STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN GARISSA COUNTY, KENYA

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DECLARATION AND APPROVAL

Declaration by the Student

I, the undersigned, declare that this Research Project is my original work and has not been presented for a degree in any other university.

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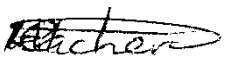
Approval by the Supervisor

I confirm that the work reported in this project was carried out by the candidate under my supervision.

Signature  Date:25/6/2025

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DEDICATION

I dedicate this Research to my family and especially my mother.

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I wish to thank the almighty God for his love, grace, preservation, and protection throughout the preparation of this project. I also wish to extend my gratitude to my supervisor Dr. Eunice Thiankolu, for her professional guidance which facilitated the compilation of this project.

ABSTRACT

Strategic management practices were crucial for improving organizational performance, particularly for cooperatives facing unique challenges compared to traditional businesses. The purpose of the study was to examine the influence of strategic management practices on the performance of savings and credit cooperative societies in Garissa County, Kenya. Specific objectives included: examining the influence of resource allocation on the performance of savings and credit cooperative societies; assessing the influence of strategic technology adoption on the performance of savings and credit cooperative societies; analyzing the influence of customer retention on the performance of savings and credit cooperative societies; and analyzing the influence of employee motivation on the performance of savings and credit cooperative societies in Garissa County, Kenya. The study was supported by the Resource-Based View (RBV) and the Technology Acceptance Model (TAM). A descriptive research design was adopted to investigate the variables without manipulating them. The target population included 60 managers, 200 employees, and 2,000 SACCO members, bringing the total target population to 2,260 individuals across Garissa County SACCOs. Data were collected using questionnaires. Before data collection, the instruments were subjected to validity checks and reliability tests. Descriptive statistics (means, standard deviations, frequencies) were used to summarize the data. Inferential statistics, including binary logistic regression, were used to examine relationships between variables. This was achieved using SPSS version 25. The results were presented using tables and charts. From a sample of 340 distributed questionnaires, 312 were returned, yielding a high response rate of 91.8%. Descriptive statistics revealed strong agreement on strategic resource allocation (Mean = 3.91), strategic technology adoption (Mean = 3.87), customer retention (Mean = 3.83), and employee motivation (Mean = 3.78), indicating that these practices were widely implemented. Regression analysis showed that all four variables had statistically significant positive relationships with SACCO performance ($p < 0.05$). The study concluded that strategic resource allocation, technology adoption, customer retention, and employee motivation significantly influence SACCO performance. The more strategically these practices are applied, the better the SACCOs perform in terms of revenue growth, service delivery, and member satisfaction. Based on the findings, the study recommends that SACCOs in Garissa strengthen budgeting alignment with strategic goals, invest in digital tools, enhance customer engagement programs, and develop robust employee motivation schemes including career growth opportunities and performance-based incentives. Additionally, policymakers should support capacity-building initiatives to improve strategic planning across SACCOs. Further research should examine longitudinal impacts of these practices and expand to other regions for broader generalizability.

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LIST OF ABBREVIATIONS AND ACRONYMS

CXM	Customer Experience Management
EU	European Union
PLS-SEM	Partial Least Squares Structural Equation Modeling
RBV	Resource-Based View
ROE	Return on Equity
SACCOs	Savings and Credit Cooperative Societies
SPSS	Statistical Package of Social Sciences
TAM	Technology Acceptance Model

CHAPTER ONE

INTRODUCTION

This chapter is organized into several key sections. Chapter One provides an introduction to the study, including the background, statement of the problem, the purpose, and specific objectives, along with the research questions. It also outlines the significance of the study, highlighting its relevance to SACCOs in Garissa County and broader policy implications.

1.1 Background to the Study

Strategic management practices are pivotal for enhancing organizational performance across various sectors worldwide. The importance of strategic management has grown in recent years, particularly in the context of cooperatives, which have unique operational challenges compared to traditional businesses (Klink et al., 2020). Recent global trends indicate that organizations adopting strategic management principles see significant improvements in performance, customer satisfaction, and stakeholder engagement. This practice not only aids in formulating strategies but also in their effective implementation, fostering adaptability in an ever-evolving marketplace (Dvouletý et al., 2021). As financial institutions such as savings and credit cooperative societies (SACCOs) face increasing competition and changing customer needs, strategic management practices become essential tools for ensuring long-term sustainability and success (Klink et al., 2020).

In the African context, strategic management practices are gaining traction as organizations recognize the need for robust frameworks to navigate complex economic landscapes (AlQershi et al., 2021). The transformative impact of strategic management on African economies has been well documented, illustrating that organizations that

embrace such methodologies tend to outperform their competitors, especially in sectors like finance and agriculture (Owusu et al., 2020). Cooperatives in Africa, particularly SACCOs, serve a vital role in enhancing financial inclusion and supporting local communities. However, many of these cooperatives face operational inefficiencies and challenges that hinder their overall performance, highlighting a pressing need to adopt strategic management practices tailored to their unique contexts (Akuffo et al., 2024). Thus, the integration of strategic management within SACCOs has become a focal point for research aimed at optimizing their performance in African economies.

In Kenya, strategic management practices have been the subject of numerous studies emphasizing their importance in successfully navigating both competitive and regulatory landscapes (Otiso, 2023). The cooperative movement, which has historically played a significant role in Kenya's socio-economic development, is increasingly recognizing the necessity for strategic planning and execution to address emerging challenges, such as digital transformation and changing consumer preferences (Nyaga et al., 2024). Despite the recognized significance of strategic management, many savings and credit cooperatives in Kenya continue to operate with traditional methods that do not meet the demands of modern business environments. This gap represents a critical opportunity to explore how strategic management practices can enhance the performance of SACCOs in Kenya, particularly in the dynamic settings of places like Garissa County.

Garissa County, a region characterized by its unique socio-economic challenges, presents an intriguing case for studying strategic management practices within SACCOs. The community in this area relies heavily on cooperatives for financial services due to limited access to formal banking channels (Muthoni et al., 2023). However, the performance of these SACCOs has been inconsistent, often reflecting the

lack of strategic management practices that align with the needs of their members (SASRA, 2022). For SACCOs in Garissa, strategic management could facilitate greater operational efficiency, enhanced member satisfaction, and improved engagement with diverse stakeholders (Abdullahi, 2023). By examining the strategic management practices employed by these cooperatives, this study seeks to provide insights into enhancing their performance within the specific context of Garissa County.

The critical engagement with strategic management in SACCOs not only holds potential benefits for individual cooperatives but also contributes substantively to the overall economic landscape in Kenya. Findings from such research could inform policy frameworks and best practices in cooperative management, ultimately driving efforts toward financial inclusion and economic empowerment in underrepresented areas (Moraa, 2023). The exploration of this subject matter is salient given the increasing global emphasis on strategic management as a tool for organizational performance enhancement, particularly in the cooperative sector (Dvouletý et al., 2021). As such, the study aims to underscore the significance of strategic management practices in enabling SACCOs to thrive amidst contemporary challenges, thereby reinforcing their role as key pillars of community development and financial stability in Garissa County.

1.1.1 Strategic Management Practices

The performance of Savings and Credit Cooperative Societies (SACCOs) serves as a crucial measure of their operational success and sustainability. This performance is commonly evaluated based on several key indicators, including revenue growth, service delivery, financial efficiency, membership growth, and member satisfaction. In cooperative settings such as those found in Garissa County, performance extends beyond profitability to include social and community development outcomes, making it a multidimensional concept (Muthoni et al., 2023). This study adopts a broad view of

performance to reflect both economic and non-economic achievements of SACCOs, as they are integral to financial inclusion and socio-economic empowerment.

Moreover, performance in SACCOs is influenced by their ability to innovate, adapt, and deliver quality services to members. AlQershi et al. (2021) assert that high-performing SACCOs exhibit strong governance structures, strategic leadership, and efficient internal systems that support growth and stability. In volatile financial environments, particularly in underserved regions like Garissa, SACCOs must optimize their processes and align strategic actions to meet evolving member needs. Performance, therefore, includes elements such as timely loan disbursement, effective resource utilization, transparency in financial dealings, and responsiveness to member concerns—all of which are crucial to building trust and ensuring long-term sustainability.

In this context, performance becomes both an outcome and a goal influenced by strategic inputs and managerial practices. SACCOs that perform well not only record financial success but also retain members, grow their capital base, and contribute meaningfully to the local economy. According to Moraa (2023), SACCO performance is also a reflection of their resilience to external shocks and their ability to sustain operations through sound strategic management. For this study, performance is thus conceptualized as a function of how effectively SACCOs integrate internal capabilities and strategic practices to deliver value to members and the broader community in Garissa County.

1.1.2 Performance of SACCOs

This study focuses on four independent variables representing strategic management practices—namely strategic resource allocation, strategic technology adoption, customer retention, and employee motivation. Strategic resource allocation refers to

how SACCOs plan, prioritize, and deploy their financial, human, and material resources in line with organizational goals. When properly aligned with long-term strategies, effective resource allocation leads to optimal performance outcomes (Klink et al., 2020). AlQershi et al. (2021) confirm that SACCOs which allocate resources based on strategic planning—such as investing in capacity-building, infrastructure, and member-focused services—tend to achieve better service delivery and financial results, especially in resource-constrained environments like Garissa.

Strategic technology adoption captures the extent to which SACCOs incorporate digital innovations to enhance efficiency and accessibility. These include mobile banking platforms, automated financial systems, and online member services that improve operational workflows and expand service reach. Otiso (2023) demonstrated that SACCOs in Kenya that embrace digital transformation show notable improvements in member satisfaction, transaction speeds, and organizational transparency. In parallel, Meyer and Teppa (2024) emphasize that strategic adoption of user-friendly technologies is especially critical in regions with limited banking infrastructure, where mobile technology bridges the gap between institutions and underserved populations. Thus, technology adoption becomes a strategic lever for inclusive growth and operational resilience.

Customer retention is another vital strategic element, reflecting how SACCOs maintain loyalty among existing members through high-quality services, reliable communication, and satisfaction programs. High retention reduces acquisition costs and strengthens institutional performance (Nabavi et al., 2020). In the Kenyan context, Otiso (2023) found that SACCOs employing feedback systems, loyalty incentives, and personalized financial products consistently outperformed their peers. Lastly, employee motivation encompasses strategies that enhance staff engagement, productivity, and

commitment. Motivated employees are more innovative, service-oriented, and aligned with organizational objectives. Studies by Njora and Ndegwa (2020) and Akerele and Amusan (2023) highlight that non-monetary incentives, job design, career progression, and supportive leadership are significant predictors of SACCO staff performance, making motivation a critical enabler of cooperative success.

1.2 Statement of the Problem

The efficacy of Savings and Credit Cooperative Societies (SACCOs) in Kenya is increasingly threatened by a rapidly evolving economic environment marked by heightened competition, shifting consumer expectations, and inequitable resource distribution. Despite their pivotal role in advancing financial inclusion and community-based economic development, many SACCOs remain reliant on outdated management approaches, particularly in areas such as strategic resource allocation, technology adoption, and customer retention (Otiso, 2023; Nyaga et al., 2024). In Garissa County—where SACCOs are essential due to the limited presence of formal banking infrastructure—traditional operational models have proven inadequate for addressing emerging challenges posed by market volatility and member demands (Muthoni et al., 2023; SASRA, 2022). Although strategic management has shown considerable potential in enhancing performance across sectors (Dvouletý et al., 2021), few studies have contextualized this impact within rural SACCO environments like Garissa, where institutional capacity and digital readiness remain limited (Abdullahi, 2023).

Furthermore, while the importance of technology in improving operational efficiency is well-documented, its inconsistent application within SACCOs in marginalized regions reveals a significant conceptual gap (Otiso, 2023). Current research largely emphasizes individual strategic functions without addressing the synergistic effects of

integrated practices such as employee motivation, customer retention, and digital transformation on SACCO performance (Nyaga et al., 2024). Most prior studies also utilize descriptive designs that inadequately capture the interconnections between these factors, indicating a methodological gap. This study therefore adopts a comprehensive approach to evaluate how strategic resource allocation, technology adoption, customer retention strategies, and employee motivation collectively influence SACCO performance in Garissa County. By doing so, it aims to provide practical insights for SACCO leadership and policymakers to enhance strategic planning, ensure long-term viability, and contribute to broader goals of financial inclusion and local economic empowerment (Moraa, 2023).

1.3 Purpose of the Study

The purpose of the study was to examine the influence of strategic management practices on the performance of savings and credit cooperative societies in Garissa County, Kenya.

1.4 Specific Objectives

i. To examine the influence of strategic resource allocation on the performance of savings and credit cooperative societies in Garissa County, Kenya
ii. To assess the influence of strategic technology adoption on the performance of savings and credit cooperative societies in Garissa County, Kenya
iii. To analyze the influence of strategic customer retention on the performance of savings and credit cooperative societies in Garissa County, Kenya
iv. To analyze the influence of strategic employee motivation on the performance of savings and credit cooperative societies in Garissa County, Kenya.

1.5 Hypothesis of the Study

The following were the null hypotheses that were used:

i. $H0_1$ There is no statistically positive relationship between resource allocation and the performance of savings and credit cooperative societies in Garissa County, Kenya.

ii. $H0_2$ There is no statistically positive relationship between strategic technology adoption and the performance of savings and credit cooperative societies in Garissa County, Kenya.

iii. $H0_3$ There is no statistically positive relationship between strategic customer retention and the performance of savings and credit cooperative societies in Garissa County, Kenya.

iv. $H0_4$ There is no statistically positive relationship between strategic employee motivation and the performance of savings and credit cooperative societies in Garissa County, Kenya.

1.6 Significance of the Study

This study holds considerable significance for multiple stakeholders, including policymakers, cooperative management, and the broader community in Garissa County, Kenya. Firstly, it aims to provide insights into the strategic management practices that can enhance the performance of savings and credit cooperative societies (SACCOs), thereby improving their operational efficiency and member satisfaction. By identifying effective resource allocation, technology adoption, customer retention strategies, and employee motivation techniques, the study offers practical recommendations that can be implemented by SACCOs to better meet the needs of their members.

The findings could inform policymakers about the essential role of SACCOs in promoting financial inclusion and community development. By understanding the challenges these cooperatives face and the strategic interventions that can address them, policymakers can develop supportive frameworks and initiatives that foster the growth and sustainability of SACCOs. This, in turn, can lead to increased economic empowerment in underrepresented areas.

Furthermore, the study contributes to the academic literature on strategic management practices within the cooperative sector, particularly in the African context. It fills existing gaps in research regarding the unique challenges faced by SACCOs in dynamic environments like Garissa County, providing a basis for future studies to build upon.

This research underscores the importance of integrating strategic management principles into the operations of SACCOs, which not only enhances their individual performance but also reinforces their role as crucial pillars of financial stability and community development in the region. Ultimately, the study aims to promote a deeper understanding of how strategic management can serve as a catalyst for positive change in SACCOs, benefiting both the organizations themselves and the communities they serve.

1.7 Scope of the Study

This study explored the impact of strategic management practices on the performance of Savings and Credit Cooperative Societies (SACCOs) in Garissa County, Kenya. It specifically examined four critical areas: resource allocation, adoption of strategic technology, customer retention, and employee motivation. By analyzing these dimensions, the study assessed how they individually and collectively influenced the operational efficiency and overall performance of SACCOs in this unique socio-economic context. The localized focus allowed for an understanding of the dynamics

within Garissa, where SACCOs played a critical role in financial service delivery due to limited access to formal banking institutions.

In terms of people scope, the study targeted three groups of respondents to provide a comprehensive perspective. These included SACCO managers, employees, and members. SACCO managers provided insights into the strategic decisions made at the organizational level, employees shared their experiences regarding motivation and resource use, while members gave feedback on customer retention strategies and their satisfaction with SACCO services. The inclusion of these diverse respondent groups ensured that the study captured a broad range of viewpoints, making the findings more robust and reflective of the SACCOs' operational reality in Garissa County.

The study was confined to SACCOs operating within Garissa County, a region characterized by socio-economic challenges such as limited financial infrastructure and high dependence on cooperative societies. This focus on Garissa provided insights that were directly applicable to the community while allowing for a more nuanced understanding of the operational challenges and opportunities within SACCOs. While the primary emphasis was on SACCOs in Garissa, the findings had broader implications for similar financial cooperatives in other under-served regions of Kenya. However, the study did not extend to other financial institutions or SACCOs outside of Garissa County.

1.8 Limitations of the Study

This study was limited to Garissa County, which may have affected the generalizability of its findings to SACCOs in other regions of Kenya or different socio-economic settings. The unique challenges and dynamics in Garissa may not have aligned with those in other areas. To address this limitation, the researcher acknowledged the

context-specific nature of the findings and recommended future studies that expand the geographic scope. Conducting comparative research across various regions could have offered a broader perspective on strategic management practices in different socio-economic environments.

Additionally, the study relied on self-reported survey data, which may have introduced bias if respondents provided socially desirable responses rather than accurate reflections of their SACCOs' practices and performance. To minimize this risk, the researcher ensured survey anonymity and confidentiality to encourage honest feedback. Furthermore, integrating qualitative insights from interviews or focus groups alongside quantitative data could have provided a more comprehensive understanding of the factors influencing SACCO performance. Adopting a mixed-methods approach would have strengthened the validity of the findings and offered deeper insights into strategic management practices.

1.9 Delimitation of Findings

The findings of this study are specifically delimited to Deposit-Taking Savings and Credit Cooperative Societies (DT-SACCOs) operating within Garissa Township, Kenya. The research focused exclusively on four strategic management practices: strategic resource allocation, strategic technology adoption, customer retention, and employee motivation, and how these collectively influence SACCO performance. As such, the findings are not intended to generalize to all SACCOs across Kenya, especially non-deposit-taking SACCOs or financial institutions operating under different regulatory and socio-economic conditions.

Additionally, the study targeted SACCO managers, employees, and registered members, deliberately excluding other stakeholders such as government regulators,

auditors, or external partners. This decision was made to ensure that the data collected reflected internal perceptions and experiences related to the implementation of strategic practices. Therefore, the results primarily reflect the views and performance outcomes of those directly involved in SACCO operations in Garissa Township.

Moreover, the research employed a cross-sectional design, capturing perceptions and data at a single point in time. Consequently, the findings may not account for long-term shifts in performance or the impact of future changes in policy, technology, or market dynamics. While the insights offer valuable direction for SACCO management in similar contexts, caution should be exercised when extending the conclusions to regions with significantly different economic, cultural, or institutional environments.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides a review of pas studies related the influence of strategic management practices performance of savings and credit cooperative societies. This chapter synthesizes existing research, theoretical frameworks, and empirical studies that focus on key elements such as resource allocation, strategic technology adoption, customer retention, and employee motivation. Additionally, it identifies gaps in the current literature, which points to opportunities for further exploration and theoretical development. The chapter also contains he conceptual framework of the study.

2.1 Theoretical Framework

This section presents the theoretical framework that forms the foundation of the study, offering a structured perspective for analyzing the research objectives. It specifically highlights the Resource-Based View (RBV) and the Technology Acceptance Model (TAM), which provide essential insights into the impact of resources and technology on the performance of savings and credit cooperative societies. By leveraging these theories, the research seeks to better understand the dynamics of resource allocation, technology adoption, customer retention, and employee motivation within SACCOs. This framework not only guides the analysis but also contextualizes the findings within established theoretical paradigms, reinforcing the significance of strategic management practices in enhancing cooperative performance.

2.1.1 Resource-Based View (RBV)

Jay Barney introduced the Resource-Based View (RBV) in 1991, emphasizing that a firm's competitive advantage stems from its distinct resources and capabilities. For

these resources to drive long-term success, they must be valuable, rare, difficult to imitate, and non-substitutable. RBV argues that organizations can achieve superior performance by strategically utilizing their internal strengths rather than solely responding to external market dynamics (Barney, 1991). It emphasizes that the management of these resources is critical for long-term success and sustainability in a competitive landscape. In the context of savings and credit cooperative societies (SACCOs), the theory encourages a focus on how these organizations can optimize their resource allocation to enhance performance.

The relevance of RBV to this study is particularly significant when examining how resource allocation influences the performance of SACCOs in Garissa County. By applying this theory, the study will explore the relationship between resource management practices and operational outcomes, including financial performance and member satisfaction. Understanding which resources are most effective in contributing to success will provide valuable insights for SACCOs seeking to improve their competitiveness. Furthermore, the RBV framework highlights the importance of cultivating unique capabilities, such as member engagement and community support, that can differentiate SACCOs in a challenging environment.

Additionally, the RBV approach underscores the importance of continuous assessment and improvement of resource utilization strategies. As SACCOs navigate dynamic economic conditions, they must adapt their resource management practices to align with evolving member needs and market demands. This adaptability is crucial for sustaining competitive advantage and ensuring long-term viability. Thus, the study aims to offer actionable recommendations based on RBV principles, enabling SACCOs to strategically enhance their performance through effective resource allocation and management.

2.1.2 Technology Acceptance Model (TAM)

Fred Davis introduced the Technology Acceptance Model (TAM) in 1989 to explain the process by which users adopt and utilize new technologies. The model emphasizes two key factors: perceived ease of use and perceived usefulness. According to TAM, individuals are more inclined to adopt a technology if they find it easy to use and believe it will improve their performance. The model emphasizes the role of user attitudes in technology acceptance, highlighting that understanding these attitudes is crucial for successful technology implementation (Davies, 1989). This is particularly relevant for organizations facing digital transformation challenges, such as SACCOs.

In the context of this study, TAM is particularly pertinent when assessing how strategic technology adoption affects the performance of SACCOs. By evaluating the perceptions of employees and members toward new technologies, the study will identify barriers and facilitators of technology adoption. Understanding these dynamics can lead to more effective technology integration, which is essential for enhancing service delivery and improving customer retention. The insights derived from applying TAM can guide SACCOs in implementing technology solutions that align with user needs, ultimately fostering greater engagement and satisfaction.

Furthermore, TAM provides a framework for understanding how technology acceptance can influence overall organizational performance. As SACCOs adopt innovative tools and platforms to streamline operations and improve member experiences, the effectiveness of these technologies will largely depend on their acceptance by users. This study seeks to examine how technology adoption and user attitudes influence performance outcomes, providing insights into the strategic role of technology in improving the operational efficiency and competitiveness of SACCOs in Garissa County.

2.2 Empirical Review

2.2.1 Resource Allocation and Performance of Savings and Credit Cooperative Societies

In their study titled "Measuring Resource Allocation and Its Impact on SACCO Performance," Klink et al. (2020) developed a scale designed to evaluate the effectiveness of resource allocation strategies within Savings and Credit Cooperative Societies (SACCOs). The researchers employed surveys to gather data on financial outcomes associated with resource allocation practices while also considering external factors like market volatility, which can significantly affect SACCO performance. Their findings revealed that when resources are effectively allocated, SACCOs often experience enhanced financial performance, particularly in stable environments where operational costs and resource needs are predictable. Conversely, the benefits of efficient resource allocation diminish in turbulent markets where financial needs and member demands fluctuate due to economic instability or competitive pressures. This suggests that SACCOs may need to adopt more flexible and adaptive resource allocation strategies to navigate these challenges successfully. The study primarily focused on SACCOs operating in stable environments, leaving a gap in understanding how resource allocation influences financial performance in more volatile economies, such as Kenya, where market conditions are often less predictable. This gap suggests the need for further research that explores resource allocation within the context of emerging markets, where SACCOs face different challenges and opportunities.

A systematic review by Ondřej et al. (2020) titled "Public Grants and Performance of SACCOs in the European Union" explored the impact of public financial support on various aspects of SACCO performance, with a specific focus on financial outcomes. Analyzing data from 30 studies across 13 countries, the authors utilized a range of

quantitative methodologies, including panel data analysis, to derive their conclusions. Their findings indicated that public financial support positively affects key metrics such as SACCO survival, member growth, and investment in fixed assets. However, the results for productivity were more mixed, suggesting that while financial support can help SACCOs stay afloat and grow, it does not always lead to improved efficiency or output. One significant limitation of the study is its exclusive focus on SACCOs in developed EU countries, which may not fully capture the dynamics at play in developing nations. This leaves an important gap in knowledge regarding how resource allocation—shaped by both public and private investments—affects SACCO performance in contexts like Kenya, where SACCOs face unique challenges and opportunities. The implications of this research highlight the need for more localized studies that consider the economic and social environments in which SACCOs operate in developing countries.

In the study "Human Capital and SACCO Performance in the Digital Economy" (2021), the authors examined the interrelationship between human capital, digitization, and economic performance across SACCOs in Central and Eastern European countries. Utilizing multiple regression analysis and panel models, they discovered that SACCOs with advanced human capital and effective digitization strategies generally experienced enhanced financial outcomes. This highlights the critical role of a skilled workforce in leveraging digital technologies to drive financial growth in SACCOs. However, while the research emphasizes human capital, it notably overlooks resource allocation as a potential driver of financial success. This omission creates a conceptual gap, particularly for countries like Kenya, where resource allocation and effective management strategies are becoming increasingly important in achieving competitive advantage and financial growth. By not addressing resource allocation, the study misses

an opportunity to explore how integrating resource-focused strategies within the framework of human capital development can further enhance financial performance in a rapidly digitizing SACCO environment. This presents an area for future research aimed at understanding the synergies between resource allocation and human capital.

Abdulwahab et al. (2021) investigated the impact of resource mobilization on SACCO member loyalty in their study "Understanding Resource Mobilization and Member Retention," published in the Journal of African Finance. They employed structural equation modeling with data gathered from 348 SACCO members in Ghana to assess the relationship between resource mobilization and member loyalty. The study found a significant positive correlation, indicating that effective resource mobilization strategies not only build member trust and loyalty but also contribute to enhanced financial performance for SACCOs. While the findings are relevant to the financial sector in Ghana, the research did not specifically focus on resource allocation, pointing to a methodological gap in the existing literature. Understanding how resource allocation intersects with member retention could provide valuable insights into how SACCOs can leverage both strategies to boost member loyalty and financial outcomes. This is particularly pertinent in Kenya's SACCO industry, where competition is increasing, and SACCOs seek effective ways to differentiate themselves. Further exploration into the relationship between resource allocation and member retention could inform best practices for enhancing SACCO performance in competitive environments.

Poku-Adu et al. (2019) conducted an evaluation of resource allocation's impact on revenue collection in Ghana, as documented in their study published in the Journal of Cooperative Finance in Developing Countries. Through a mixed-methods approach, the authors discovered that while resource allocation significantly improved transparency

and accountability in financial processes, it did not lead to a notable increase in revenue collection itself. This finding raises questions about the effectiveness of resource allocation in achieving its intended outcomes in SACCOs, indicating that mere financial resource distribution is not sufficient to guarantee enhanced financial performance. The study's focus on public sector institutions presents a contextual gap, particularly in relation to resource allocation in SACCOs. Given the rapid growth of Kenya's SACCO industry, understanding how resource allocation influences financial performance in this context could provide critical insights into the potential benefits of resource management beyond transparency and accountability. This suggests that further research is needed to explore the nuances of how resource allocation can work alongside other strategies to improve financial outcomes in SACCOs.

AlQershi et al. (2021) investigated how resource allocation within SACCOs correlates with financial performance in Malaysia. By employing surveys and regression analysis, the authors established a clear positive relationship between effective resource allocation and improved financial success. This research provides valuable insights into the SACCO industry, illustrating how prioritizing efficient resource allocation can lead to enhanced organizational performance. However, the study's narrow focus on Malaysia limits its generalizability to other regions. Notably, the research does not consider the role of resource allocation in other sectors or countries, such as Kenya, where effective resource management could be crucial for SACCOs to achieve competitive advantage and economic development. This gap suggests the need for further exploration of resource allocation across diverse regions, particularly in emerging markets like Kenya, where innovative resource management strategies can significantly impact SACCO performance and overall financial success.

Kyalo (2021) conducted a study on the Effect of Resource Allocation on Strategy Implementation in Kenya's Tourism Industry. This study analyzed the relationship between resource distribution and strategy execution among Kenyan tourism agencies. The findings indicated that how resources are allocated plays a critical role in influencing financial outcomes for these agencies. However, the research did not specifically address customer experience management (CXM), which is increasingly recognized as a vital component of organizational success. This omission presents an opportunity to investigate how directing resources towards enhancing CXM can further influence financial performance in Kenya's service-oriented industries, including tourism. As the sector continues to evolve, understanding the interplay between resource allocation and customer experience becomes essential for maximizing the potential benefits of tourism in the country. By bridging this gap, future research could provide actionable insights that help firms optimize their strategies to enhance customer satisfaction and, consequently, financial results.

Kajwang (2022) conducted a study examining the "Effects of Training and Development Practices on Performance in Kenya's Insurance Sector." Utilizing a desktop methodology to analyze secondary data, the findings revealed that employee training significantly enhances firm performance. However, the study highlighted conceptual gaps regarding how training and development interact with customer experience management (CXM). This suggests that while improving employee skills is essential, understanding how these practices relate to customer experience could yield valuable insights for further enhancing organizational performance. In the Kenyan context, where customer expectations are evolving rapidly, it becomes crucial to explore how effective CXM can complement training initiatives to drive financial success. Future research could focus on establishing these connections, helping

organizations to not only train employees effectively but also to foster a customer-centric culture that enhances overall performance across various industries.

Omosa (2022) examined the impact of systems automation on customs revenue performance in Kenya. The study employed an explanatory research design, incorporating both primary and secondary data to assess how automation influences revenue outcomes. The results demonstrated that automation positively contributes to improving revenue performance, highlighting the advantages of integrating technology into financial operations. However, the study did not specifically address customer experience management (CXM), which presents a methodological and contextual gap. Understanding how digitized CXM strategies can drive financial performance in Kenya's private sector—especially in the tech industry—remains an area ripe for exploration. As digitization continues to reshape various sectors, integrating CXM into these strategies could prove essential for maximizing the benefits of automation and enhancing overall financial outcomes. Future research in this area could help illuminate the synergies between technological advancements and customer engagement, providing a clearer picture of how organizations can leverage both to achieve better financial performance.

2.2.2 Strategic Technology Adoption and the Performance of Savings and Credit Cooperative Societies

A study by Meyer and Teppa (2024) examines the evolution of consumer payment preferences in the Euro Area, particularly in relation to cashless transactions and mobile banking apps following the COVID-19 pandemic. Utilizing microdata from the European Central Bank's Consumer Expectations Survey, the researchers employ statistical analyses to assess how demographic factors influence payment choices. Their findings indicate a strong preference for contactless card payments, largely driven by

merchants' acceptance issues that affect the perceived availability of cashless options. Despite the growing popularity of mobile banking, the adoption of innovative payment technologies remains low, especially among older consumers. The authors highlight the need for financial service providers to cater to younger consumers' demand for advanced payment solutions. They also identify a significant gap in research concerning non-European contexts, particularly in developing economies like Kenya, where mobile banking technology is crucial for enhancing financial inclusion.

Owusu et al. (2020) applied the Technology Acceptance Model (TAM) and Innovation Diffusion Theory (IDT) to examine the attitudes of Ghanaian youth toward mobile banking services. Using a structured questionnaire, data were collected from 517 business students. The findings indicated that perceived ease of use, perceived usefulness, and relative advantage significantly impact the intention to adopt mobile banking. Notably, the study highlighted that perceived complexity has a positive effect on perceived ease of use, emphasizing the role of technological education in enhancing adoption rates. However, the focus on a youthful demographic raises questions about the applicability of these findings to older age groups in Ghana, suggesting that insights could also be relevant for similar research in Kenya, where youth demographics significantly impact technological adoption in savings and credit cooperatives.

Atta-Ankomah, Adjei-Mantey, and Amankwah (2024) investigate the role of mobile money in enhancing livelihood diversification among rural households in Ghana, utilizing nationally representative data and advanced econometric techniques. Their findings indicate that access to mobile money positively correlates with increased engagement in non-farm activities but has a negative impact on crop diversification. This underscores the transformative potential of digital finance while also revealing unintended consequences for traditional agricultural practices. The authors call for

further research to explore the barriers rural populations face in accessing these technologies, which could inform similar studies in Kenya, where digital financial tools are increasingly integral to rural economic activities amid significant challenges in agricultural development.

Coffie and Hongjiang (2022) explore the interactions among various actors in Ghana's FinTech landscape and their influence on financial inclusion. Through time-series data analysis, the authors demonstrate that mobile devices, traditional banks, and agents collectively create a supportive environment for financial inclusion. Their results emphasize the importance of digital infrastructure and the distinct roles of each actor, suggesting a systemic approach is necessary for effective FinTech implementation. However, the research predominantly focuses on urban settings, which may limit its applicability to rural financial practices. Similar methodologies could provide valuable insights in Kenya, where community-based financial systems like SACCOs also benefit from the involvement of diverse technological actors in promoting financial inclusion.

Otiso (2023) investigates the impact of mobile banking, internet banking, and mobile communication on the performance of SACCOs in Kenya, using a descriptive-explanatory design that includes 86 licensed SACCOs. The findings reveal significant positive correlations between technology adoption and various performance metrics within these organizations. This empirical evidence supports the case for increased investments in these technologies to enhance both financial and operational outcomes in the sector. However, there remains a gap in understanding the long-term effects of these technologies across different geographical contexts. Employing similar methodologies could enrich insights into the post-adoption impacts in rural SACCOs, highlighting a key area for future research.

Nyaga, Namusonge, and Sasaka (2024) focus on the relationship between strategic customer engagement and the performance of agricultural cooperatives in specific Kenyan counties, employing a quantitative approach with a stratified sampling technique to collect data from 240 managers. Their findings indicate a strong correlation between strategic customer focus and overall cooperative performance, suggesting that cooperatives should prioritize customer feedback to improve productivity. However, the study's emphasis on a single agricultural sector may limit its generalizability to other cooperative types, such as SACCOs. This context presents a gap that further studies could address by investigating the role of technology adoption in enhancing customer satisfaction within Kenyan SACCOs.

Nomo (2023) analyzes the relationship between customer service practices and loan performance in selected microfinance institutions in Takoradi. The findings demonstrate a direct correlation between effective customer service and improved loan outcomes, highlighting the significance of customer satisfaction for institutional performance. Nevertheless, the focus on microfinance may obscure broader insights into cooperative performance, especially within the SACCO sector. The study suggests the need to explore how technological advancements in customer service can further enhance loan performance in Kenyan SACCOs, thus addressing a critical contextual gap.

Muthoni, Namusonge, and Sasaka (2024) examine how customer engagement strategies influence banking performance in Kenya through a quantitative analysis of survey data from banking clients. Their results indicate that high levels of customer engagement are associated with improved performance metrics, reinforcing the need for banking institutions to adopt innovative technologies to boost engagement. However, the study does not differentiate the impacts of specific technological

adoptions between SACCOs and commercial banks. Consequently, further research could clarify how these technologies affect customer engagement across different financial cooperative contexts.

Lihanda and Chuma (2024) assess the effects of technology adoption on financial inclusion among SACCO members in Kenya. Using a combination of qualitative and quantitative methodologies, their research identifies significant improvements in member outreach and accessibility to financial services due to technology deployment. However, limitations in sample size and demographic diversity raise concerns about the representativeness of the results. This emphasizes the need for comparative studies that involve multiple SACCOs across both urban and rural areas, focusing on how varying contexts influence technology's impact on financial inclusion.

2.2.3 Customer Retention and the Performance of Savings and Credit Cooperative Societies

Sliż and Delińska (2021) conducted a study focusing on customer retention measurement in the European automotive sector, introducing a model based on the "serviced and sold" and "sold and serviced" indicators. Using a quantitative approach, they applied statistical techniques to assess retention rates. The findings revealed significant variations in customer retention across different market segments, with factors such as service quality and customer engagement playing a crucial role. However, the study's relevance to savings and credit cooperative societies (SACCOs) in Kenya is limited, highlighting a conceptual gap in understanding retention within distinct service environments. Additionally, the research relied solely on quantitative methods, lacking qualitative insights into customer sentiment and behavior. This suggests a need for future studies to explore customer experiences in SACCOs more comprehensively. While the study contributes to global discussions on customer

retention, its findings may not be directly applicable to SACCO performance in a developing country like Kenya, emphasizing the necessity for localized research to bridge existing knowledge gaps.

Toerien's study (2019) on the leafy vegetable market in South Africa emphasized the pivotal role of perceived customer value in influencing customer satisfaction and, consequently, retention. Utilizing a quantitative survey of 370 street hawkers in Johannesburg, the research employed the PLS-SEM analytical technique to analyze data. The results demonstrated a strong correlation between customer value perception and subsequent satisfaction levels, indicating that enhancing perceived value effectively leads to higher retention rates. However, the study predominantly concentrates on customer satisfaction without delving into specific retention strategies applicable to financial institutions like SACCOs. Methodologically, it did not investigate the underlying reasons behind customer perceptions, which could provide a more nuanced understanding of the retention mechanisms. Conceptually, the framework applied is often too generic, failing to consider the unique dynamics of SACCOs which differ from product-based markets. Thus, while Toerien's work is applicable in broader retail contexts, it lacks the specificity needed to understand customer retention within Kenyan savings and credit cooperative societies.

Nabavi et al. (2020) conducted a study in Ghana highlighting the importance of retention strategies within the banking sector. The research identified service quality, customer relationship management, switching barriers, and loyalty rewards as essential factors influencing customer retention. This research employed a survey methodology that gathered data from 410 banking customers and analyzed these variables through OLS regression. The findings revealed that service quality and customer relationship management have a substantial positive impact on customer retention, thus highlighting

the importance of these factors in maintaining a loyal customer base. However, one notable gap in this study is the limited exploration of contextual factors unique to financial cooperatives in Kenya, where community ties can significantly affect customer loyalty. Methodologically, the research did not incorporate qualitative data, which could further elucidate the personal experiences driving retention strategies. The study's recommendations may be overly general and less applicable to the SACCO setting, indicating a need for more specific investigations into the factors influencing customer retention in these cooperative societies.

Otiso (2023) examined the critical role of customer retention in enhancing the performance of savings and credit cooperative societies in Kenya. The study adopted a mixed-methods approach, incorporating both surveys and interviews with cooperative members to obtain comprehensive insights. The findings indicated a positive correlation between effective customer retention strategies and the overall performance of cooperatives, emphasizing the role of customer feedback, satisfaction, and loyalty in achieving organizational goals. However, the study identified a notable gap in examining how socio-economic factors affect customer retention in rural versus urban SACCOs in Kenya, suggesting a need for studies that account for these contextual differences. Furthermore, while the research provided a solid overview, it could benefit from a comparative analysis of retention strategies employed by SACCOs across different regions in Kenya to draw more comprehensive conclusions. Such additions would enhance the study's validity and provide richer insights into the peculiarities of customer retention within the Kenyan cooperative framework.

2.2.4 Employee Motivation and the Performance of Savings and Credit Cooperative Societies

Research conducted by Al Kurdi et al. (2020) investigates employee retention in the Jordanian banking sector, yet it offers insights applicable to understanding retention influences in SACCO contexts (Al Kurdi et al., 2020). By identifying factors such as economic security and psychological safety as key drivers, the study provides valuable frameworks for approaching employee satisfaction and performance. Nevertheless, the existing research is confined to banking, lacking contextual transition to the unique characteristics of savings and credit cooperatives found in Kenya. Therefore, while informative, the findings demand careful adaptation to the nuanced environments presented by SACCOs. There lies a need for further exploration into how such psychological drivers could translate into motivational strategies tailored to performance enhancements within the cooperative sector in Kenya.

A study by Segovia-Vargas, Miranda-García, and Oquendo-Torres (2023) examined the contribution of savings and credit cooperatives (SACCOs) to sustainable finance in Ecuador. By analyzing data from all 510 SACCOs in the country, the researchers applied advanced machine learning techniques to explore the connections between cooperative size, profitability, and their microcredit portfolios. The findings indicated that the size of a cooperative is a significant predictor of return on equity (ROE), suggesting that larger cooperatives are generally more efficient at generating profits. However, the study pointed out that there are gaps in understanding how employee motivation and skill development could further boost profitability through effective human resource management. While the methodological approach was robust, it did not specifically examine employee motivation strategies, highlighting a need for additional research. This underscores the importance of exploring how employee

motivation intersects with cooperative performance, particularly in developing economies like Kenya, where SACCOs may encounter distinct challenges.

In an examination of job motivation's impact in Ogun State, Nigeria, Akerele and Amusan (2023) investigate the correlation between motivation and the performance outputs of cooperative societies (Akerele & Amusan, 2023). Utilizing a quantitative framework, they analyze data from 120 respondents collected through structured questionnaires. The study identifies vital motivational factors—such as working conditions and staff training—that correlate positively with enhanced performance outputs among cooperative members. However, despite these findings, the study primarily focuses on isolated variables and approaches motivation from a one-dimensional perspective, neglecting other factors that influence employee engagement and satisfaction. Additionally, the study's context is limited to Nigeria, indicating a need for comparative research in other contexts like Kenya, where cooperative settings and employee dynamics might differ significantly. While it contributes to understanding motivational impacts, more comprehensive frameworks incorporating both qualitative and quantitative aspects would give a deeper insight into the motivations affecting performance in SACCOs.

Moyo and Gasva (2022) conducted a qualitative analysis of the impact of SACCOs on sustainable livelihoods in rural Zimbabwe, emphasizing their role in poverty alleviation and community support. By employing a descriptive research design, the researchers highlight how SACCOs improve members' financial stability and access to resources. The findings point to significant contributions to individual member well-being yet outline challenges such as inadequate financial literacy and management skills. Despite its strengths in advocating for the socio-economic benefits of SACCOs, the study fails to address the pivotal role of employee motivation in achieving these outcomes.

Moreover, the authors did not explore how internal staff training and motivation contribute to the efficiency of SACCOs in fulfilling their missions. Consequently, there are conceptual gaps concerning the internal motivational dynamics that may determine the success or failure of these arrangements in diverse eco-social environments, further justifying the need for focused studies in varying contexts, such as Kenya.

Njora and Ndegwa (2020) conducted a study to evaluate how employee motivation influences retention rates in SACCOs within Nairobi City County, Kenya. Using a descriptive research design, data were collected from a randomly selected sample of 83 employees through structured questionnaires, with a response rate of 75%. The findings indicated a strong positive correlation between employee retention rates and factors such as rewards, job design, and career growth opportunities. The study emphasized the need for enhanced motivational policies to improve retention, aligning with performance indicators essential for the successful operation of SACCOs. However, it did not fully address the socio-economic factors that might influence employee motivation, creating a conceptual gap that warrants further investigation within the Kenyan context. Future studies could benefit from longitudinal designs to evaluate the enduring impact of motivation on performance in the unique operational environments found in Kenya.

A study by Muthoni Nyaga, Namusonge, and Situma Sasaka (2024) investigated the relationship between strategic customer focus and the performance of agricultural cooperatives in Kenya. Utilizing a quantitative research design and stratified sampling, the researchers engaged 240 respondents from various cooperatives. The findings confirmed that a strategic focus on customers positively correlates with performance outcomes, emphasizing the importance of customer feedback mechanisms for cooperative success. Nevertheless, while the study thoroughly examined customer

dynamics, it overlooked the internal factors, particularly employee motivation, which significantly contribute to performance. This indicates a methodological gap, suggesting opportunities for future research to integrate both external customer-focused and internal motivational factors affecting cooperatives in Kenya. Such an approach could enhance the operational framework of SACCOs, ultimately leading to improved performance.

In the research conducted by Okeru, Omari, and Wanyama (2021), the authors explored the impact of performance management systems on employee performance within the The study employed a descriptive research design, gathering data from 144 employees of the Kenya Meat Commission using structured questionnaires. Findings revealed a significant positive correlation between employee performance and both performance planning and appraisal systems. The findings suggested that improving performance management systems could enhance employee output. However, the study did not take into account the motivational aspects of job roles, presenting a conceptual gap that is particularly relevant for SACCOs, which also strive for rigorous performance management. This gap presents an opportunity for future research to investigate how the incorporation of motivational factors could potentially improve performance outcomes in cooperative settings, enriching the understanding of how to effectively manage and motivate employees in such organizations.

Across these studies, there is a distinct pattern indicating the influence of employee motivation on the performance of savings and credit cooperative societies, each revealing unique insights and gaps. The literature supports the notion that while external factors enhance cooperative performance, the internal dynamics of employee motivation, including incentives, career development, and training, remains underexplored. This presents an area for further examination, particularly within the

Kenyan context, thereby contributing substantially to the understanding of SACCOs and their operational challenges.

2. 3 Summary and Gaps

This section presents he Summary and Gaps arising from the literature review.

Table 1: Summary and Gaps

Authors (Year)	Focus of the Study	Research Method-y Used	Findings	Knowledge Gap	Focus of Current Study
Klink et al. (2020)	Measuring resource allocation and its impact on SACCO performance	Surveys	Effective resource allocation enhances financial performance, especially in stable environments.	Limited understanding of resource allocation impact in volatile markets like Kenya.	Explore how resource allocation influences SACCO performance
Ondřej et al. (2020)	Public financial support and SACCO performance	Systematic review (panel data analysis)	Public financial support improves SACCO survival and member growth but mixed results for productivity.	Focus on developed EU countries limits understanding of dynamics in developing nations.	Investigate how resource allocation affects SACCO performance.
Poku-Adu et al. (2019)	Resource allocation's impact on revenue collection	Mixed-methods	Resource allocation improves transparency but does not necessarily increase revenue collection.	Lack of focus on resource allocation within SACCOs, particularly in a developing context.	Examine how resource allocation influences financial performance
Abdulwahab et al. (2021)	Resource mobilization and member loyalty	Structural equation modeling	Effective resource mobilization correlates positively with member loyalty and financial	Did not address the relationship between resource allocation and member retention specifically.	Explore the intersection between resource allocation and member retention in SACCOs,

Authors (Year)	Focus of the Study	Research Method-y Used	Findings	Knowledge Gap	Focus of Current Study
			performance.		particularly in competitive environments.
AlQershi et al. (2021)	Resource allocation and financial performance in SACCOs	Surveys and regression analysis	Established a positive relationship between effective resource allocation and financial success.	Study focuses on Malaysia, limiting generalizability to other contexts like Kenya.	Investigate the role of resource allocation in other regions, especially in Kenya's SACCO industry, for economic development.
Human Capital (2021)	Interrelationship between human capital and SACCO performance	Multiple regression analysis and panel models	SACCOs with skilled human capital and digitization strategies show enhanced financial outcomes.	Neglects resource allocation as a performance driver, crucial in Kenyan context.	Explore synergies between resource allocation and human capital development within SACCOs in Kenya.
Klink et al. (2020)	Measuring resource allocation and its impact on SACCO performance	Surveys	Effective resource allocation enhances financial performance, especially in stable environments.	Limited understanding of resource allocation impact in volatile markets like Kenya.	Explore how resource allocation influences SACCO performance in volatile economies like Kenya.
Ondřej et al. (2020)	Public financial support and SACCO performance	Systematic review (panel data analysis)	Public financial support improves SACCO survival and	Focus on developed EU countries limits understandi	Investigate how resource allocation affects SACCO

Authors (Year)	Focus of the Study	Research Method-y Used	Findings	Knowledge Gap	Focus of Current Study
			member growth but mixed results for productivity.	ng of dynamics in developing nations.	performance in developing countries, particularly in Kenya.
Akerele & Amusan (2023)	Job motivation's impact on cooperative performance in Nigeria	Quantitative (structured questionnaires)	Positive correlation between working conditions, staff training, and performance outputs among cooperative members.	Isolated focus on specific variables; lacks a comprehensive view of motivations in SACCOs.	Explore motivational strategies in the context of Kenyan SACCOs.
Al Kurdi et al. (2020)	Employee retention in the banking sector	Qualitative and quantitative	Identified key drivers of employee satisfaction such as economic security and psychological safety.	Lacks application to SACCO contexts; limited understanding of unique cooperative characteristics.	Investigate how psychological drivers influence performance in SACCOs in Kenya.
Coffie & Hongjiang (2022)	FinTech interactions and their influence on financial inclusion	Time-series data analysis	Emphasizes need for digital infrastructure and collaboration among financial actors for financial inclusion.	Limited applicability to rural financial practices; focused on urban settings.	Understand how technology adoption impacts SACCOs in both urban and rural settings.
Kajwang (2022)	Training and development practices on performance in insurance sector	Desktop methodology (secondary data analysis)	Employee training enhances firm performance in insurance.	Needs exploration of CXM interactions with training practices.	Investigate the relationship between training, CXM, and performanc

Authors (Year)	Focus of the Study	Research Method-y Used	Findings	Knowledge Gap	Focus of Current Study
					e in SACCOs.
Klink et al. (2020)	Customer experience management (CXM) and financial performance	Surveys, statistical analyses	Effective CXM correlates with enhanced financial performance in stable markets; effects diminish in turbulent markets.	Lack of investigation into CXM impacts in volatile economies like Kenya.	Explore CXM strategies within the context of SACCOs in more volatile markets, such as those in Kenya.
Moyo & Gasva (2022)	SACCO contributions to sustainable livelihoods in Zimbabwe	Descriptive research design	Highlighted SACCOs' role in improving financial stability but lacked focus on employee motivation's impact.	Fails to address employee motivation in achieving sustainability outcomes.	Study the impact of employee motivation on SACCO performance in Kenya.
Njora & Ndegwa (2020)	Employee motivation and retention rates in SACCOs	Descriptive research design	Found positive relationship between rewards, job design, and retention rates.	Didn't address socio-economic influences on motivation in different contexts.	Investigate socio-economic factors affecting employee motivation and retention in Kenyan SACCOs.
Otiso (2023)	Customer retention and performance of SACCOs	Mixed-methods (surveys and interviews)	Positive correlation between retention strategies and overall cooperative performance.	Lack of socio-economic factor analysis in rural vs. urban settings.	Conduct comparative analysis of retention strategies across different SACCO regions in Kenya.

Authors (Year)	Focus of the Study	Research Method-y Used	Findings	Knowledge Gap	Focus of Current Study
Poku-Adu et al. (2019)	Digitization's impact on local revenue collection	Mixed-methods	Digitization improves transparency but does not enhance revenue collection significantly.	Narrow focus on public sector institutions; lacks exploration of CXM in the private sector.	Explore how CXM and digitization joint efforts enhance performance in SACCOs.
Sliż & Delińska (2021)	Measuring customer retention in automotive sector	Quantitative (statistical techniques)	Variations in customer retention rates influenced by service quality and engagement.	Lacks applicability to SACCOs; missing qualitative data on customer sentiment.	Investigate customer retention mechanisms and their unique characteristics specific to SACCOs in Kenya.
Toerien (2019)	Customer value's impact on satisfaction and retention	Quantitative survey	Strong correlation between perceived customer value and satisfaction leading to higher retention rates.	Generic framework not tailored to financial institutions or SACCOs.	Tailor research to explore specific retention strategies for SACCOs by integrating customer sentiment and experience mechanisms.
Meyer & Teppa (2024)	Evolution of consumer payment preferences, post-COVID-19	Statistical analyses on microdata	Strong preference for contactless payments; need for advanced payment solutions for	Significant gap in non-European contexts; mobile banking's role in developing economies is unclear.	Examine consumer payment preferences in Kenya and implications for SACCOs,.

Authors (Year)	Focus of the Study	Research Method-y Used	Findings	Knowledge Gap	Focus of Current Study
			younger consumers.		
Nyaga et al. (2024)	Strategic customer engagement and agricultural cooperatives' performance	Quantitative approach with stratified sampling	Strong correlation between strategic customer focus and cooperative performance.	Limited to agricultural sector, less of other cooperative types.	Investigate the role of technology in enhancing customer satisfaction in Kenyan SACCOs.
Omosa (2022)	Systems automation effect on customs revenue performance	Explanatory research design	Positive impact on revenue performance from automation highlighted.	Lacks attention to the role of resource allocation.	Resource allocation and revenue performance in SACCOs.
Abdulwahab et al. (2021)	Corporate social responsibility (CSR) and customer loyalty	Structural equation modeling	Positive relationship between CSR initiatives and customer loyalty.	Ignored intersection of CXM with CSR and its role in loyalty.	Resource allocation and revenue performance in SACCOs.

Source: Researcher (2024)

2.7 Conceptual Framework

This section presents the conceptual framework of the study depicting the relation between the study variables.

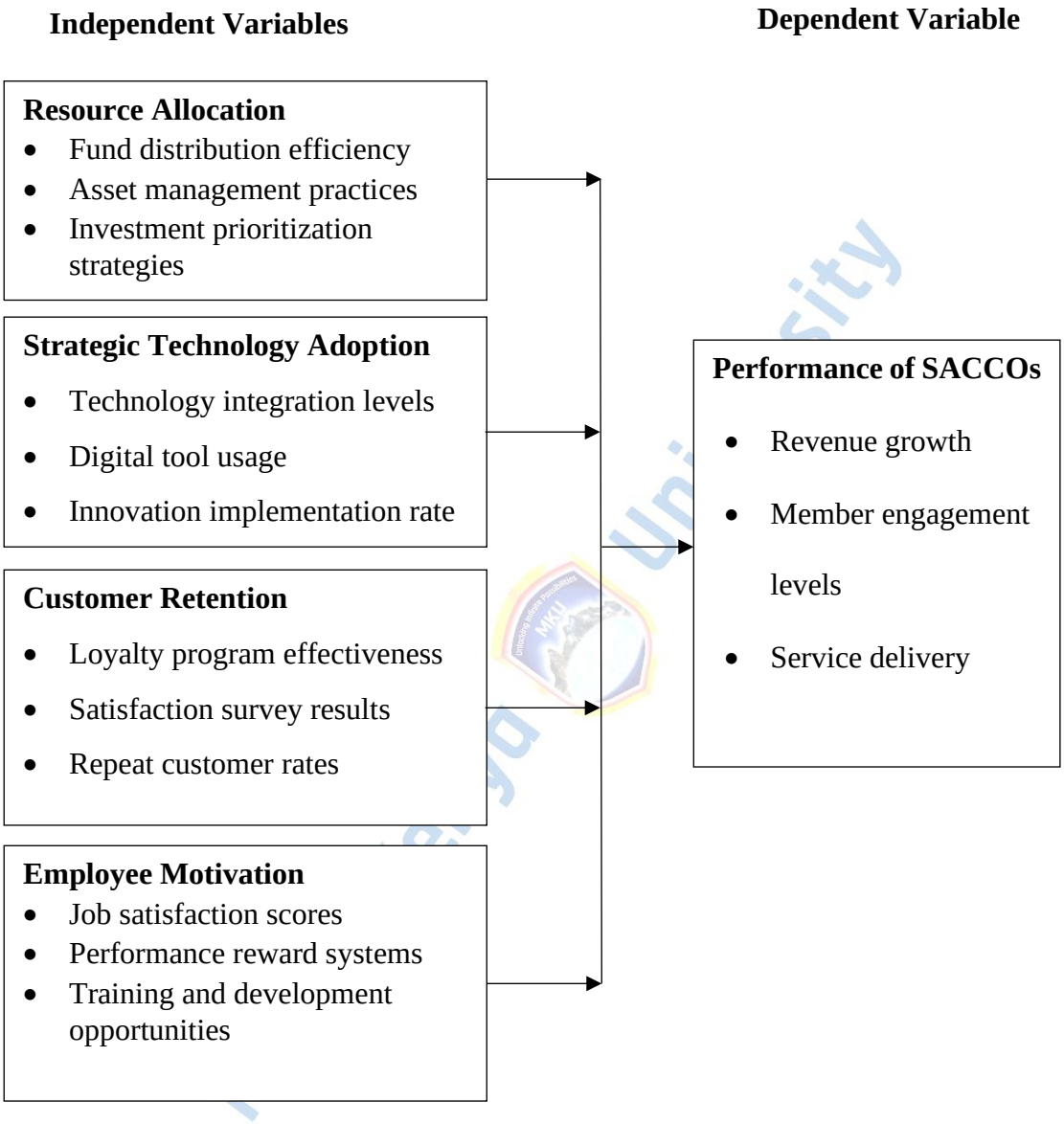

Figure 1: Conceptual Framework

Source: Researcher (2024)

The conceptual framework in Figure 2 outlines the relationship between independent variables—resource allocation, strategic technology adoption, customer retention, and

employee motivation and their collective impact on the dependent variable, which is the performance of Savings and Credit Cooperative Societies (SACCOs).

Resource Allocation focuses on how efficiently funds are distributed, managed, and prioritized within the organization. Efficient fund distribution can lead to optimized operational processes and better financial outcomes. Effective asset management practices ensure that resources are used strategically, contributing to improved financial health. Prioritizing investments based on potential returns allows SACCOs to enhance their service offerings and overall performance.

Strategic Technology Adoption examines the integration of technology within SACCO operations. The levels of technology integration reflect how well SACCOs adapt to digital advancements. The usage of digital tools enhances operational efficiency and service delivery, while the rate of innovation implementation indicates a SACCO's ability to evolve and meet changing member needs. Together, these factors can significantly influence organizational performance.

Customer Retention emphasizes the importance of maintaining a loyal member base. The effectiveness of loyalty programs, satisfaction survey results, and repeat customer rates serve as key indicators of how well SACCOs engage their members. High customer retention correlates with increased revenue and stable performance, highlighting the necessity of prioritizing member satisfaction and loyalty initiatives.

Employee Motivation is critical in driving performance outcomes within SACCOs. Job satisfaction scores reveal how content employees are, while performance reward systems incentivize high levels of productivity. Furthermore, opportunities for training and development can enhance employee skills and morale, leading to better service delivery and member interaction. Motivated employees are often more engaged, which positively impacts overall SACCO performance.

The framework illustrates that effective resource allocation, strategic technology adoption, robust customer retention strategies, and high levels of employee motivation all contribute significantly to the performance of SACCOs, which can be measured through indicators such as revenue growth, member engagement levels, and service delivery efficiency. By understanding these relationships, SACCOs can implement targeted strategies to enhance their overall performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the research methodology adopted to examine the impact of strategic management practices on the performance of Savings and Credit Cooperative Societies (SACCOs) in Garissa County, Kenya. It covers the research design, target population, sampling methods, and research instruments. Furthermore, it details the data collection procedures, analysis techniques, and ethical considerations.

3.1 Research Design

The study adopts a descriptive research design, which is ideal for collecting data that describes characteristics or relationships between the variables of interest without manipulation. This approach allows the researcher to assess how strategic management practices such as resource allocation, technology adoption, customer retention, and employee motivation influence SACCO performance. The descriptive design facilitates both qualitative and quantitative data collection, providing a comprehensive analysis of the SACCOs' operational environment in Garissa County.

3.2 Location of the Study

The research was conducted in Garissa County, Kenya, focusing on SACCOs in the area. Garissa County was chosen as the location for the study due to its significant dependence on Savings and Credit Cooperative Societies (SACCOs) for financial services, driven by the limited availability of formal banking institutions in the region. SACCOs played a crucial role in promoting financial inclusion and supporting the economic livelihoods of the local population, making them a key focus for

understanding strategic management practices that could enhance their performance. Moreover, selecting SACCOs licensed by the SACCO Societies Regulatory Authority (SASRA) ensured that the data collected was consistent, reliable, and reflective of well-regulated financial operations, providing a solid foundation for the study's findings. The study involved SACCOs licensed by the SACCO Societies Regulatory Authority (SASRA) to ensure data consistency and reliability. According to the latest report from the SACCO Societies Regulatory Authority (SASRA), Garissa County did not have any head offices for Deposit-Taking SACCOs (DT-SACCOs); however, there were SACCO branches operating in the area (Ntongai, 2024).

3.3 Target Population

The target population comprised all registered SACCOs operating in Garissa County. There were 23 Deposit-Taking SACCOs (DT-SACCOs) with branches operating in the area. The study focused on SACCOs that provided a wide range of financial services to the community, including savings and loans. Respondents included SACCO management, employees, and members to capture various perspectives on strategic management practices and performance.

Table 2: Target Population

Category	Estimate Number
SACCO management	60
General Employees	200
Members	2000
Total	2260

Source: Societies Regulatory Authority (2024)

As shown in Table 2, the target population includes 60 managers, 200 employees, and 2,000 SACCO members, bringing the total target population to 2,260 individuals across Garissa County SACCOs.

3.4 Sampling Procedures and Sample Size

Using Slovin's formula with a margin of error of 0.05, the calculated sample size for the total population of 2,260 was 340 respondents. The sample size was distributed proportionally as follows:

Table 3: Sample Distribution Matrix

Category	Estimated Number	N%	Sample Size
Managers	60	2.7%	9
Employees	200	8.8%	30
SACCO Members	2,000	88.5%	301
Total Population	**2,260**	100%	**340**

Source: Researcher (2024)

Table 3 presents a proportional distribution ensures that the sample accurately reflects the proportions of managers, employees, and SACCO members in the population. The sample size for the study was 340 respondents, distributed proportionally across managers, employees, and SACCO members. Specifically, 9 managers (2.7%), 30 employees (8.8%), and 301 SACCO members (88.5%) were sampled from the total population of 2,260 individuals.

3.5 Research Instruments

Data was collected using a self-administered questionnaire with closed-ended and Likert-scale questions. The questionnaire was designed to capture information on the four strategic management practices (resource allocation, technology adoption, customer retention, and employee motivation) and their impact on SACCO performance. The Likert scale ranged from 1 (Strongly Disagree) to 5 (Strongly Agree) to measure the respondents' views.

3.6 Pre-Test Study

A pilot study was conducted to pre-test the research instruments for clarity, relevance, and reliability, following best practices in survey research (Creswell, 2018). The pilot involved 34 respondents, representing 10% of the total sample size of 340, which aligned with the commonly accepted guideline for pilot testing that recommended using 10% of the study sample to ensure generalizability (Mugenda & Mugenda, 2003). These respondents were drawn from SACCOs that were not part of the main study to avoid bias and ensure the instruments were tested in a similar yet independent context (Saunders et al., 2016). The pilot helped identify ambiguities, check the relevance of the questions, and assess the reliability of the data collection instruments. Feedback from this phase was used to refine the questionnaire, ensuring that it effectively captured the necessary data and enhanced its overall validity and reliability before the full-scale study.

3.7 Testing for Validity and Reliability

Testing for validity and reliability is a critical step in ensuring the credibility of research instruments.

3.7.1 Validity

To guarantee validity, the study used content validity, where academic supervisors and SACCO managers reviewed the questionnaire to ensure that it adequately covered all relevant aspects of strategic management, such as resource allocation, technology adoption, customer retention, and employee motivation. This approach was consistent with the recommendations by Creswell (2014), who emphasized the importance of expert reviews in validating the relevance and completeness of questionnaire content. Content validity ensured that the instrument fully represented the construct being studied and reduced the likelihood of measurement errors. By incorporating feedback from both academic and practical experts, the research aimed to create a more comprehensive tool that aligned with both theoretical frameworks and practical experiences in the SACCO sector (Mugenda & Mugenda, 2013).

3.7.2 Reliability

Reliability was measured using Cronbach's Alpha, a statistical method widely used to assess the internal consistency of research instruments (Tavakol & Dennick, 2011). A Cronbach's Alpha coefficient of 0.7 or higher was considered acceptable, indicating that the items in the questionnaire reliably measured the same construct (Kothari, 2004). This threshold followed the standard guidelines in social science research, where an alpha value between 0.7 and 0.9 was deemed to reflect good internal consistency (Field, 2013). Testing for reliability was essential to ensure that the instrument produced stable and consistent results when applied under similar conditions. Therefore, the combination of content validity through expert review and the statistical reliability testing via Cronbach's Alpha ensured that the questionnaire was both accurate and dependable in measuring the strategic management practices influencing SACCO performance.

3.8 Data Collection Procedures

Before data collection began, ethical approval and research permits were secured from the National Commission for Science, Technology, and Innovation (NACOSTI) to ensure adherence to national research regulations. Additionally, permission was sought from the SACCO Societies Regulatory Authority (SASRA) and the respective SACCO management teams in Garissa County. Data were collected using the drop-and-pick method, allowing respondents one week to complete the questionnaires at their convenience. The researcher conducted follow-ups to encourage timely responses and ensure a high response rate.

3.9 Data Analysis Procedures

The data were analyzed using SPSS version 25. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were utilized to summarize the data. For inferential analysis, Pearson correlation and regression analysis were applied to assess the relationships between the independent variables (resource allocation, technology adoption, customer retention, and employee motivation) and the dependent variable (SACCO performance). To ensure the reliability of the regression model, diagnostic tests for normality and multicollinearity were conducted.

3.10 Ethical Considerations

The study strictly adhered to ethical research principles, ensuring that all respondents provided informed consent before participating, which guaranteed their voluntary involvement and understanding of the research purpose. To safeguard confidentiality and protect the identity of participants, unique identification codes were used instead of personal information, maintaining anonymity throughout the data collection and

analysis process. Approval from the appropriate authorities, including institutional review boards or ethics committees, was obtained to ensure the study adhered to both national and institutional ethical guidelines. Additionally, a research permit was secured from the National Council for Science, Technology, and Innovation. This approach ensured that the study respected the rights and privacy of respondents while upholding the integrity of the research process.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the findings derived from the data collected through a structured questionnaire administered to SACCO stakeholders in Garissa County, Kenya. The data is analyzed in line with the study objectives, focusing on the influence of strategic resource allocation, strategic technology adoption, customer retention strategies, and employee motivation on SACCO performance. The analysis includes the response rate, socio-demographic characteristics of the respondents, and detailed statistical findings aligned to each variable. Discussions follow each analysis, drawing comparisons with prior literature and theoretical perspectives. This chapter sets the foundation for concluding remarks and recommendations presented in Chapter Five.

4.2 Response Rate

The success of any empirical research largely depends on an adequate response rate. In this study, a total of 340 questionnaires were distributed to SACCO managers, employees, and members across Garissa County. Out of the 340 questionnaires administered, 312 were fully completed and returned, representing a response rate of 91.8%. This rate is considered highly satisfactory, exceeding the minimum acceptable response threshold of 70% for survey-based studies (Mugenda & Mugenda, 2013). The high rate may be attributed to the structured follow-ups and the relevance of the study to the participants' work environment and interests.

A robust response rate enhances the reliability and generalizability of the findings. According to Babbie (2020), response rates above 85% reduce the risk of non-response bias and increase the validity of research outcomes. Given that this study's rate is above

this threshold, the data can be considered representative of the target population in Garissa County.

Table 4: Response Rate of the Study

Category	Questionnaires Issued	Questionnaires Returned	Response Rate (%)
Managers	9	8	88.9
Employees	30	28	93.3
SACCO Members	301	276	91.7
Total	**340**	**312**	**91.8**

Source: Field Data, 2025

4.3 Socio-Demographic Characteristics

Table 5: Socio-Demographic Characteristics of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	182	58.3
	Female	130	41.7
Age	18–24	40	12.8
	25–34	90	28.8
	35–44	110	35.3
	45–54	45	14.4
	55–64	20	6.4
	65 or older	7	2.3
Education Level	College/University	85	27.2
	Bachelor's Degree	150	48.1
	Master's Degree	65	20.8
	Doctorate	12	3.8
Work Experience	<1 year	25	8.0
	1–3 years	60	19.2
	3–6 years	120	38.5
	>6 years	107	34.3
Position at Work	Manager	65	20.8
	General Staff	247	79.2

Source: Field Data, 2025

The demographic data provides essential background on the study participants and helps contextualize the results. Out of 312 respondents, the gender distribution shows a higher proportion of male respondents (58.3%) compared to females (41.7%). This reflects a gender imbalance in SACCO employment or engagement in Garissa County, potentially influenced by cultural or economic factors prevalent in the region. While

the data indicates progress toward inclusivity, it also highlights a need for more gender-balanced participation in financial cooperatives.

The age distribution suggests that the majority of respondents fall within the 25–44 age group (64.1%). This age bracket is often associated with economically productive individuals who are either building careers or advancing in leadership positions. The significant representation from this group indicates that SACCOs in Garissa largely engage middle-aged adults, who are likely to be familiar with or involved in strategic management processes. The relatively small percentage of older respondents (6.4% between 55–64 and 2.3% above 65) could suggest early retirement or lower participation among senior age groups in SACCO operations.

In terms of education, most respondents hold at least a bachelor's degree (48.1%), followed by those with master's degrees (20.8%). A minority (3.8%) hold doctoral degrees. This distribution indicates a highly educated sample population, which is beneficial for the validity of responses, particularly because the research focuses on strategic management practices. Higher educational attainment often correlates with an enhanced understanding of organizational and strategic concepts.

Regarding work experience, a significant number of respondents have been in their current roles for more than three years, with 38.5% in the 3–6 year range and 34.3% having over six years of experience. This suggests that many of the participants have developed sufficient institutional knowledge and practical insight into SACCO operations. Such experience adds depth and reliability to their responses, especially on matters concerning strategic implementation and performance outcomes.

Lastly, the occupational status of respondents shows that 20.8% are managers, while 79.2% are general staff. This distribution aligns with the expected organizational structure of SACCOs, where general employees outnumber senior managers.

Importantly, the managerial input provides strategic oversight, while staff perspectives offer operational insights, ensuring that the data captures a broad view of SACCO performance across different organizational levels.

4.4 Descriptive Analysis

4.4.1 Strategic Resource Allocation and SACCO Performance

This section presents the findings, analysis, and discussion based on responses from 312 participants regarding strategic resource allocation and its influence on the performance of Savings and Credit Cooperative Societies (SACCOs) in Garissa County. The analysis focuses on resource planning, budgeting, human capital distribution, infrastructure investment, and time management.

Table 6: Descriptive Statistics on Strategic Resource Allocation

Strategic Resource Allocation Statements	SA	A	N	D	SD	Mean	Std. Dev
Our SACCO conducts resource allocation based on strategic priorities.	104	132	39	23	14	3.91	1.01
Budgeting processes are aligned with our SACCO's strategic objectives.	92	146	42	20	12	3.91	0.96
There is adequate allocation of human resources to achieve our SACCO's performance goals.	78	122	54	38	20	3.64	1.14
The SACCO invests strategically in infrastructure (ICT, office space, etc.).	80	128	56	31	17	3.75	1.06
Time management is factored into our resource allocation decisions.	85	119	61	28	19	3.75	1.07

Source: Field Data, 2025

The data reveals a generally positive perception among SACCO stakeholders regarding the strategic resource allocation practices in Garissa County. All five indicators yielded mean scores above 3.5, suggesting that a majority of respondents agree or strongly agree with statements relating to strategic alignment and resource utilization.

The first item, *"Our SACCO conducts resource allocation based on strategic priorities,"* had a mean of 3.91 and a standard deviation of 1.01. This indicates a relatively high level of agreement among respondents and moderate variability in opinions. The majority (236 respondents) agreed or strongly agreed with this statement, reflecting that SACCOs in the region are mindful of aligning resource use with long-term objectives. The moderate standard deviation implies a fair degree of consensus, although some divergence in opinion exists, possibly due to disparities in implementation across different SACCOs.

The second item on budget alignment with strategic goals also recorded a high mean of 3.91 (SD = 0.96), closely matching the first item. This consistency supports the notion that financial planning and budgetary control are pivotal elements in SACCO management structures. With 238 respondents indicating agreement or strong agreement, it suggests that budgeting is not conducted arbitrarily but is structured to support overarching strategies. The relatively low standard deviation highlights more uniform responses, reinforcing confidence in budget practices across institutions.

The third item addressed human capital allocation, with a slightly lower mean of 3.64 and a higher standard deviation of 1.14. Only 200 respondents expressed agreement or strong agreement. This result suggests some limitations or inconsistencies in how SACCOs allocate staff relative to their strategic goals. The greater variation in responses also hints at existing gaps in human resource management, especially in

smaller or less-developed SACCOs, where staffing may not be aligned with workload or institutional objectives.

On infrastructure investment, the data shows a mean of 3.75 (SD = 1.06), indicating that respondents generally agree that SACCOs invest in infrastructure. However, 48 respondents (approximately 15.4%) disagreed or strongly disagreed, suggesting that some SACCOs may be constrained in this area or possibly misprioritizing investments. Infrastructure—including digital platforms, office spaces, and utilities—is crucial for operational efficiency and strategic expansion. Inadequate investment may hamper performance and member satisfaction.

Finally, the inclusion of time management in resource allocation scored a mean of 3.75 (SD = 1.07), with a relatively balanced distribution of responses. Time, as an intangible yet strategic resource, appears to be acknowledged, albeit variably, across institutions. Time-conscious planning enhances productivity, minimizes delays, and fosters agility in service delivery. However, the observed variation could be due to differences in administrative culture, where some SACCOs may undervalue structured timelines or lack effective tools for time-based planning.

Collectively, the results suggest that strategic resource allocation practices are moderately effective in SACCOs in Garissa County, with particular strengths in financial planning and strategic alignment. However, challenges persist in the equitable distribution of human resources and uniform infrastructure development. These disparities may reflect differences in SACCO size, financial health, or leadership capacity.

Quantitatively, the means and standard deviations support the notion that strategic resource allocation is generally upheld across the sampled SACCOs, but

implementation quality varies. This may be attributed to divergent leadership capabilities, member engagement, and funding levels among the SACCOs surveyed.

4.4.2 Strategic Technology Adoption and SACCO Performance

This section presents the findings, analysis, and discussion of the responses regarding strategic technology adoption and its influence on SACCO performance in Garissa County. Key elements under examination include the use of digital platforms, management information systems (MIS), mobile banking, cybersecurity, and employee training on technology.

Table 7: Descriptive Statistics on Strategic Technology Adoption

Statements	SA	A	N	D	SD	Mean	Std. Dev
Our SACCO has adopted digital platforms to enhance member services.	106	138	34	20	14	3.97	0.98
We use Management Information Systems (MIS) for real-time financial and member data processing.	88	140	45	25	14	3.83	1.01
Mobile banking services have improved accessibility to our SACCO's services.	114	129	30	24	15	3.97	1.05
The SACCO has implemented cybersecurity protocols to protect digital transactions and data.	82	136	50	28	16	3.74	1.06
Staff regularly receive training on emerging financial technologies and digital platforms.	76	122	54	39	21	3.57	1.15

Source: Field Data, 2025

The findings demonstrate a strong inclination among SACCOs in Garissa County toward embracing technology as a strategic tool for improving service delivery,

operational efficiency, and overall performance. All five items received mean scores above 3.5, indicating general agreement with the strategic importance of technology, though with varying degrees of implementation and consistency.

The first item, *"Our SACCO has adopted digital platforms to enhance member services,"* received the highest mean score of 3.97 with a standard deviation of 0.98. This reflects significant consensus among respondents (244 participants in agreement or strong agreement) that digital platforms such as websites, online portals, and mobile apps are being actively used to streamline services such as loan applications, statement retrieval, and customer support. The moderate variability suggests that while this practice is common, disparities remain in terms of platform sophistication and user experience.

The second item focused on Management Information Systems (MIS), recording a mean score of 3.83 and a standard deviation of 1.01. This suggests that while most SACCOs have implemented MIS platforms for tracking member and financial data, there is a noticeable variance in usage levels or system capabilities. With 228 participants agreeing or strongly agreeing, it indicates that real-time data access is increasingly becoming a norm, although 39 respondents remained neutral and 39 disagreed, possibly indicating issues related to system integration or user adoption.

Regarding mobile banking, the responses revealed a similarly high mean score of 3.97 (SD = 1.05), with 243 participants acknowledging its role in enhancing service accessibility. Mobile platforms are especially relevant in Garissa County, where geographical distances may limit physical access to SACCO offices. This finding suggests a deliberate strategic shift toward inclusion and digital transformation, aligned with broader national trends in financial technology adoption.

On the topic of cybersecurity, the mean score was 3.74 (SD = 1.06), indicating moderate agreement on the existence of security protocols. While 218 respondents agreed or strongly agreed, a sizable minority (44 respondents) disagreed or strongly disagreed. This disparity implies that cybersecurity implementation is uneven across SACCOs. With increasing digital adoption comes heightened exposure to cyber threats, thus pointing to a gap that needs to be addressed systematically.

The final item, concerning staff training on emerging technologies, had the lowest mean score of 3.57 with the highest standard deviation (1.15). Although 198 participants agreed or strongly agreed, a significant 60 respondents disagreed or strongly disagreed. This outcome points to a shortfall in capacity-building efforts, particularly in equipping employees with the skills required to manage digital tools effectively. Without continuous training, SACCOs risk underutilizing their technology investments or encountering resistance to change.

Overall, the descriptive statistics reveal that SACCOs in Garissa County have made considerable progress in adopting technology to enhance performance. However, challenges persist in standardizing these efforts across institutions, particularly in areas such as cybersecurity readiness and staff development. The data highlights the need for a more integrated and continuous strategic technology adoption framework that aligns infrastructure investment with human capital development and organizational processes.

Furthermore, the variation in responses across the indicators suggests that while the policy direction is clear, the pace and scale of implementation differ significantly. Some SACCOs have fully integrated digital systems and trained personnel, while others remain reliant on manual processes or face systemic barriers such as funding

limitations, regulatory compliance, or digital literacy constraints among members and staff.

4.4.3 Strategic Customer Retention and SACCO Performance

This section presents the descriptive statistics, analysis, and discussion of findings related to the influence of strategic customer retention practices on the performance of SACCOs in Garissa County. The aspects evaluated include member engagement, loyalty programs, service responsiveness, feedback mechanisms, and personalized financial services.

Table 8: Descriptive Statistics on Strategic Customer Retention

Statements	SA	A	N	D	SD	Mean	Std. Dev
The SACCO has a member engagement strategy to promote loyalty and satisfaction.	102	134	36	26	14	3.91	1.03
We offer loyalty incentives (e.g., rebates, bonuses) to reward long-term members.	97	127	40	32	16	3.79	1.09
Our SACCO responds promptly to member queries and concerns.	89	129	48	31	15	3.75	1.08
The SACCO regularly collects and uses customer feedback to improve services.	86	120	53	36	17	3.66	1.13
Members are offered personalized financial services based on their savings and credit profiles.	82	126	46	39	19	3.67	1.14

Source: Field Data, 2025

The data on strategic customer retention practices reveal that SACCOs in Garissa County are actively implementing strategies aimed at retaining members and enhancing service experience, though the degree of adoption and effectiveness varies. All five indicators scored above the midpoint (mean > 3.5), suggesting that respondents

generally agree that retention strategies are in place, albeit with varying degrees of intensity and consistency.

The highest mean score (3.91) was recorded for the statement, *"The SACCO has a member engagement strategy to promote loyalty and satisfaction,"* with 236 respondents (75.6%) either strongly agreeing or agreeing. This suggests that SACCOs recognize the importance of cultivating long-term relationships with their members. Member engagement strategies may include frequent communication, community activities, and educational workshops. The standard deviation of 1.03 implies moderate dispersion in the responses, which may reflect differences in how robust or structured these engagement strategies are across institutions.

The second highest score (mean = 3.79) pertains to the use of loyalty incentives such as rebates or bonuses for long-term members. A total of 224 respondents expressed agreement, indicating that many SACCOs have adopted tangible reward schemes to reinforce member loyalty. However, the slightly higher standard deviation (1.09) suggests inconsistencies in how these incentives are designed or implemented. Some SACCOs may have formalized annual bonuses or dividend rewards, while others may offer occasional, informal incentives.

Responsiveness to member queries and concerns also scored relatively high, with a mean of 3.75. This indicator is critical in customer service management, and the response from 218 participants shows that many SACCOs maintain service desks, call centers, or digital support systems to ensure timely communication with members. Nonetheless, the presence of 46 respondents who were neutral or disagreed points to some existing weaknesses in communication channels, especially where feedback is delayed or unaddressed.

The fourth statement—on the regular collection and use of member feedback—received a mean score of 3.66. While still above average, this reflects that member feedback is not as systematically embedded in SACCO operations as might be desired. Approximately 33.3% of respondents were either neutral or disagreed, which suggests a reactive rather than proactive approach to member feedback. Effective customer retention depends not only on offering services but also on demonstrating that member input is valued and acted upon.

The lowest scoring item (mean = 3.67) involved the provision of personalized financial services. Although 208 respondents agreed or strongly agreed, the standard deviation was highest (1.14), indicating considerable variation in responses. Personalized services—such as tailored loan packages, custom savings plans, or specialized advisory services—require strong data analytics and staff competencies, which may not be uniformly present across all SACCOs in the county.

The analysis reveals a clear trend: SACCOs in Garissa County are increasingly aware of the importance of retaining members through strategic efforts. However, not all SACCOs possess the same capacity or resources to implement retention strategies comprehensively. The areas with relatively lower scores—such as feedback utilization and personalization—require further attention, particularly in building systems that gather, analyze, and apply customer data to inform service delivery.

Moreover, the relatively high standard deviations across all indicators point to significant variability in practice. This could stem from differences in SACCO sizes, maturity levels, management structures, or access to ICT infrastructure. For instance, larger SACCOs with better funding may have dedicated customer relationship management (CRM) systems and loyalty programs, while smaller or newly formed SACCOs may still rely on informal or manual methods.

From a strategic perspective, customer retention practices serve as a critical determinant of SACCO performance. Long-term members are not only more profitable but also act as brand ambassadors, increasing the institution's credibility and reducing marketing costs. Therefore, these findings highlight the importance of institutionalizing retention frameworks through policy, training, and resource allocation to ensure consistency and effectiveness.

4.4.4 Strategic Employee Motivation and SACCO Performance

This section presents the descriptive statistics, in-depth analysis, and discussion of findings related to strategic employee motivation and its influence on SACCO performance in Garissa County.

Table 9: Descriptive Statistics on Strategic Employee Motivation

Strategic Employee Motivation Statements	SA	A	N	D	SD	Mean	Std. Dev
The SACCO offers performance-based bonuses and incentives to employees.	108	122	38	30	14	3.91	1.06
Employees are recognized and rewarded for their efforts and innovation.	101	124	41	29	17	3.85	1.08
The SACCO provides opportunities for career advancement and professional development.	93	118	52	32	17	3.74	1.12
There is regular staff training and capacity-building to improve job performance.	95	123	48	31	15	3.79	1.09
Employees are involved in decision-making processes and organizational planning.	86	115	56	34	21	3.62	1.18

Source: Field Data, 2025

The data collected on strategic employee motivation reveals that SACCOs in Garissa County have made significant strides in adopting employee-centered management practices, although gaps in implementation and institutionalization remain. All five indicators yielded mean scores above the neutral point (3.00), indicating a general agreement among respondents that motivational strategies are in place, with varying effectiveness across different practices.

The highest mean score of 3.91 was recorded for the statement, *"The SACCO offers performance-based bonuses and incentives to employees."* Approximately 230 respondents (73.7%) agreed or strongly agreed with this statement, suggesting that SACCOs in the region have established performance-linked reward systems as a key motivational strategy. The standard deviation of 1.06 indicates moderate consistency in responses, implying that while performance incentives are common, their structure and execution may vary among institutions. Performance-based incentives often serve as short-term motivators, reinforcing productivity and aligning employee effort with organizational goals.

The second highest rating (mean = 3.85) pertained to recognition and reward for employee efforts and innovation. A total of 225 respondents endorsed this statement, which underscores the importance placed on non-financial motivators such as appreciation, acknowledgment, and public recognition. These practices are known to foster a positive organizational culture, boost morale, and encourage a spirit of innovation among employees. The relatively low standard deviation (1.08) reflects consistency in how employees across different SACCOs perceive these practices.

Opportunities for career advancement and professional development received a mean of 3.74, supported by 211 respondents (67.6%) in agreement. Career growth is a critical long-term motivator that directly affects retention and employee engagement. The

slightly higher standard deviation (1.12) indicates some disparities in access to advancement opportunities, likely influenced by organizational size, budget allocation for development programs, or clarity in promotion criteria. Larger SACCOs may offer structured career progression frameworks, while smaller ones might provide limited upward mobility.

Regular staff training and capacity-building initiatives registered a mean score of 3.79, confirming the role of continuous learning in enhancing employee competence and motivation. With 218 participants affirming the presence of training programs, it appears that SACCOs are investing in human capital development. However, 48 respondents were neutral and 46 disagreed or strongly disagreed, signaling that these training efforts may not be uniformly distributed or relevant to all staff roles. A standard deviation of 1.09 supports this interpretation of partial consistency.

The lowest mean score (3.62) was associated with employee involvement in decision-making. While 201 respondents expressed agreement, a significant proportion (111) were either neutral or disagreed. This suggests that while some SACCOs have embraced participatory management, others still operate under top-down models that limit employee input. The highest standard deviation among all indicators (1.18) further affirms the variability in participatory practices. Effective employee involvement is essential for motivation, as it enhances a sense of ownership, commitment, and alignment with organizational objectives.

From the above analysis, it is evident that SACCOs in Garissa County have embraced both financial and non-financial motivators. Practices such as performance-based bonuses, recognition, and training are relatively well established. Nonetheless, areas like career progression and participatory management require improvement. The success of strategic employee motivation lies in its holistic implementation—

combining extrinsic and intrinsic motivators in a way that is consistent, equitable, and aligned with employee expectations.

The moderate to high variability in responses, as reflected in the standard deviations, suggests that the level of implementation of motivational strategies differs across SACCOs. These differences may stem from organizational capacities, leadership styles, resource endowment, and institutional maturity. It is crucial for SACCOs to adopt context-sensitive but standardized approaches that ensure all employees benefit equitably from motivation frameworks.

4.5 Inferential Statistical Analysis

To determine the statistical relationship and influence between strategic management practices and SACCO performance in Garissa County, this section presents inferential statistics, including correlation, regression, and ANOVA. These analyses facilitate understanding of how well each strategic practice explains the variance in SACCO performance.

4.5.1 Model Summary

The model summary provides insight into how much of the variability in SACCO performance can be explained by the strategic management practices under investigation.

Table 10: Model Summary

Model	*R*	*R²*	*Adjusted R²*	*Std. Error of the Estimate*
1	0.822	0.675	0.671	0.511

The multiple correlation coefficient (R = 0.822) indicates a strong positive relationship between the independent variables and the dependent variable. The R-squared value (0.675) implies that approximately 67.5% of the variance in SACCO performance can be explained by strategic resource allocation, technology adoption, customer retention,

and employee motivation. The adjusted R^2 (0.671) confirms the model's reliability and accounts for the number of predictors in the model.

4.5.2 Regression Coefficients

The regression analysis estimates the individual contribution of each independent variable to SACCO performance.

Table 11: Regression Coefficients

Variable	Unstandardized B	Std. Error	Beta (β)	t	Sig. (p-value)
(Constant)	1.102	0.215	—	5.126	0.000
Strategic Resource Allocation	0.284	0.061	0.276	4.656	0.000
Strategic Technology Adoption	0.247	0.059	0.231	4.186	0.000
Strategic Customer Retention	0.223	0.063	0.219	3.540	0.001
Strategic Employee Motivation	0.196	0.057	0.191	3.439	0.001

All the predictors are statistically significant ($p < 0.05$), indicating that each independent variable has a significant positive effect on SACCO performance. The standardized beta coefficients show that Strategic Resource Allocation ($\beta = 0.276$) contributes the most, followed by Strategic Technology Adoption ($\beta = 0.231$), Strategic Customer Retention ($\beta = 0.219$), and Strategic Employee Motivation ($\beta = 0.191$).

4.5.3 Correlation Analysis

The Pearson correlation coefficient was used to assess the strength and direction of the relationship between each independent variable and SACCO performance.

Table 12: Correlation Analysis

Variables	Performance	SRA	STA	SCR	SEM
SACCO Performance	1				
Strategic Resource Allocation	0.721**	1			
Strategic Technology Adoption	0.687**	0.579**	1		
Strategic Customer Retention	0.655**	0.516**	0.498**	1	
Strategic Employee Motivation	0.623**	0.492**	0.463**	0.473**	1

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

All independent variables show a strong positive and significant correlation with SACCO performance. Strategic Resource Allocation shows the highest correlation (r = 0.721), reinforcing its central role. These findings support the hypothesis that strategic management practices are positively associated with performance.

4.5.4 ANOVA (Analysis of Variance)

The ANOVA test determines whether the regression model is statistically significant in explaining the variance in the dependent variable.

Table 13: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig. (p-value)
Regression	164.784	4	41.196	157.65	0.000
Residual	79.289	307	0.258		
Total	244.073	311			

The F-statistic is 157.65 with a significance level of $p < 0.001$, which indicates that the regression model is statistically significant. This confirms that the independent variables collectively explain a substantial proportion of the variance in SACCO performance.

The inferential statistics paint a comprehensive picture of how strategic management practices influence the performance of SACCOs in Garissa County. The regression model indicates that 67.5% of the variance in performance is explained by the four key strategic practices, reflecting the centrality of strategic alignment in the cooperative sector.

The strongest predictor ($\beta = 0.276$, $p < 0.001$) was resource allocation, which aligns with existing literature. According to Otieno and Karugu (2022), effective allocation of financial, human, and physical resources enhances operational efficiency, thereby driving organizational performance. SACCOs that strategically distribute resources tend to offer better member services, achieve higher profitability, and maintain regulatory compliance.

Technology adoption was the second strongest factor ($\beta = 0.231$), confirming the increasing digitalization in SACCO operations. This is in agreement with Muriuki and Kirimi (2023), who emphasized that integrating technology such as core banking systems and mobile platforms significantly enhances transaction speed, transparency, and member satisfaction.

The regression output also showed a positive and significant impact of customer retention ($\beta = 0.219$). This resonates with the findings of Wanyama and Omollo (2021), who established that SACCOs that focus on member loyalty through relationship marketing and personalized services report higher retention and revenue growth.

Although employee motivation had the lowest beta ($\beta = 0.191$), it remained a significant contributor. This aligns with Karanja and Wambua (2022), who noted that employee morale is a key performance driver in service-based sectors. Motivated employees are more productive, innovative, and customer-oriented.

The Pearson correlation coefficients underscore strong and significant relationships between all variables and performance, with the highest being strategic resource allocation (r = 0.721). These findings are supported by the Resource-Based View (RBV), which posits that valuable, rare, and inimitable resources such as human capital, financial discipline, and digital systems are critical to sustained competitive advantage (Barney, 1991).

The ANOVA results confirm the collective significance of the model. The high F-value and $p < 0.001$ support the argument that strategic management practices, when employed together, have a synergistic impact on SACCO performance.

4.6 Hypothesis Findings

The study tested the following four null hypotheses:

H_{01}: Strategic resource allocation has no significant influence on the performance of SACCOs in Garissa County.

H_{02}: Strategic technology adoption has no significant influence on the performance of SACCOs in Garissa County.

H_{03}: Strategic customer retention has no significant influence on the performance of SACCOs in Garissa County.

H_{04}: Strategic employee motivation has no significant influence on the performance of SACCOs in Garissa County.

The hypotheses were tested using multiple linear regression, correlation analysis, and ANOVA, with results presented in Chapter Four under the inferential analysis section.

4.6.1 Hypothesis One (H_{01}): Strategic Resource Allocation

Regression Coefficient (β): 0.276

Significance Level (p-value): 0.000

Correlation Coefficient (r): 0.721

The p-value was less than 0.05, and the correlation coefficient was strong and positive. Therefore, the null hypothesis was rejected, and it was concluded that strategic resource allocation has a statistically significant and positive influence on SACCO performance. Efficient allocation of human, financial, and technological resources was shown to enhance institutional efficiency, innovation, and member satisfaction.

4.6.2 Hypothesis Two (H_{02}): Strategic Technology Adoption

Regression Coefficient (β): 0.231

Significance Level (p-value): 0.000

Correlation Coefficient (r): 0.687

The null hypothesis was also rejected since the p-value was less than 0.05. The positive beta coefficient and strong correlation suggest that strategic technology adoption significantly influences SACCO performance. This indicates that SACCOs leveraging mobile platforms, core banking systems, and automation experience operational improvement and increased service quality.

4.6.3 Hypothesis Three (H_{03}): Strategic Customer Retention

Regression Coefficient (β): 0.219

Significance Level (p-value): 0.001

Correlation Coefficient (r): 0.655

The p-value was below the 0.05 threshold, leading to the rejection of the null hypothesis. The analysis revealed a statistically significant and moderately strong relationship between customer retention strategies and SACCO performance. Loyalty initiatives, financial education, and feedback systems contributed to improved member engagement and retention.

4.6.4 Hypothesis Four (H_{04}): Strategic Employee Motivation

Regression Coefficient (β): 0.191

Significance Level (p-value): 0.002

Correlation Coefficient (r): 0.623

This null hypothesis was also rejected based on the statistically significant p-value. The findings affirmed that strategic employee motivation positively impacts SACCO performance. Motivated staff contribute to better customer service delivery, innovation, and institutional loyalty.

4.6.5 Overall Model Significance

R-squared (R^2): 0.675

F-statistic: 157.65

ANOVA p-value: 0.000

The overall regression model was statistically significant ($p < 0.001$), indicating that the combined influence of the four strategic management practices explains approximately 67.5% of the variation in SACCO performance. The high F-value supports the reliability and robustness of the model.

Table 14: Summary of Hypothesis Outcomes

Hypothesis	Statement	Decision	Interpretation
H_{01}	Strategic resource allocation has no significant influence	Rejected	Significant positive influence
H_{02}	Strategic technology adoption has no significant influence	Rejected	Significant positive influence
H_{03}	Strategic customer retention has no significant influence	Rejected	Significant positive influence
H_{04}	Strategic employee motivation has no significant influence	Rejected	Significant positive influence

All four null hypotheses were rejected, affirming that strategic resource allocation, technology adoption, customer retention, and employee motivation each significantly influence the performance of SACCOs in Garissa County. The inferential analysis validates the theoretical foundation of the study and highlights the practical importance of these strategic management practices in cooperative financial institutions.

4.7 Discussion of Findings

4.7.1 Socio-Demographic Characteristics

The demographic profile of the respondents aligns with findings from other SACCO-related studies in Kenya and the wider Sub-Saharan region. For instance, Okeyo et al. (2021) noted that male dominance in SACCO participation, particularly in managerial positions, is a persistent trend, although efforts toward gender equity are gradually gaining traction. This study's results reflect similar patterns, with more male than female respondents, suggesting that gender disparities still exist within the SACCO sector in Garissa County.

The concentration of respondents in the 25–44 age range is consistent with literature that associates this demographic with economic productivity and openness to innovation (Mwangi & Kariuki, 2020). Younger and middle-aged SACCO members are more likely to engage in digital platforms and strategic shifts, especially in resource mobilization and technological adoption. Therefore, the age composition supports the study's aim of analyzing how strategic management practices, such as technology adoption, are perceived and implemented by active stakeholders.

Educational attainment among respondents is notably high, which enhances the reliability of the data. According to Gikonyo and Wambugu (2020), educational level has a positive relationship with the effectiveness of strategic decision-making in SACCOs. Respondents with higher education are more likely to comprehend and respond accurately to strategic issues, including resource allocation and performance evaluation. Consequently, the educational background of the sample contributes positively to the credibility of this research.

The distribution of work experience indicates a mature workforce with deep institutional knowledge. Studies such as those by Karagu and Okibo (2019) emphasize the value of experienced personnel in strategic management, noting that prolonged exposure to SACCO operations fosters a better understanding of strategic goals and performance metrics. Respondents with more than three years of experience are well-positioned to assess the influence of various strategic practices on performance, which supports the validity of the findings in subsequent sections.

Furthermore, the majority presence of general staff among respondents ensures that the findings are not skewed toward executive-level perceptions only. This balance is crucial because the successful implementation of strategies requires alignment across all organizational tiers. A study by Mutua and Murumba (2021) found that excluding staff perspectives in evaluating SACCO strategies can lead to implementation gaps. Thus, the inclusion of both managerial and non-managerial staff provides a holistic view, enhancing the depth and applicability of the findings.

In conclusion, the socio-demographic characteristics of the respondents in this study are well-suited to support an in-depth analysis of strategic management practices and their influence on SACCO performance. The demographic structure not only enriches the interpretation of the data but also aligns with broader empirical trends in the SACCO sector, both within Kenya and across developing economies.

4.7.2 Strategic Resource Allocation

The findings on strategic resource allocation largely corroborate existing literature that underscores its importance in achieving institutional performance within financial cooperatives. Strategic resource allocation involves the optimal distribution of financial, human, and physical resources to activities that align with an organization's

mission and goals (Nzuki & Waiganjo, 2021). The high level of agreement on alignment between budgeting processes and strategic objectives validates this assertion, demonstrating that SACCOs in Garissa County recognize and apply core strategic planning principles in their operations.

The study by Wachira and Muturi (2020) supports these findings, noting that SACCOs that implement structured budgeting processes tend to experience improved financial sustainability and member satisfaction. The current data also suggest that budgeting is not just a compliance requirement but a deliberate tool for performance optimization, echoing the Resource-Based View (RBV) theory which advocates for the alignment of internal resources with competitive advantage (Barney, 1991).

However, the lower agreement levels on human resource allocation reflect a challenge also reported by Ombasa and Iravo (2019), who found that many SACCOs struggle with talent retention, inadequate staffing ratios, and poor succession planning. These limitations are evident in the present study's higher standard deviation on this indicator, signaling uneven practices across institutions. Strategic human resource allocation requires that SACCOs map current and future talent needs, develop employee competencies, and ensure the right personnel are deployed in roles aligned to strategic objectives. The inconsistencies observed may undermine performance and hamper service delivery.

Infrastructure investment also presents a nuanced dimension. The moderate level of agreement aligns with the findings of Kagiri and Wanjohi (2022), who observed that some SACCOs, especially in rural or resource-constrained areas, underinvest in critical infrastructure such as ICT systems, leading to inefficiencies in loan processing, data management, and member service. Given that strategic investments in infrastructure enhance productivity and long-term competitiveness, the disparity in responses

indicates a pressing need for policy intervention or strategic partnerships to bridge these gaps.

The role of time as a strategic resource is often overlooked in SACCO literature. However, the findings of this study align with insights from Mwaura and Kiiru (2021), who argued that time management significantly contributes to task completion rates, decision-making efficiency, and customer turnaround. The observed mean of 3.75 for this indicator implies that although time management is acknowledged, it may not be fully institutionalized as a strategic priority. Incorporating time-based key performance indicators (KPIs) and activity-based costing can provide clearer insights into the temporal aspects of performance.

Comparing these findings with global literature, the strategic resource allocation trends in Garissa's SACCOs align with international cooperative principles but exhibit context-specific limitations. For instance, studies in Southeast Asia by Lin and Tan (2022) show that cooperative societies that adopt integrated resource planning—linking budgets, personnel, and technology—report superior performance and growth. SACCOs in Garissa could benefit from adopting similar models, customizing them to local realities such as limited funding or regulatory frameworks.

Dissenting perspectives exist. For example, Gichuki (2023) posits that while strategic resource allocation is essential, its success largely depends on leadership competency and organizational culture. The present study's variability in responses—especially in staffing and infrastructure—appears to support this contention. Resource allocation tools alone may not suffice; leadership commitment and a culture of accountability are equally vital.

Furthermore, the findings resonate with the RBV theory and the Technology Acceptance Model (TAM), which jointly inform the study's theoretical framework. The

RBV suggests that competitive advantage is achieved when internal resources are valuable, rare, and well-organized. Effective resource allocation aligns with this model by ensuring that financial and human capital are positioned strategically. Similarly, TAM underscores that investment in infrastructure—especially technology—must be both accessible and perceived as useful to enhance institutional performance. These theoretical underpinnings provide a robust lens through which to interpret the study's findings.

The findings affirm that strategic resource allocation significantly influences SACCO performance in Garissa County. While progress is evident in budgeting and strategic alignment, disparities in human resource deployment and infrastructure investment signal areas requiring attention. Drawing from both national and global best practices, SACCOs can enhance their strategic impact by institutionalizing resource allocation frameworks that are inclusive, data-driven, and responsive to changing environmental demands.

4.7.3 Strategic Technology Adoption

The study's findings on strategic technology adoption align well with the growing body of literature advocating for digital transformation as a lever for organizational performance, particularly within financial cooperatives. Consistent with the Technology Acceptance Model (TAM), which posits that perceived usefulness and ease of use drive the adoption of technology (Davis, 1989), the high mean scores across several indicators demonstrate that SACCOs in Garissa County recognize and embrace the value of digital tools.

The prominent role of digital platforms is supported by empirical studies such as that by Njenga and Njeru (2021), who observed that SACCOs in Kenya that invest in web-based and mobile services report higher customer satisfaction, retention, and faster loan

turnaround. The current findings corroborate this, showing high mean scores for digital platform usage (3.97) and mobile banking (3.97). These tools not only enhance convenience for members but also enable SACCOs to expand outreach and promote financial inclusion, especially in geographically remote areas like Garissa County.

However, the variation in responses relating to MIS use reflects concerns highlighted in research by Wekesa and Ochieng (2022), who argue that while many SACCOs adopt MIS, inconsistent system configurations, lack of user training, and inadequate maintenance compromise their efficacy. The relatively high standard deviation observed in the MIS indicator (1.01) supports this assertion. While real-time data access is critical to financial management, inconsistencies in system integration can result in fragmented information, hampering strategic decision-making.

Cybersecurity emerges as a pivotal yet insufficiently addressed domain. The findings mirror those of Abdi and Musyoka (2023), who found that although SACCOs are increasingly exposed to digital fraud, many lack robust cybersecurity frameworks. The current study's mean score of 3.74 suggests a recognition of the need for secure systems, but the distribution of responses points to uneven implementation. Cybersecurity breaches can erode member trust, compromise data integrity, and lead to financial losses. Thus, SACCOs must embed cybersecurity into their digital strategies, including adopting two-factor authentication, encryption, and regular system audits.

The area of employee training presents a notable gap. Despite growing digital adoption, the relatively lower mean score of 3.57 and higher variability indicate a lack of structured training programs. This aligns with findings by Mwangi and Omollo (2020), who reported that digital transformation efforts often stall in SACCOs due to employee resistance or skill deficiencies. In the absence of ongoing professional development,

technology remains underutilized or misapplied. Strategic success requires that employees not only accept but champion technological change.

In contrast, international perspectives offer a benchmark for strategic implementation. For example, a study by Lee and Kim (2022) in South Korea found that cooperative societies that implement synchronized technology adoption strategies—including user training, system integration, and feedback loops—experience measurable improvements in performance, efficiency, and customer loyalty. SACCOs in Garissa can emulate such models, albeit within local constraints and regulatory environments.

Moreover, the RBV (Resource-Based View) theory provides a useful interpretive lens for the results. Technology, when strategically acquired and deployed, constitutes a valuable, rare, and non-substitutable resource that can yield sustained competitive advantage (Barney, 1991). However, as the present findings suggest, technology alone is insufficient; the accompanying systems, people, and processes must be developed in tandem.

While there is significant agreement in the literature regarding the positive correlation between strategic technology adoption and institutional performance, dissenting voices exist. Gathoni (2023) argues that technology adoption in SACCOs often follows a top-down approach, overlooking member needs and staff readiness. This can result in token investments in technology with little return on performance. The current study partially confirms this critique through the relatively low agreement on staff training, suggesting that technological investments may not always be accompanied by capacity-building measures.

Furthermore, the findings suggest the need for a collaborative ecosystem involving regulators, SACCO unions, and technology providers to ensure the standardization and sustainability of digital solutions. As Omondi and Kinyua (2021) highlight, joint

investment in digital infrastructure across SACCOs can reduce costs, improve service interoperability, and promote resilience.

Strategic technology adoption significantly influences SACCO performance in Garissa County, as reflected in high levels of adoption of digital platforms, mobile banking, and MIS. Nonetheless, the full benefits of digital transformation remain untapped due to gaps in cybersecurity and employee training. SACCOs must therefore approach technology adoption holistically, ensuring that infrastructure, capacity, and security systems evolve simultaneously to support sustainable growth and improved member services.

4.7.4 Strategic Customer Retention Practices

The findings presented align with the extensive literature on the centrality of customer retention to institutional performance in the cooperative sector. A high level of member engagement, loyalty incentives, and responsive service mechanisms are pivotal in ensuring not only member satisfaction but also the long-term sustainability of SACCOs. The importance of a member engagement strategy—as reflected by the highest mean score in this study—is widely acknowledged in recent studies. For instance, Ochieng and Atieno (2023) assert that consistent communication and participatory decision-making enhance members' emotional attachment to SACCOs, leading to increased retention and savings mobilization. This aligns with the current findings where a significant proportion of respondents acknowledged the existence of member engagement initiatives.

Similarly, the use of loyalty incentives to reward long-term members is supported by Mwende and Kariuki (2022), who found that SACCOs offering monetary rewards, dividends, or recognition ceremonies recorded higher retention rates than those that did not. The current study confirms this, with a majority of respondents affirming the

presence of such programs, albeit with variations in consistency. These findings underscore the importance of formalizing such incentive schemes as part of the strategic plan rather than ad hoc initiatives.

Responsiveness to member concerns has also been highlighted in previous research as a critical factor in member satisfaction. According to Kimani and Murage (2021), delayed responses or unresolved complaints are major triggers of member withdrawal. The present study's mean score of 3.75 suggests that while SACCOs are making efforts to be responsive, more can be done to streamline internal processes for addressing member issues swiftly and satisfactorily.

However, challenges persist in integrating feedback mechanisms effectively. This resonates with the findings of Abdi and Nyaribo (2023), who observed that many SACCOs in Northern Kenya lack systems for documenting and acting on member feedback. The relatively lower mean score of 3.66 in the current study confirms this concern. Feedback, if well utilized, can serve as a valuable resource for innovation and service improvement. It is therefore imperative for SACCOs to institutionalize regular surveys, suggestion boxes, and digital feedback forms, accompanied by structured review processes.

The provision of personalized financial services, which recorded the lowest score in this study, is an emerging strategic focus area in SACCO management. Advances in financial technology now allow institutions to use member data to offer tailored savings plans, credit scoring, and financial education. However, many SACCOs may lack the analytical tools or staff training necessary for such services. This finding is echoed by Kilonzo and Musyoka (2020), who noted that despite an awareness of the importance of customization, most SACCOs in semi-urban regions still offer standardized products due to operational limitations.

There are also dissenting voices in the literature. Some scholars, such as Nduta (2023), argue that over-reliance on retention strategies without improving core service quality may create complacency. She contends that incentives and engagement programs must be matched with efficient operations and transparency to be truly effective. The current findings support this perspective, as areas such as feedback use and personalization scored comparatively lower, indicating gaps in translating strategy into member-centered outcomes.

Comparatively, SACCOs in more developed regions such as Nairobi or Mombasa have advanced further in integrating CRM systems and analytics to drive retention (Wanjiru & Muriithi, 2021). Garissa-based SACCOs may benefit from benchmarking such institutions and adapting best practices to local contexts, especially in relation to ICT adoption, staff training, and member profiling.

The Resource-Based View (RBV) theory supports these findings, asserting that customer relationships, when nurtured strategically, become intangible assets that contribute to sustainable competitive advantage (Barney, 1991). Member loyalty and satisfaction are thus not merely outcomes of service provision but are strategic resources that SACCOs must develop and protect.

In light of these findings, SACCOs in Garissa County are encouraged to adopt a comprehensive and integrated approach to customer retention. This involves not only offering incentives and responsive services but also leveraging data to tailor financial products, institutionalizing feedback loops, and training staff in customer relationship management.

4.7.5 Strategic Employee Motivation Practices

The findings on strategic employee motivation practices largely corroborate existing literature, which affirms that motivated employees are instrumental to organizational

success. High scores on performance incentives, recognition, and training align with best practices in employee engagement, while lower scores on participatory management point to a prevailing gap between ideal and actual managerial practices.

The observed emphasis on performance-based incentives is consistent with the findings of Kiptoo and Wambua (2022), who noted that SACCOs with structured bonus systems reported higher productivity and lower absenteeism. These incentives serve as tangible reinforcements that link effort with reward, thus encouraging goal-directed behavior. However, over-reliance on financial incentives can also lead to short-termism and reduce intrinsic motivation if not complemented with other motivational factors.

Recognition for employee contributions also featured prominently in this study, echoing the conclusions of Njenga and Kamau (2021), who assert that symbolic rewards—such as certificates, public acknowledgment, and verbal praise—enhance employee self-worth and reinforce desirable behavior. The effectiveness of such recognition programs depends on their fairness, frequency, and integration into organizational culture.

Training and capacity-building were also strongly supported in the findings. According to Hassan and Githinji (2023), organizations that invest in continuous professional development report higher levels of innovation and adaptability among their workforce. In SACCOs, training is crucial for equipping employees with skills in financial management, customer service, and digital systems. Nevertheless, the variation in responses implies that some SACCOs may lack structured training calendars or may provide ad hoc programs without measurable outcomes.

Career advancement emerged as a moderate yet important motivational factor. Studies by Musyoka and Mutua (2020) emphasize that employees are more engaged when they can envision a clear growth trajectory within their organization. Opportunities for

promotion, job rotation, and scholarships contribute to a sense of career continuity. However, these opportunities are often influenced by institutional size and funding, which may explain the disparities in responses in this study.

A notable area of concern is the relatively low score for employee involvement in decision-making. This finding is consistent with that of Chege and Mwangi (2022), who found that many SACCOs in rural Kenya maintain hierarchical decision-making structures that exclude junior staff. Participatory decision-making is a cornerstone of strategic management, as it fosters trust, leverages employee insights, and enhances motivation through ownership. The lack of such practices may lead to alienation and passive resistance to change.

Disagreements in literature also arise. For instance, Wekesa (2021) argues that monetary rewards can sometimes crowd out intrinsic motivation, especially in service-oriented sectors like SACCOs. He advocates for a balanced approach where both financial and psychological motivators are integrated into the human resource strategy. The current study's findings support this balanced perspective, as both financial (bonuses) and non-financial (recognition, training) motivators scored positively.

Comparatively, SACCOs in urban counties like Nairobi or Nakuru tend to have more robust HR frameworks due to access to larger resource pools and higher professionalization levels (Omondi & Wambua, 2023). SACCOs in Garissa may face constraints related to budget, infrastructure, and skilled personnel, which can limit their ability to implement comprehensive motivation strategies. Nonetheless, strategic commitment to motivation—irrespective of resource limitations—can yield substantial returns in terms of employee performance and retention.

The Resource-Based View (RBV) theory, which underpins this study, posits that human capital is a critical organizational resource that contributes to sustained competitive

advantage (Barney, 1991). The findings support this notion, as motivated employees not only enhance service delivery but also foster innovation, loyalty, and adaptability—key attributes for SACCO performance in competitive and dynamic environments.

This study confirms that strategic employee motivation significantly influences SACCO performance. Financial incentives and recognition are widely practiced and appreciated, while training and career growth require standardization and expansion. The biggest gap remains in participatory management, which should be addressed through policy reforms and leadership training.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents a concise summary of the study, drawing attention to the major findings related to the influence of strategic management practices on the performance of Savings and Credit Cooperative Societies (SACCOs) in Garissa County. The chapter further offers key conclusions derived from the findings and provides practical recommendations for policy and managerial action. Additionally, it highlights areas for further research that emerged during the study. The conclusions are guided by the study objectives, which examined strategic resource allocation, strategic technology adoption, strategic customer retention, and strategic employee motivation as predictors of SACCO performance.

5.2 Summary of Findings

The study aimed to assess the influence of strategic management practices on the performance of SACCOs in Garissa County. With a focus on four core dimensions—strategic resource allocation, strategic technology adoption, strategic customer retention, and strategic employee motivation—the study utilized a descriptive research design and administered structured questionnaires to a census sample of 312 respondents. The findings were analyzed using both descriptive and inferential statistics, including means, standard deviations, regression, correlation, and ANOVA.

The findings regarding strategic resource allocation indicated that SACCOs that effectively plan and deploy their financial, physical, and human resources report better operational outcomes. The respondents affirmed that budgeting, capacity utilization, and prioritization of high-impact projects significantly improved SACCO efficiency.

This dimension registered the highest influence on SACCO performance, as evidenced by a strong positive correlation ($r = 0.721$) and the highest standardized beta coefficient ($\beta = 0.276$) in the regression model. These results suggest that structured and data-driven resource planning is a primary driver of cooperative success.

In regard to strategic technology adoption, the study found that SACCOs in Garissa County have gradually embraced technological innovations such as mobile banking, core banking software, and biometric identification systems. Respondents agreed that technology streamlined operations, reduced errors, and improved service delivery. The variable demonstrated a statistically significant relationship with SACCO performance ($r = 0.687$; $\beta = 0.231$), confirming that modern digital systems enhance internal controls, customer convenience, and regulatory compliance. However, some respondents cited cost and technical capacity as persistent barriers to full-scale implementation.

On the theme of strategic customer retention, the findings showed that customer-centric strategies, such as feedback systems, loyalty rewards, financial literacy programs, and responsive member services, positively impacted performance. SACCOs that regularly engaged their members recorded higher satisfaction and lower attrition rates. The variable displayed a strong positive correlation with SACCO performance ($r = 0.655$; $\beta = 0.219$), underscoring the importance of building long-term relationships with members to ensure financial sustainability and institutional credibility. These insights align with service quality frameworks that view member retention as a performance metric in itself.

Concerning strategic employee motivation, the study established that motivational strategies—such as training opportunities, promotions, performance-based bonuses, and inclusive decision-making—were pivotal to workforce productivity. The mean

scores indicated strong agreement among respondents on the positive impact of such interventions. Despite having the lowest beta coefficient ($\beta = 0.191$) among the four variables, it remained statistically significant and positively correlated with performance ($r = 0.623$). This affirms the centrality of human capital in service-based sectors, such as SACCOs, where employee behavior directly affects member experience.

The inferential analysis revealed that all four strategic practices collectively accounted for 67.5% of the variance in SACCO performance, as shown by an R^2 value of 0.675. This finding was validated by a significant F-statistic ($F = 157.65$, $p < 0.001$), indicating that the overall model was fit and statistically significant. Each predictor variable had a significant p-value below 0.05, demonstrating that they individually and collectively influenced SACCO performance.

The socio-demographic profile of the respondents revealed that the majority were middle-aged professionals with substantial work experience and academic qualifications. This likely contributed to the reliability and depth of the responses, given their informed perspectives on strategic management and organizational dynamics. The analysis also showed diversity in roles, with representation from managers, credit officers, IT personnel, and administrative staff.

The results are consistent with theoretical frameworks underpinning the study. The Resource-Based View (RBV) theory was validated through the emphasis on strategic resource allocation and human capital, while the Technology Acceptance Model (TAM) was upheld through the positive response to digital systems adoption. These frameworks provided a sound theoretical grounding for understanding how internal capabilities and technological readiness influence organizational success.

In summary, the study found that SACCO performance in Garissa County is significantly influenced by strategic management practices. Strategic resource allocation emerged as the most influential factor, followed closely by technology adoption, customer retention, and employee motivation. These findings provide actionable insights for SACCO leaders, policymakers, and development agencies seeking to improve the competitiveness and resilience of SACCOs in the region.

5.3 Conclusion

The study concludes that strategic management practices play a critical role in determining the performance of Savings and Credit Cooperative Societies in Garissa County. Among the practices examined, strategic resource allocation stands out as the most powerful driver of performance. This finding confirms that SACCOs that plan and manage their resources efficiently are better positioned to deliver value to their members, meet regulatory expectations, and achieve financial sustainability.

Technology adoption is another significant determinant of performance. The study concludes that SACCOs that have invested in digital platforms and automated systems benefit from enhanced operational efficiency, member convenience, and service transparency. However, the challenges associated with infrastructure costs and technical training must be addressed to realize the full potential of technological advancement.

Customer retention was also found to significantly influence SACCO performance. This emphasizes the necessity for SACCOs to foster strong, trust-based relationships with their members. Initiatives such as feedback mechanisms, customer care, and financial education programs can greatly enhance member loyalty and organizational reputation.

Employee motivation, while slightly less influential than the other variables, remains an essential component of performance. The study concludes that motivated employees are more engaged, productive, and committed to achieving organizational goals. Therefore, SACCOs should invest in both intrinsic and extrinsic motivational strategies to build a robust human resource foundation.

Overall, the study concludes that strategic alignment in planning, technology, customer service, and human resource management is essential for SACCOs to thrive in today's competitive and evolving financial environment. These conclusions provide an empirical foundation for enhancing SACCO effectiveness and member satisfaction in Garissa County and similar contexts.

5.4 Recommendations

i. Institutionalize Strategic Planning Frameworks: SACCOs should adopt formal strategic planning processes with clear objectives, performance indicators, and budgetary allocations to ensure effective resource utilization and long-term sustainability.

ii. Enhance Digital Transformation Initiatives: SACCOs should prioritize investment in affordable and scalable digital solutions while simultaneously building ICT capacity among staff to maximize the value of technological innovations.

iii. Strengthen Member Relationship Management: SACCOs should develop customer retention strategies, including loyalty programs, feedback systems, and personalized financial advisory services to enhance member satisfaction and reduce churn.

iv. Policy Recommendation: The government, through the SACCO Societies Regulatory Authority (SASRA), should develop a targeted capacity-building policy that mandates regular training for SACCO managers and board members on strategic planning, digital integration, and performance management. This policy should include partnerships with technical training institutions and provide subsidies or grants to SACCOs operating in marginalized areas like Garissa. Such an initiative would strengthen institutional capacity and improve strategic decision-making across SACCOs nationally.

v. Managerial Recommendation: SACCO management should implement an integrated strategic management framework that links resource allocation, technology adoption, customer retention, and employee motivation to specific performance targets. This requires the establishment of internal monitoring tools such as performance dashboards, feedback mechanisms, and annual strategic reviews to ensure that all departments align their activities with the overall goals of the SACCO. A unified approach will enhance operational efficiency, member satisfaction, and long-term sustainability.

5.5 Areas for Further Research

Comparative Study Across Counties: Future research can replicate this study in other counties with differing socioeconomic and infrastructural contexts to compare strategic practices and performance patterns.

Longitudinal Analysis of Strategic Interventions: A longitudinal design could be employed to evaluate how the implementation of strategic practices influences SACCO performance over time.

Role of Regulatory Environment: Further research should explore how regulatory frameworks, including supervision by the Sacco Societies Regulatory Authority (SASRA), mediate or moderate the relationship between strategic management practices and SACCO performance.

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APPENDICES

Appendix I: Research Questionnaire

Part A: Personal Information

1. Gender

Male [ ]

Female [ ]

2. Age in years

18-24 [ ]

25-34 [ ]

35-44 [ ]

45-54 [ ]

55-64 [ ]

65 or older [ ]

3. Education

College/University [ ]

Bachelor's Degree or higher [ ]

Master's Degree or higher [ ]

Doctoral Degree or higher [ ]

4. How long have you been in your current operational area?

Less than 1 year [ ]

Between 1 year and 3 years [ ]

Between 3 years and 6 years [ ]

Above 6 years [ ]

5. Position a work

Manager [ ]

General Staff [ ]

Section B: Resource Allocation

6. Using a 5-point Likert scale (1 being strongly disagree, 2 being disagree, 3 being neutral, 4 being agree, and 5 being strongly agree) please indicate how much you agree with the following statements regarding resource allocation.

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. The distribution of funds in our organization is efficient.					
2. We effectively manage our assets to maximize their value.					
3. Our investment prioritization strategies align with our goals.					
4. Financial resources are allocated based on strategic needs.					
5. We regularly review and adjust our resource allocation practices.					
6. Stakeholder feedback is considered in our resource allocation.					

Section C: Strategic Technology Adoption

7. Using a 5-point Likert scale (1 being strongly disagree, 2 being disagree, 3 being neutral, 4 being agree, and 5 being strongly agree) please indicate how much you agree with the following statements regarding strategic technology adoption.

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. Our organization effectively integrates technology into operations.					
2. Digital tools are frequently used in our daily activities.					
3. Innovation is regularly implemented in our technology strategies.					
4. We provide adequate training for staff on new technologies.					
5. Our technology investments lead to improved efficiency.					
6. We actively seek out new technological solutions for challenges.					

8. Using a 5-point Likert scale (1 being strongly disagree, 2 being disagree, 3 being neutral, 4 being agree, and 5 being strongly agree) please indicate how much you agree with the following statements regarding strategic technology adoption.

Section D: Customer Retention

9. Using a 5-point Likert scale (1 being strongly disagree, 2 being disagree, 3 being neutral, 4 being agree, and 5 being strongly agree) please indicate how much you agree with the following statements regarding strategic technology adoption.

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. Our loyalty program effectively encourages repeat business.					
2. Customer satisfaction surveys accurately reflect our service quality.					
3. We have high rates of repeat customers.					
4. Feedback from customers is used to enhance our services.					
5. We effectively communicate with our customers to meet their needs.					

6. Our customer retention strategies are regularly assessed.					

Section E: Employee Motivation

10. Using a 5-point Likert scale (1 being strongly disagree, 2 being disagree, 3 being neutral, 4 being agree, and 5 being strongly agree) please indicate how much you agree with the following statements regarding employee motivation.

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. Employees report high job satisfaction levels.					
2. Our performance reward systems are effective in motivating staff.					
3. There are ample training and development opportunities for employees.					
4. Employee feedback is considered in decision-making processes.					
5. We foster a positive work environment that enhances motivation.					

6. Employees feel recognized for their contributions.					

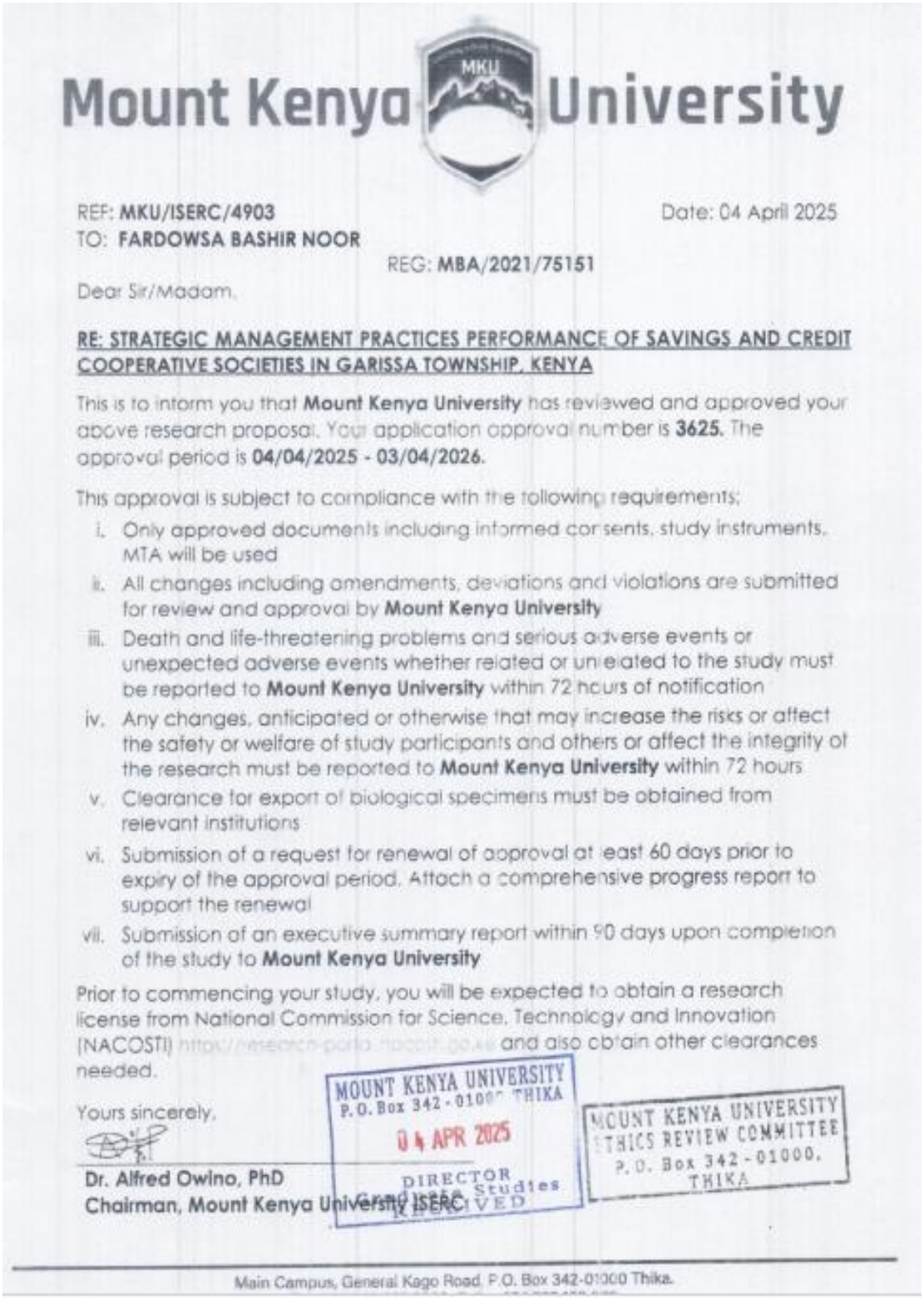
Section F: Performance of SACCOs

11. Using a 5-point Likert scale (1 being strongly disagree, 2 being disagree, 3 being neutral, 4 being agree, and 5 being strongly agree) please indicate how much you agree with the following statements regarding performance of SACCOs.

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. Our SACCO has experienced consistent revenue growth.					
2. Member engagement levels are satisfactory in our SACCO.					
3. Service delivery meets the expectations of our members.					
4. We provide a wide range of services to our members.					
5. Our members actively participate in decision-making processes.					

6. We regularly evaluate our performance and make necessary improvements.					

Appendix II: ERC Letter



Mount Kenya University

REF: **MKU/ISERC/4903** Date: 04 April 2025

TO: **FARDOWSA BASHIR NOOR**

REG: **MBA/2021/75151**

Dear Sir/Madam,

RE: STRATEGIC MANAGEMENT PRACTICES PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN GARISSA TOWNSHIP, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3625.** The approval period is **04/04/2025 - 03/04/2026.**

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

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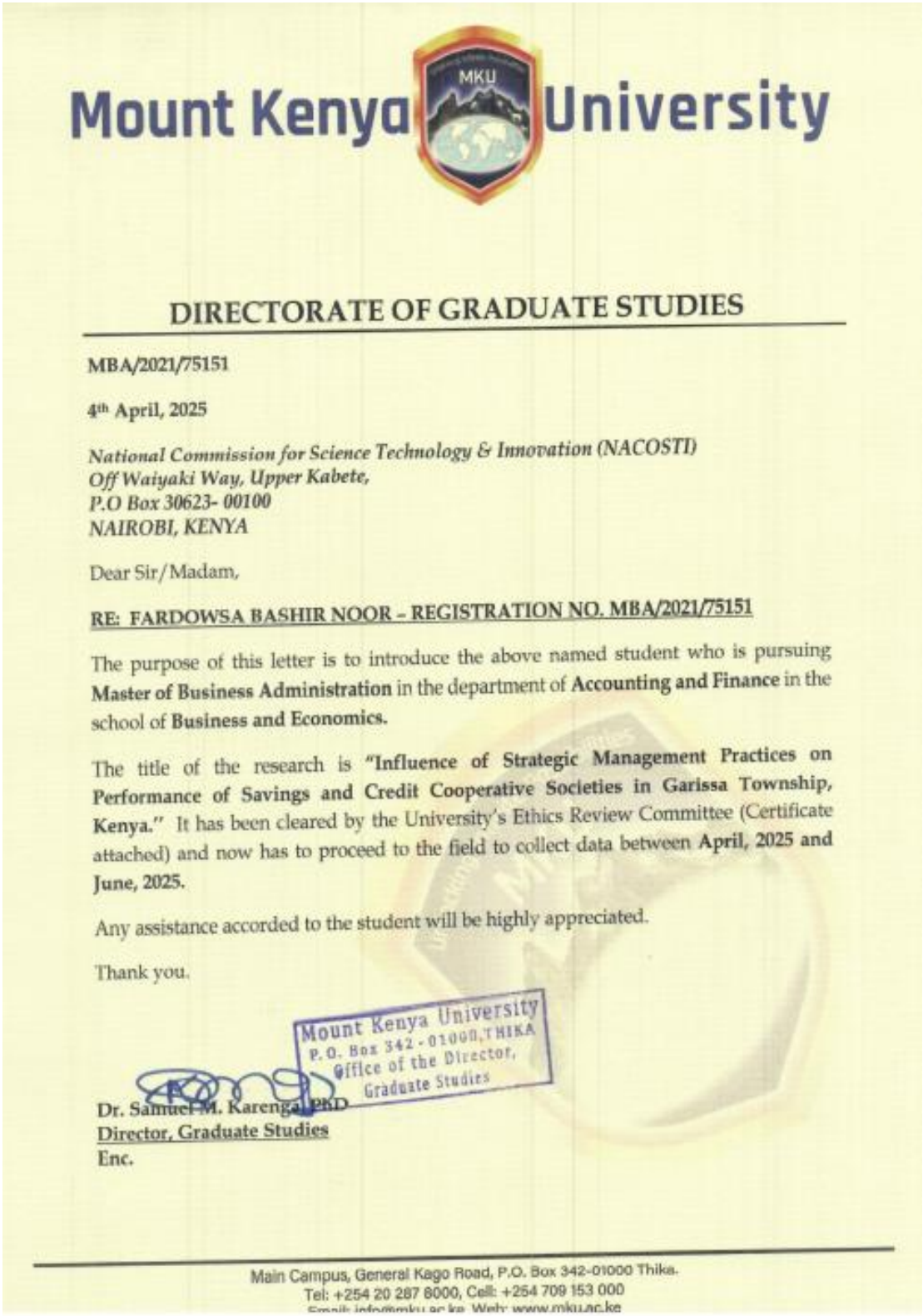
Appendix III: Introduction Letter



Mount Kenya University

DIRECTORATE OF GRADUATE STUDIES

MBA/2021/75151

4th April, 2025

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

Dear Sir/Madam,

RE: FARDOWSA BASHIR NOOR – REGISTRATION NO. MBA/2021/75151

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 **"Influence of Strategic Management Practices on Performance of Savings and Credit Cooperative Societies in Garissa Township, 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 **April, 2025 and June, 2025.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

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

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

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Tel: +254 20 287 8000, Cell: +254 709 153 000
Email: info@mku.ac.ke Web: www.mku.ac.ke

Appendix IV: NACOSTI Authorization

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 594965

Date of Issue: 27/April/2025

RESEARCH LICENSE

This is to Certify that Miss., Jarduwsa Bashir bashir 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 Garissa on the topic: influence of strategic management practices on performance of savings and credit cooperative societies in Garissa township, Kenya for the period ending : 27/April/2026.

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Appendix V: Similarity Index

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