilitating FinTech Adoption by SACCOs in Africa*. *Journal of Financial Innovation*, 10(2), 145-162.
- Karanja, F., & Mungai, A. (2022). Assessing the Role of Savings and Credit Co-operative Societies (SACCOs) in Enhancing Financial Inclusion in Kenya. *International Journal of Cooperative Studies*, 7(2), 55-68.
- Kariuki, G., et al. (2020). Regulatory Changes and Agency Conflicts in Savings and Credit Cooperative Societies: Evidence from Kenya. *African Journal of Economic and Management Studies*, 11(3), 321-339.
- Kariuki, M., & Muriu, P. (2023). Governance Practices and Financial Performance of Savings and Credit Co-operative Societies in Kenya. *Journal of Management and Sustainability*, 13(2), 15-28.
- Kaushik, S., & Arora, R. (2020). Creditworthiness assessment and financial performance in microfinance institutions: A comparative analysis. *International Journal of Banking and Finance*, 19(1), 88-101.
- Kenya Deposit Insurance Corporation. (2023). *Annual Report*.
- Kombo, D. K., & Tromp, D. L. A. (2011). *Proposal and Thesis Writing: An Introduction*. Paulines Publications Africa.
- Li, H., & Lee, S. (2022). Training Investments and Organizational Performance: A MetaAnalysis of SACCOs Worldwide. *Journal of Cooperative Economics*, 30(1), 45-58.

- Li, J., et al. (2021). Enhancing the Financial Stability of SACCOs: The Role of Risk Management Practices. *Journal of Cooperative Studies*, 15(2), 45-63.
- Li, X., & Chen, Y. (2021). Effective Loan Portfolio Management Strategies for SACCOs: Evidence from International Case Studies. *International Journal of Finance Studies*, 8(3), 78-92.
- Li, X., et al. (2020). Enhancing SACCOs' Competitiveness through Digital Banking: A Global Perspective. *International Journal of Financial Innovation*, 8(3), 112125.
- Liden, R. C., Wayne, S. J., & Chung, Y. (2022). Servant Leadership: Development, Measurement, and Multilevel Issues. *The Academy of Management Annals*, 16(1), 131-178.
- Locke, E. A., & Latham, G. P. (2019). A theory of goal setting and task performance. *Organizational Behavior and Human Decision Processes*, 80(3), 247-262.
- Makori, P., & Ouma, T. (2021). Barriers to mobile banking adoption in SACCOs: An empirical study of financial institutions in Kenya. *African Journal of Banking and Finance*, 23(3), 145-167.
- Mariba, J., & Mogire, F. (2022). Enhancing Investment Decision Making through Member Education: A Case of SACCOs in Kisii County, Kenya. *International Journal of Cooperative Studies*, 3(1), 87-101.
- Masinde, J., & Ochieng, P. (2021). The role of financial management practices in enhancing the profitability of SACCOs. *International Journal of Cooperative Management*, 10(2), 142-159.

- Mogusu, A., & Omwenga, F. (2022). The Role of Mobile Money in Strengthening SACCO Governance: A Case Study of Kisii County, Kenya. *International Journal of Cooperative Studies*, 7(1), 78-92.
- Mugenda, O., & Mugenda, A. (2008). *Research Methods. Quantitative and Qualitative Approaches*. Nairobi: Acts Press.
- Mugo, K., et al. (2021). The impact of member satisfaction on the performance of SACCOs in Kenya. *Journal of Organizational Management*, 24(4), 325-338.
- Muriithi, J., et al. (2020). Investment evaluation methods and financial performance in SACCOs: An empirical review. *African Journal of Business and Economic Research*, 15(4), 89-102.
- Muthuri, A., et al. (2022). Transactional leadership and SACCO performance: A case study of rural Kenya. *Journal of Financial Services Management*, 8(1), 20-35.
- Mutisya, P., & Kariuki, J. (2023). Technology adoption and decision-making efficiency in Kenyan SACCOs. *Journal of African Cooperative Development*, 16(2), 110125.
- Mwangi, E., & Gitau, W. (2023). Regulatory Frameworks and Risk Management in African SACCOs: A Comparative Analysis. *Journal of African Cooperative Studies*, 20(1), 78-94.
- Mwangi, J., & Gitonga, M. (2019). "Assessment of the Impact of Leadership Styles on Organizational Performance: A Case of Savings and Credit Cooperative Societies in Kenya." *International Academic Journal of Human Resource and Business Administration*, 4(6), 1-15.

- Mwangi, J., & Muturi, W. (2020). Employee motivation programs and financial performance of savings and credit cooperative societies in Kenya. *International Journal of Economics, Commerce and Management*, 8(9), 277-290.
- Mwangi, P., & Kiarie, J. (2023). Regulatory Compliance and SACCOs' Performance in Kenya: A Longitudinal Analysis. *African Journal of Business Management*, 15(1), 112-128.
- Mwangi, P., et al. (2021). Impact of Deposit Mobilization on Financial Performance of Savings and Credit Co-operative Societies: A Case of Kenya. *International Journal of Finance and Accounting Studies*, 3(2), 45-59.
- Mwenda, J., Ouma, S., & Njagi, L. (2020). The Role of Training and Development in Enhancing SACCO Performance: Evidence from East Africa. *African Journal of Economic Review*, 8(2), 78-91.
- Mwirigi, J., & Njeru, A. (2023). Leveraging Technology in Investment Management: A Study of SACCOs in Kenya. *Journal of Finance and Investment Analysis*, 2(2), 45-58.
- Ndegwa, J., & Wambugu, L. (2022). The role of digital platforms in enhancing operational efficiency in SACCOs. *Journal of Financial Services Research*, 40(2), 223-239.
- Neuman, W. L. (2014). *Social Research Methods: Qualitative and Quantitative Approaches* (7th ed.). Pearson.
- Nguyen, T. H., & Nguyen, T. P. (2022). Intrinsic Motivators and Employee Engagement: A Study in Vietnamese SACCOs. *Journal of Management Research*, 22(3), 45-58.

- Njenga, P. K., et al. (2021). Regulatory Frameworks and Investment Practices: Implications for SACCOs in Africa. *African Journal of Economic Review*, 9(1), 112-129.
- Nyaboga, R., & Marwa, C. (2021). The impact of participatory decision-making on employee morale in Kisii SACCOs. *Journal of Business and Management*, 9(2), 34-47.
- Nyabuto, A., & Omari, B. (2020). Integration of Digital Banking in SACCOs: A Case Study of Kisii County. *Journal of Financial Technology Research*, 6(1), 78-89.
- Nyabuto, G., & Omwenga, J. (2021). Community Development Investments and SACCO Performance: Insights from Kisii, Kenya. *Journal of Development Studies*, 9(4), 210-225.
- Nyabuto, P., & Ondimu, J. (2021). Management practices and financial empowerment: A case study of SACCOs in Kisii County, Kenya. *Journal of Financial Inclusion*, 7(1), 45-62.
- Nyabuto, S., & Mogusu, F. (2021). Proactive Risk Management and SACCO Performance: A Case Study of Kisii Region. *Kisii Journal of Cooperative Studies*, 5(2), 34-50.
- Nyabwanga, R., & Otieno, A. (2023). Environmental Uncertainty and Sacco Strategies: A Case Study of Tanzania. *African Journal of Cooperative Development*, 18(2), 87-102.
- Nyaga, G., & Mugo, J. (2020). Cultural Influences on Governance Mechanisms in Savings and Credit Cooperative Societies: A Case Study of Tanzania. *Journal of African Business*, 21(4), 493-513.

- Nyamache, S., & Onditi, L. (2021). Impact of Mobile Money on Savings and Credit Cooperative Societies (SACCOs) in Kisii County, Kenya. *Journal of Financial Technology Research*, 8(3), 112-125.
- Nyamasege, A., & Marwanga, S. (2020). The Role of Savings and Credit Co-operative Societies (SACCOs) in Financial Inclusion: The Case of Kenya. *European Journal of Business and Management Research*, 5(3), 1-11.
- Nyambane, J., & Nyaboga, P. (2023). Recruitment and Selection Practices in Kisii SACCOs: Implications for Organizational Performance. *Kisii Journal of Management*, 8(2), 45-60.
- Nyambane, J., & Ondabu, I. (2022). Digital Transformation Strategies and SACCOs' Competitiveness: A Case Study of Kisii County, Kenya. *International Journal of Finance and Technology*, 5(1), 76-89.
- Nyambati, F., & Ondabu, I. (2023). Training and Development Practices in Kisii SACCOs: Implications for Organizational Performance. *Kisii County Business Review*, 5(1), 56-68.
- Nyambegera, R., & Nyamwamu, F. (2022). *Customer Relationship Management Practices and SACCOs' Performance: A Case Study of Kisii Region*. *Journal of Cooperative Studies*, 12(2), 33-47.
- Nyangulu, M., & Mwila, C. (2022). Leadership style and SACCO performance: Evidence from Africa. *African Journal of Cooperative Studies*, 14(1), 78-92.
- Nyangweso, F., & Ondabu, I. (2022). Employee motivation and satisfaction practices in Kisii SACCOs: A qualitative study. *Journal of African Studies and Development*, 14(3), 78-90.

- Obi, J., & Adeleke, S. (2021). Tailoring Training Initiatives to Enhance SACCO Performance: Insights from Nigeria. *Journal of African Cooperative Studies*, 12(2), 87-101.
- Ochieng, D. O., et al. (2020). The Role of Digital Technologies in Enhancing Governance and Performance of Deposit-Taking Saccos in Kenya. *Information Technology for Development*, 26(3), 546-567.
- Ochieng, M., & Mwita, P. (2022). Governance structures and financial stability in Kenyan SACCOs. *African Journal of Economic Development*, 18(3), 201-218.
- Odhiambo, J., & Ochieng, S. (2021). The impact of financial technology adoption on SACCOs' operational efficiency in Kenya. *Journal of Financial Technology*, 9(1), 56-72.
- Oluoch, C., & Mwangi, J. (2022). Digital Banking and Organizational Performance of SACCOs in Kenya. *African Journal of Finance and Banking Studies*, 14(4), 201215.
- Omari, D., & Nyachoti, O. (2021). Credit Risk Assessment Practices and SACCOs' Performance: Insights from Kisii County. *Journal of Finance and Investment Analysis*, 18(4), 55-68.
- Omondi, F., & Mwangi, G. (2021). Improving Organizational Performance through Transparent Recruitment and Selection Practices: Evidence from Kenyan SACCOs. *Journal of African Management*, 12(1), 78-92.
- Omwenga, F., & Mokaya, S. (2021). Blockchain Technology Adoption in SACCOs: A Case Study of Kisii County, Kenya. *Journal of Financial Technology*, 8(3), 210225.

- Omwenga, P., & Mokuu, C. (2022). The Impact of Training and Development on SACCO Performance: A Case Study of Kisii Town. *Kisii Journal of Management Studies*, 7(1), 34-47.
- Ondari, C. M., & Nyaboga, E. N. (2020). Investment Diversification and Financial Stability of SACCOs: Evidence from Kisii County, Kenya. *Journal of Cooperative Management and Development*, 2(1), 23-35.
- Ondieki, C. M., & Ondabu, I. (2018). "Effect of Financial Management Practices on Organizational Performance: A Case of SACCOs in Kisii County, Kenya." *International Journal of Innovative Finance and Economics Research*, 6(2), 39-50.
- Ondieki, F., & Ombati, K. (2021). Impact of Digital Banking on Loan Disbursement Efficiency in SACCOs: A Case Study of Kisii Town. *Journal of Financial Management*, 9(2), 55-68.
- Ondieki, R., & Muturi, W. (2022). Asset growth and its impact on SACCO financial sustainability in Kenya. *Journal of Finance and Investment Analysis*, 31(2), 187205.
- Ondimu, R., & Marube, G. (2021). Decision-making dynamics in Kisii County SACCOs: A local perspective. *Kisii Journal of Cooperative Studies*, 5(2), 55-68.
- Onduso, L., & Maranga, S. (2022). Leadership Styles and Investment Decision Making in Kisii-based SACCOs: A Qualitative Analysis. *Journal of Cooperative Management*, 5(1), 55-68.

- Ongori, H., & Migunde, G. (2023). Employee training and development and its influence on SACCOs' performance in Kenya. *International Journal of Business Administration and Management*, 5(1), 112-125.
- Otieno, D., Omondi, P., & Kamau, M. (2020). Regulatory frameworks and decisionmaking in Kenyan SACCOs. *Kenyan Journal of Cooperative Economics*, 8(1), 33-48.
- Otieno, G., & Githinji, M. (2020). Loan portfolio quality and financial performance in SACCOs: An empirical review. *Journal of Business and Finance Review*, 14(1), 78-89.
- Otieno, J., & Ombati, P. (2023). Leadership and Organizational Culture in SACCO Risk Management: Insights from Kisii Region. *Journal of Cooperative Leadership*, 7(1), 56-72.
- Ouma, B., et al. (2020). The Role of Technology in Loan Portfolio Management: Evidence from Kenyan SACCOs. *International Journal of Information Technology and Management*, 17(2), 102-118.
- Ouma, F., & Nyabuti, B. (2023). Mobile Money Adoption and Organizational Performance of SACCOs in Kenya. *African Journal of Finance and Management*, 10(2), 87-101.
- Ouma, S., & Mwangi, W. (2020). The Impact of FinTech Adoption on SACCOs' Financial Performance: Evidence from Kenya. *African Journal of Finance and Banking Studies*, 7(4), 312-327.

- Patel, A., & Gupta, R. (2020). Strategic alliances and organizational performance: Evidence from Deposit-taking Saccos in Kenya. *Journal of Cooperative Studies*, 45(2), 123-140.
- Patel, A., & Shah, K. (2020). Organizational Flexibility and Performance: Evidence from Indian Savings and Credit Cooperative Societies. *Journal of Cooperative Management*, 30(4), 321-335.
- Patel, R., & Gupta, A. (2022). FinTech Adoption and Performance of SACCOs: A Cross-Country Analysis. *Journal of Financial Innovation*, 9(3), 201-218.
- Patel, R., et al. (2022). Enhancing SACCOs' Outreach through Mobile Money Adoption: Lessons from Sub-Saharan Africa. *Journal of Development Economics*, 30(4), 321-335.
- Ryan, R. M., & Deci, E. L. (2022). Intrinsic and extrinsic motivation from a selfdetermination theory perspective: Definitions, theory, practices, and future directions. *Contemporary Educational Psychology*, 61, 101860.
- Saleh, M., et al. (2021). The impact of investment diversification on financial performance during economic downturns: Evidence from financial institutions. *Finance Research Letters*, 48, 102-112.
- Sarkar, S., et al. (2021). The influence of organizational culture on employee satisfaction and performance: A study of the financial sector. *Journal of Organizational Behavior*, 42(4), 765-780.
- SASRA. (2008). Annual Report. Nairobi, Kenya: SASRA.
- SASRA. (2021). Annual Report. Nairobi, Kenya: SASRA.
- SASRA. (2023). Annual Report. Nairobi, Kenya: SASRA.

- Sharma, A., & Singh, R. (2020). Global Financial Uncertainties and SACCO Competitiveness: A Risk Management Perspective. *International Journal of SACCO Research*, 8(1), 89-105.
- Sharma, R., & Bhaumik, A. (2022). Impact Investing in SACCOs: Aligning Financial Goals with Social Objectives. *Journal of Social Finance*, 5(2), 201-218.
- Sharma, R., & Shrestha, N. (2022). Aligning Internal Configurations with External Contingencies: A Study of Nepalese Saccos. *International Journal of Cooperative Economics*, 15(1), 56-72.
- Singh, M.wang, & Gupta, R. (2023). Participative Leadership in Indian Sacco Movements: Driving Innovation and Growth. *International Journal of Cooperative Development*, 14(2), 123-140.
- Smith, A. (2020). Agency Theory and Sustainability in Financial Cooperatives: A Comparative Analysis. *Sustainability Accounting, Management and Policy Journal*, 11(5), 789-807.
- Smith, A., & Johnson, D. (2021). Training and Development Practices and Their Influence on SACCO Performance: An International Perspective. *Journal of Cooperative Management*, 25(3), 112-125).
- Smith, A., & Jones, B. (2021). Mobile Money Integration and SACCO Performance: Evidence from Global Case Studies. *International Journal of Finance and Banking Studies*, 5(2), 55-68.
- Smith, A., Johnson, B., & Lee, C. (2021). The role of employee motivation in SACCOs' organizational performance: A comparative study. *Journal of Cooperative Banking and Finance*, 8(4), 167-180.

- Smith, A., Jones, B., & Lee, C. (2020). Decision-making structures and financial performance in international SACCOs. *International Journal of Cooperative Studies*, 12(2), 45-62.
- Smith, J., Johnson, M., & Brown, S. (2021). Resource dependency and financial sustainability in Deposit-taking Saccos: A comparative analysis. *International Journal of Cooperative Management*, 36(4), 567-586.
- Smith, L., et al. (2021). *Digital Transformation in SACCOs: Insights from Developing Countries*. *International Journal of Financial Services*, 12(4), 321-336.
- Smith, L., et al. (2021). Organizational Structure and Environmental Adaptation: A Cross-National Study of Cooperative Institutions. *Journal of Comparative Management*, 40(3), 215-230.
- Smith, R., & Johnson, A. (2021). The socio-economic impact of cooperatives: An international perspective. *Journal of Cooperative Economics*, 8(4), 189-201.
- Smith, R., & Johnson, M. (2021). The Role of Digital Banking in Enhancing SACCOs' Operational Efficiency. *International Journal of Financial Services*, 12(4), 189204.
- Smith, R., et al. (2022). Global Perspectives on Recruitment and Selection Practices in SACCOs: Implications for Organizational Performance. *International Journal of Cooperative Studies*, 7(2), 201-218.
- Smith, T., & Johnson, L. (2020). Motivation Theory and SACCO Performance in Developing Countries: A Comparative Analysis. *International Journal of Finance and Cooperative Management*, 10(3), 112-128.

- Smith, T., et al. (2021). Leadership practices and financial sustainability in SACCOs: A global perspective. *International Journal of Cooperative Finance*, 23(4), 315-332.
- Smith, T., et al. (2021). Leadership practices and financial sustainability in SACCOs: A global perspective. *International Journal of Cooperative Finance*, 23(4), 315-332.
- Taylor, D., et al. (2023). "Human Resource Management Practices and Organizational Performance: A Case Study of Deposit-Taking SACCOs." *International Journal of Cooperative Studies*, 31(2), 189-204.
- Van Dierendonck, D. (2019). Servant leadership: A review and synthesis. *Journal of Management*, 45(1), 122-158.
- Waithaka, S., et al. (2022). The role of risk management in SACCO financial sustainability: A case study of SACCOs in Kenya. *Journal of Cooperative Studies*, 24(1), 77-94.
- Walumbwa, F. O., Avolio, B. J., & Gardner, W. L. (2021). *Authentic Leadership Development: Getting to the Root of Positive Forms of Leadership*. Routledge.
- Wambua, K., & Mukulu, E. (2021). The role of transformational leadership in enhancing SACCO performance in Kenya. *International Journal of Management and Business Studies*, 9(2), 75-88.
- Wambugu, L., & Mbogori, N. (2021). The Impact of Savings and Credit Co-operative Societies (SACCOs) on Socio-Economic Development: A Case Study of Kiambu County, Kenya. *African Journal of Economics and Management Studies*, 11(4), 120-135.

- Wang, H., et al. (2022). The impact of leadership on financial performance in financial institutions. *Finance Research Letters*, 45, 102-109.
- World Council of Credit Unions. (2020). "*Savings and Credit Cooperatives: A Global Perspective.*"
- Yasir, M., et al. (2020). Leadership styles and service quality in financial institutions. *Service Industries Journal*, 40(9-10), 713-732.
- Yukl, G., & Mahsud, R. (2023). *Adaptive Leadership: An Integrative Approach*. Oxford University Press.
- Zhang, Q., & Li, H. (2021). Strategic decision-making and SACCO competitiveness: A global perspective. *Journal of Financial Cooperatives*, 43(3), 187-204.
- Zhang, Q., & Li, H. (2021). Strategic decision-making and SACCO competitiveness: A global perspective. *Journal of Financial Cooperatives*, 43(3), 187-204.
- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). *Business Research Methods* (8th ed.). South-Western College Publishing.

## APPENDICES

### APPENDIX I: RESEARCH TOOLS

#### INFORMED CONSENT FORM

#### INFORMED CONSENT TO PARTICIPATE IN A RESEARCH STUDY

##### **Title of the Study**

Factors Influencing the Organizational Performance of Deposit-Taking Saccos in Kisii County, Kenya.

##### **Principal Researcher**

Name: Maryline Kwamboka Oenga Phone:

0797142442

Email: maryline.oenga@gmail.com

##### **Introduction**

You are being asked to take part in a research study. Before you decide to participate, it is important that you understand why the research is being done and what it will involve. Please read the following information carefully. If you have any questions, please ask the researcher.

##### **Purpose of the Study**

The aim of this study is to identify and analyze the various factors that influence the performance of deposit-taking Saccos in Kisii County. The findings of this research will contribute to the understanding of how these factors impact organizational performance and provide insights for improving the efficiency and effectiveness of Saccos.

## **Study Procedures**

If you agree to participate in this study, you will be asked to:

- a) Complete a questionnaire that will take approximately 10-20 minutes of your time.
- b) Participate in a follow-up interview, if necessary, which will take approximately 20-30 minutes.

## **Voluntary Participation**

Your participation in this study is entirely voluntary. You have the right to refuse to participate or to withdraw from the study at any time without any consequences. Your decision to participate or not will not affect your relationship with the researcher or any affiliated institution.

## **Confidentiality**

All information collected in this study will be kept strictly confidential. Your responses will be anonymized, and no personally identifiable information will be linked to your responses. Code names/numbers for participants will be assigned and used on all research notes and documents. The data will be stored securely and used only for the purposes of this research.

## **Risks and Benefits**

There are no known risks associated with participating in this study. While there may be no direct benefits to you, your participation will contribute to the body of knowledge on the performance of Saccos and may help improve their operations and services.

### **Contact Information**

If you have any questions or concerns about this study, you may contact the primary researcher, Maryline Kwamboka Oenga, at: Phone: 0797142442; Email: maryline.oenga@gmail.com.

If you have any concerns about your rights as a research participant, you may contact the Institutional Ethics Review Committee at: Email: research@mku.ac.ke.

### **Consent**

By signing below, you acknowledge that you have read and understood the information provided in this form, and you agree to participate in this study. You will receive a copy of this consent form for your records.

Participant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Researcher's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### **QUESTIONNAIRE**

This research aims to identify factors influencing the organizational performance of Deposit-taking Saccos in Kisii County, Kenya. Please provide as precise responses as possible. Do not reveal your name in the questionnaire. Your personal input will be kept strictly confidential and anonymous. Your responses will be utilized solely for academic purposes. Kindly mark the [√] box next to the most suitable option or briefly elaborate on your answer in the provided spaces.

#### **Part A: Demographic Information**

1. Name of Sacco.....

2. Gender  
Male [ ] Female [ ]

3. Age:

18-35 years [ ] 36-45 years [ ] 46-55 years [ ]  
56-65 years [ ] >65 years [ ]

4. Type of Sacco Society

Government Based Sacco [ ] Agriculture Based Sacco [ ]  
Private Based Sector Sacco [ ] Community Based Sacco [ ]

5. Position Held

i) Management Team Member [ ] (please  
specify your role)

.....

ii) Staff Member [ ] (please specify your role).....

6. Work Experience

<1 year [ ] 1-5 years [ ] 6-10 years [ ] 11-15 years [ ] >15 years [ ]

7. Level of Education

Certificate [ ] Diploma [ ] Degree [ ] Masters [ ] PhD [ ]

Others: .....

**Part B1: Influence of Leadership and Management Practices on Organizational Performance**

Using the following key, please check or tick [√] in the corresponding box to indicate your level of agreement with the following statements:

1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Questions on Leadership and Management Practices	Response Mode				
	1	2	3	4	5
<b>Question Statement</b>					
<b>Leadership Style within the SACCO</b>					
Our SACCO leaders inspire and motivate innovation and creativity (Transformational Leadership).					
Our SACCO leaders maintain order through clear roles and responsibilities (Transactional Leadership).					
Our SACCO leadership prioritizes staff development and well-being (Servant Leadership).					
Our SACCO leaders are genuine and transparent, adhering to their values (Authentic Leadership).					
Our SACCO leaders adapt to change and remain flexible in complex environments (Adaptive Leadership).					
<b>Leadership Style Impact on SACCO Performance</b>					
The current leadership style positively impacts SACCO's financial performance.					
The current leadership style improves employee satisfaction and retention.					
The leadership style promotes innovation and improves service delivery.					
<b>Effectiveness of SACCO Management</b>					
Our SACCO management sets clear, achievable goals and objectives.					
The management demonstrates competence in daily operations and decision-making.					
Decisions are made transparently and in consultation with relevant stakeholders.					
The decision-making process is participative and decentralized across the organization.					

What are the primary difficulties or obstacles faced by the SACCO in terms of leadership, management, and decision-making processes?

.....

.....

Based on your experience, what suggestions or recommendations would you propose to improve leadership, management, and decision-making within the SACCO?

.....

**Part B2: Influence of Financial Management Practices on Organizational Performance**

Using the following key, please check or tick [√] in the corresponding box to indicate your level of agreement with the following statements:

**1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree**

Questions on Financial Management Practices	Response Mode				
	1	2	3	4	5
Our SACCO's loan interest rates reflect market conditions and borrower risk profiles.					
The SACCO employs sound methods for assessing loan applicants' creditworthiness.					
We regularly review and update our loan portfolio (e.g., quarterly, annually).					
The SACCO's investments are diversified (e.g., fixed deposits, government bonds, real estate).					
The SACCO applies sound investment evaluation methods (e.g., ROI analysis, risk assessment).					
Our SACCO has effective strategies to manage and mitigate risks in our investments.					

	We have strong monitoring and control mechanisms for risk management.					
--	---	--	--	--	--	--

How do you believe your Sacco’s current loan portfolio management practices contribute to its overall organizational performance?

.....  
 .....

**Part B3: Influence of Human Resource Management Practices on Organizational Performance**

Using the following key, please check or tick [√] in the corresponding box to indicate your level of agreement with the following statements:

**1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree**

	<b>Questions on Human Resource Management Practices</b>	<b>Response Mode</b>				
	<b>Question Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	The recruitment and selection process effectively supports organizational performance.					
	The SACCO provides effective training programs that improve employee skills and performance.					
	I feel motivated to perform well in my current role.					
	The overall work environment and culture contribute positively to my job satisfaction.					

What improvements do you think can be made to the recruitment and selection process to enhance organizational performance?.....

.....

What specific training areas would you like to see offered or improved upon in the

SACCO?

.....  
 .....

**Part B4: Influence of Technological Adoption and Innovation on Organizational**

**Performance**

Using the following key, please check or tick [√] in the corresponding box to indicate your level of agreement with the following statements:

**1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree**

Questions on Technological Adoption and Innovation	Response Mode				
	1	2	3	4	5
Our SACCO has effectively implemented digital platforms and tools (e.g., mobile banking, online banking).					
Financial technology adoption has improved the efficiency of our SACCO's operations.					
The integration of fintech solutions has positively impacted our SACCO's performance.					
The SACCO has encountered challenges in adopting technology (e.g., initial cost, staff resistance).					

Have you noticed any tangible benefits from adopting financial technology solutions within your SACCO? (Please explain).....

.....  
 Have there been any obstacles to fully integrating mobile banking into your  
 operations?.....

..... **Part**  
**B5: Organizational Performance**

Using the following key, please check or tick [√] in the corresponding box to indicate  
 your level of agreement with the following statements:

**1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree**

	<b>Questions on Organizational Performance</b>	<b>Response Mode</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>Question Statement</b>					
	Our SACCO consistently achieves strong financial performance and profitability.					
	Our SACCO's assets have grown steadily over the past years.					
	The loan portfolio quality is high, with low default rates.					
	Member satisfaction is high, as evidenced by feedback and retention rates.					
	Our SACCO complies with all relevant regulations and guidelines.					

What improvements would you suggest to enhance the performance of your SACCO in  
 the areas mentioned above? .....

.....  
**APPENDIX II: ERC CERTIFICATE**



REF: MKU/ISERC/4183

Date: 10 August 2024

TO: MARYLINE KWAMBOKA OENGA

REG: MBA/2019/44547

Dear Sir/Madam,

**RE: FACTORS INFLUENCING THE ORGANIZATIONAL PERFORMANCE OF DEPOSIT-TAKING SACCOS IN KISII COUNY, KENYA**

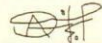
This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2999**. The approval period is **10/08/2024 - 09/08/2025**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,



**Dr. Alfred Owino, PhD**  
Chairman, Mount Kenya University ISERC



## APPENDIX III: LETTER OF INTRODUCTION



### DIRECTORATE OF GRADUATE STUDIES

MBA/2019/44547

15<sup>th</sup> August, 2024

National Commission for Science Technology & Innovation (NACOSTI)  
Off Waiyaki Way, Upper Kabete,  
P.O Box 30623- 00100  
NAIROBI, KENYA

Dear Sir/Madam,

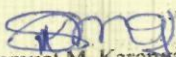
**RE: MARYLINE KWAMBOKA OENGA - REGISTRATION NO. MBA/2019/44547**

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is, "**Factors Influencing the Organizational Performance of Deposit Taking SACCOS in Kisii County, Kenya.**" It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **August, 2024 and October, 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

  
Dr. Samuel M. Karenga, PhD  
Director, Graduate Studies  
Enc.

Mount Kenya University  
P.O. Box 342-01000, THIKA  
Office of the Director,  
Graduate Studies

# APPENDIX IV: NACOSTI RESEARCH LICENSE

REPUBLIC OF KENYA  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 738803  
Date of Issue: 21/August/2024

### RESEARCH LICENSE



This is to Certify that Ms.. Maryline Kwamboka Oenga of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kisii on the topic: **FACTORS INFLUENCING THE ORGANIZATIONAL PERFORMANCE OF DEPOSIT-TAKING SACCOS IN KISII COUNTY, KENYA** for the period ending : 21/August/2025.

License No: NACOSTI/P/24/39357

Applicant Identification Number: 738803

Director General  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

See overleaf for conditions

## APPENDIX V: FIELD ENTRY AUTHORIZATION

Kenya Achievas Building  
P. O. Box 3080 – 40200 Kisii – Kenya,  
Kisii- Kilgoris rd  
Igere-Igembe Junction



Tel: 0715 997 611  
Email: [info@achievasacco.co.ke](mailto:info@achievasacco.co.ke)  
Website: [www.achievasacco.co.ke](http://www.achievasacco.co.ke)

### KENYA ACHIEVAS SACCO SOCIETY LTD

*With you we achieve...*

03 October 2024.

#### **AUTHORIZATION TO CONDUCT RESEARCH**

Permission is hereby granted for **Maryline Kwamboka Oenga- MBA/2019/44547** of **Mount Kenya University** to conduct the research study titled, **"Factors Influencing the Organizational Performance of Deposit-taking SACCOs in Kisii County, Kenya,"** at Kenya Achievas Sacco Ltd. This authorization is valid through **August 25, 2025** and includes the use of agreed-upon procedures.

Regards,

**Robert O. Ntabo**

**CHIEF EXECUTIVE OFFICER**



# WAKENYA PAMOJA SACCO SOCIETY LTD

Tel: +254 746 668 190; +254 777 668 190



Kisii Town, Kahawa House, Grnd Floor

P.O. Box 829 - 40200, Kisii

Email: [wpsacco@wakenyapamojasacco.com](mailto:wpsacco@wakenyapamojasacco.com)

Date: 15th August 2024

TO  
MARYLINE KWAMBOKA OENGA  
MOUNT KENYA UNIVERSITY  
MBA/2019/44547

**RE: AUTHORIZATION TO CONDUCT RESEARCH AT WAKENYA PAMOJA SACCO SOCIETY LTD.**

In response to your recent request, Wakenya Pamoja Sacco Society Ltd. hereby grants you permission to proceed with your research study on **"Factors Influencing the Organizational Performance of Deposit-taking SACCOs in Kisii County, Kenya."** This authorization is effective immediately and extends until August 25, 2025.

During this period, you are permitted to engage in the research activities outlined in your request, including the approved procedures and access to relevant data or information as agreed upon with Wakenya Pamoja Sacco Society Ltd.

Yours faithfully,



MR. ISAAC TAMWENGA  
CHIEF EXECUTIVE OFFICER

YOU, OUR CONCERN

# APPENDIX VI: SIMILARITY INDEX REPORT



Page 1 of 164 - Cover Page

Submission ID trn:oid::1:3064035574

**Maryline Oenga**

## **FACTORS INFLUENCING THE ORGANIZATIONAL PERFORMANCE OF DEPOSIT-TAKING SACCOS IN KISII COU...**

- RESEARCH
- RESEARCH 2024
- Mount Kenya University

### **Document Details**

Submission ID	150 Pages
trn:oid::1:3064035574	
Submission Date	27,569 Words
Nov 2, 2024, 7:40 AM GMT+3	
Download Date	175,976 Characters
Nov 2, 2024, 7:46 AM GMT+3	
File Name	
Maryline_Kwamboka_Oenga_Final_Project.docx	
File Size	
10.3 MB	



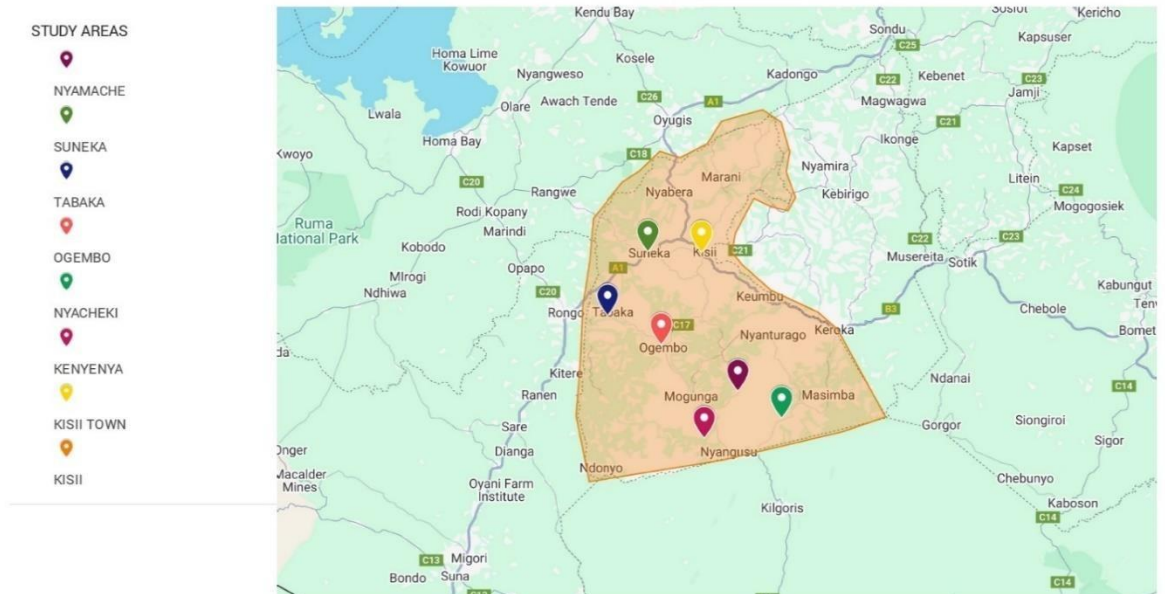
Page 1 of 164 - Cover Page

Submission ID trn:oid::1:3064035574



## APPENDIX VII: MAP OF THE STUDY AREA

### KISII COUNTY MAP



Source: Google Maps (2024)



## APPENDIX VIII: LIST OF DEPOSIT TAKING SACCO IN KISII COUNTY

SACCO NAME	SACCO BRANCHES
1. Gusii Mwalimu Sacco Society Ltd	Kisii Town Branch Ogembo Branch
2. Kenya Achievas Sacco Society Ltd	Nyamache Town Branch Ogembo Branch Kiamokama Branch Kenyerere Branch Nyachekei Branch

3. Vision Point Sacco Society Ltd

Kisii Town Branch

4. Wakenya Pamoja Sacco Society Ltd

Kisii Town Branch

Ogembo Branch

Nyamache Branch

Kenyeny Branch

Tabaka Branch

Suneka Branch

---

Source: SASRA ,2024

