ASSESMENT OF THE FACTORS INFLUENCING PERFORMANCE OF DEPOSIT TAKING SACCOS (SOCIETIES) IN MACHAKOS: A CASE STUDY OF MACHAKOS TOWN SUB-COUNTY

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A DISSERTATION PRESENTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, ST. PAUL'S UNIVERSITY

SEPTEMBER 2020

DECLARATION

This dissertation is my original work and has not been presented in any other institution for academic award**.**



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ACKNOWLEDGEMENTS

I humbly appreciate the guidance of the good Lord for His spiritual touch and especially for an opportunity to pursue and conclude a degree in Masters of Business Administration with an aim to improve my human capacity to serve His kingdom. I'm greatly indebted to the almighty God who gave me ability to understand difficult concepts and wisdom on how to apply them in my course work as per the expectation of the university examination board and other related conditions set by the Senate of the St. Paul's University.

I'm also greatly indebted and give much respect to the joint team that helped me to consolidate many complex academic issues and concepts that gave rise to this document. Special thanks go to my supervisor, Dr. John Muhoho for his encouragement, mentoring and correcting my work. I thank the Almighty God for his sufficient grace, wisdom, encouragement and provisions to me. I also thank all the lecturers of St. Paul's University for their excellent work of assisting me finish on time.

DEDICATION

This dissertation is devoted to my treasured wife Catherine, son Frank, daughter Audrey and friends for moral and financial support, encouragement, and prayers.

ABSTRACT

Savings and credit cooperative societies (Saccos) in Kenya have been in operation for many years. The cooperative sector has been able to impact significantly on the Kenyan Economy. The basic purpose of Sacco's s in Kenya has been the provision of access to business capital to members of the public who are members of these cooperative societies. However, this expectation of the cooperatives has not been met due to factors like financial management inadequacy dynamics, the Saccos policy framework and the Saccos s external environmental factors. The purpose of this study was therefore to assess the factors that influence the performance of Sacco's in Machakos Sub-county in Machakos County. The study was guided by four objectives namely: To investigate the influence of financial management capacity on performance of Saccos in Machakos Sub-County; to examine the effect of Saccos s Capital resource base on the Performance of Saccos to find out the influence of Sacco Policies on Saccos; and finally to investigate the effect of external factors on the performance of Saccos in Machakos town Sub-county in Machakos County. The study adopted a descriptive survey design. Performance measurement of the Saccos s was done using the balanced scorecard model. The model incorporated non-financial performance measures. The measures tested key perspectives of the balanced scorecard which included processes, customer experience and learning, growth perspective and financial measures to determine the performance of the Saccos s in Machakos Sub-County. A simple regression model was used in this study to determine the level relationships between the independent variables and dependent variable. Data collection was carried out using closed ended questionnaires while data analysis was done using the Statistical Package for Social Scientists (SPSS) The study findings were presented using APA tables. The findings of the study established that there was a significant relationship between all the variables of the study and the performance of the Saccos in Machakos Sub-County in Machakos County. The findings established that there was a positive correlation between the Sacco's financial management capacity and financial policies on performance. The finding established a negative correlation between Sacco's resource base and external factors on the performance of Saccos in Machakos Sub-County in Machakos County. The study recommended that Saccos in Machakos Sub-County should strengthen their financial capacity and policies because these two factors were significantly correlated with performance. The study suggested a similar study on cooperative societies in Machakos County.

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ABREVIATIONS AND ACRONYYMS

SACCO – Savings and credit Cooperative

SASRA – Sacco Societies Regulation Authority Act

SPSS – Statistical Package for social scientists.

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OPERATIONAL DEFINITION OF TERMS

Cooperative Society –An institution that receives deposits from members and then uses the same proceeds to grant business capital to its members (Kivuvo & Olweny, 2014).

Financial management capacity –This means the monetary capability of the Saccos to carry out daily activities (Njuguna, 2013)

SACCO,s resources - These refer to both tangible and non-tangible financial and non-financial factors of production for the Saccos (Kagoyire & Shukla2016).

Financial policies – These are the frameworks of action to help implement Sacco Strategies operational in the organization (Nyakado, 2016).

External factors –These are environmental factors likely to influence the performance of SACCO,s outside the control of the Saccos management (Nyambere, 2013).

CHAPTER ONE:

INTRODUCTION

1.1Background of the study

The cooperative movement in Kenya accounts for seventy five percent of the economic sector. This is represented by the assets, deposits and the membership of the Saccos (Churk, 2015). The cooperative movement is made up of Saccos regulated by the Sacco societies Regulation Authority Act (SASRA).This Act provides the foundation for licensing and supervising the Deposit Taking Sacco activities in way that is beneficial to the rest of deposit taking monetary institutions in the country (Kipkorir, Namminda & Njeje, 2016). Saccos in Kenya have continued to provide products and services to its members (Muturi & Obure, 2015). Deposit tacking Sacco's have done tremendous work in mobilizing the local resources, albeit the challenges facing the sector (Magambo, 2014)r. However, these Saccos s have not always met the stakeholder expectations. The purpose of this study therefore is to investigate the factors that influence the performance of Deposit taking Saccos in Machakos Sub-County. This study sought to assess the influence of factors that influence deposit taking Saccos in Machakos Sub-County, Machakos County.

Co-operative development in Kenya has continued to support various economic, social, and political activities with major successes. Studies carried out on cooperative development postulate that Saccos Societies are established and situated in all industrial sectors in all counties in Kenya (Churk, 2015).Scholars and researchers in the cooperative movement are of the affirmation that co-operative Sacco societies' business model contributes greatly to economic growth and social economic development in Kenya (Amenya & Ombui, 2016). In the Kenyan context Saccos advance loans and other financial services at affordable prices or costs of their products and services for much low prices compared to those of other financial institutions (Musiega et al., 2014). This pricing advantage of the Saccos has enabled them to attract customers in poor urban and rural sector set ups. Studies on Sacco Societies affirm that by the2001 Sacco Cooperative societies had mobilized Kshs. 200 billion in savings accounting for thirty percent of the Kenya National Domestic savings by that year (Ochieng 2018).

Sacco societies are enterprises belonging to members of the public and in which each member has a right to vote democratically, regardless of the number of shares because they are purely for empowerment (Mwangi & Ombui, 2018). Magambo, (2014) postulates that Sacco societies are created fundamentally for savings and credit and investment purposes. In the new Sacco Societies Act 2016, there is a creation of a body called Sacco Societies Regulatory Authority to act as the regulator for Members savings, which checks member deposits and also ensures proper management of disbursed loans (Adobe, 2010). The Investments in Sacco's takes the direction of safeguarding member's deposits through prudential standards which is provided for in the SASRA regulations. This responsibility therefore, offers a cushion against loss through infidelity and unscrupulous directors of Sacco Societies (Musiega et al., 2014).

Hezron and Muturi (2015) postulate that a Sacco society system as practiced in Kenya is a category of a credit union owned by members of unions sharing identical interest in pooling together savings aimed at providing credit and related financial services to themselves (Muturi & Obure 2015). Scholars on Sacco Society development and activities postulate that credit unions came up out of the cooperative movement in the early 19th Century out with the idea that members could put together resources and make loans for each other (Mwangi & Ombui, 2018).

Chamwana and Anyone (2017) observe that a Sacco system encompasses a mutual agreement and membership that pools members' voluntary savings in the form of shares. The shareholders are brought together by a common interest or purpose including marketing their products, empowering themselves financially, or improving their livelihoods among other interests (Nyakado, 2016). Studies by (Musiega et al., 2014) affirm that most of the shareholders are connected by background, such as their employment, community, geographical area, or any other affiliation. This is primarily referred to as Common bond under co-operative principles.

1.1.1 Types of Deposit Taking Saccos

Based on their membership, Deposit-Taking Saccos are categorized into teacher-based, government based, farmer-based, private institution-based, and community-based Saccos. (Njuguna, 2019). Most of the members of government based Saccos comprise employees of government ministries, departments, state corporations, public universities and colleges, and county governments. For farmer based Saccos, most of the members are farmers engaged in different agricultural activities (both direct and indirect) in various parts of the country.

Private institution based Saccos, meanwhile, have members who are mainly employees of private organizations, including Non-Governmental Organizations (NGOs) operating in Kenya. Community-based Saccos have members who are mainly residents of a given geographical area engaged in a productive economic activity, while teacher-based Saccos have memberships mainly drawn from employees of public/private schools, colleges, and universities both public and private. Saccos in Kenya have gone a long way in boosting the economies of the members of the different Saccos in Kenya (Mugambi et al., 2015).The majority of the members of the types of Saccos ranging from the teacher based to community based Saccos utilize their savings to improve their net worth through savings which later on allow them to borrow from the said Saccos (Njuguna, 2019).

1.1.2 Factors Affecting the Performance of Deposit Taking Sacco Societies.

This research investigated factors affecting the performance of deposit taking Saccos societies in Kenya with a case study from Machakos town sub-county. The researcher sought to study specific determinants of the performance of Sacco's societies which shall include financial capacity, Sacco's capital resources bases, financial policies and external factors. Financial capacity in this research means the financial ability to carry out Sacco duties and activities. This research focused on financial literacy, cash and liquidity management, share capital, investment capacity and credit management capacity. Financial literacy is defined as the knowledge, and skill leading to the ability to make sound financial decisions. Studies on Performance of Saccos postulate that non-performance of which is evident in many national economies of the world is attributed to lack of financial capacity (Mulyungi et al., 2018). Studies on Sacco's has established that liquidity management, share capital ,investment capacity and credit management have a significant effect on firm performance (Wangui, 2016).

Financial literacy refers to an evolving state of competency that enables each individual to respond effectively to ever-changing personal and economic circumstances. Financial Literacy prompts increasingly viable utilization of money related items and services, more noteworthy control of one's budgetary future and diminished powerlessness to overeager retailers. Ochieng (2018), contents that it is prudent for all companies to have enough financial resources to necessitate its operations are to be sustainable and successful .These studies further affirm that for the firm to get the best return, financial resources should be used in priority investments that are able to enhance the firm performance. Mwangi and Ombui (2008) observe that financial resources are scarce, basic and valuable resources that are hence must be used to get other resources necessary for production activities. Financial innovation can be a viable financial capacity dynamic which gives organization's competitive edge over other companies.

Armenia (2016) asserts that financial innovation is a key Sacco resources and involves the activity of making and promoting new money related instruments just as new financial technologies, markets which are key in the success of organizations. Amenya affirms that innovation in the organization may take place at the level of product and processes (Amenya & Ombui, 2016).

Capital resource are key determinants of organizational performance in almost all firms (Cania, 2014). For financial organizations like banks and the Sacco's resources refer to share capital, liquidity level, capital adequacy, financial resources and membership base. According to Abdurrahman and Bamiduro (2008), Capital resource base that can be relied upon to provide the needed financial adequacy to an organization and the capability to generate good returns on these funds is critical for company success. Amenya (2016) supports this assertion by saying that the reliability of a company's capital resource base determines whether a firm will get external funds from its stakeholders or not. Mokua (2015) postulates that that adequate and timely funding is a necessity to organizations so as to facilitate the ability to run their administrative and technical operations better for improved performance. Mwangi and Ombui (2008) argue that timely access to financial resources is paramount for positive organizational performance.

Policies are frameworks of action that govern an industry or sector and that developing countries have found their practice to be instrumental (Mutinda2016). A study on the effect of financial policies and procedures in the Nigerian building industry found that policy and procedure framework gives good direction and focus to achieving project deliverables a reality (Usman, Kamau, & Mireri, 2014).This study will discuss credit policy, liquidity policy dividend policy and cash management policies and their influence on to the performance of deposit taking Saccos in Machakos County.

The external factors include technological innovation and government regulation (Magambo, 2014). Government regulation in Sacco activities refers to supervision which subjects institutions to certain requirements, restrictions and guidelines with the aim of maintaining integrity of the financial system. Magambo (2014), further postulates that regulations on Savings and Credit Cooperative Societies in Africa is engaged in accepting savings, shares and deposits from their members for an amount that is less than set minimum. Financial regulation emphasizes the fact that markets do not always operate in the best interests of customers (Mugambi, Njeru & Tirimba, 2015). This therefore calls for intervention in the form of regulation to protect consumer and industry from unsuspecting organizations (Njuguna, 2019). Technological advancement as an external factor concerns involvement of modern technologies in a way that serves the purpose of every specific business organization (Ouma, 2018).Studies on the relationship between technology and firm performance have shown technology has a positive influence on firm performance (Odero & Shitseswa, 2016).This study will therefore assess the influence of Financial management capacity, Sacco capital resource base, financial policies and external factors on the performance of Saccos in Machakos Sub-County.

1.1.3 Organizational Performance

Organizational performance is a measure both financial and non-financial measures of performance. The financial measures of performance include Return on equity (ROE), Return on Assets (ROA), return on investments (ROI) and Earnings per share (EPS). The non-financial measures of

performance include customer satisfaction, product quality, efficiency, effectiveness, processes among others (Kaplan & Norton, 2005).

Kaplan and Norton's (1996) Balanced Score Card model postulate that the performance measurement of organizations should include both financial and non-financial measures complementary to each other to reflect past organizational performance and to predict future performance (Kaplan & Norton, 2005). To evaluate the performance of an institution, financial statements are used where different ratios are performed as per requirement of the user. Some of the commonly used financial performance measures are profit after tax, Return on Assets (ROA), Return on Equity (ROE) and earnings per share. Besides financial measures of performance, there exits customer experience, Learning and growth, Marketing perspective and processes (Kaplan & Norton, 2005). This research used the non-financial measures of performance which included customer retention, product uptake, customer satisfaction and Sacco investments

The balanced scorecard model of measurement of performance will be used in this study. The model includes a study of several non- financial perspectives to determine the parameters of organizational performance. This model of measurement was used to determine customers satisfaction parameters based on customer taste and consequent uptake of products. The model has been used to measure service effectiveness through customer retention and income generating activities investments (Kipkorir et al., 2016).The balanced so used in this study was used to related independent variables of study namely financial capacity, Saccos capital resource base, financial policies and external factors as non-financial factors and how they influence customer satisfaction through product uptake, customer retention and capital investments capacity (Heenetigala, 2011).

In his study, Mokua (2015) postulates that in the quest for better operational performance and gainfulness, organizations are searching for systems to improve their operational performance and lift their profitability. As rivalry intensifies because of changes in the business structure and the

development of new technologies, organizations are resolved to lessen their operational expenses while improve their profitability.

1.1.3 Deposit Taking Saccos in Kenya

Machakos County is one of the forty-seven counties in Kenya. After the introduction of devolution that came with the promulgation of Kenya's Constitution in 2010, Machakos County was formed from then became Machakos District and has seven sub counties namely: Machakos Town, Kangundo, Mwala, Masinga, Matungulu, Athi River and Kathiani. According to the National Institute Bureau of Statistics (NIBS) data on land and population distribution, the county stretches well over 628159 Square Kilometers with a total population estimated at 1,102,934 and a population density of 176 people per square kilometer. The District neighbours are Mbeere to the North, Muragua and Thika to the North West, Mwingi and Kitui to the East. Makueni down to South, Kajiado to the North West and Nairobi province to the North West.

Kenya is known for having the most vibrant and dynamic Sacco sector in Africa (Biwott, 2015). Saccos operating in Kenya range from Agricultural and livestock cooperative societies in rural areas while the financial Saccos are prevalent in urban areas. Kenya's cooperative movement encourages Sacco autonomy and independence although the Ministry of Cooperative Development and Management plays some regulative role as one way of checking Sacco performance, and particularly financial performance (Amenya & Ombui, 2016).

In Kenya, Saccos account for three quarters (75%) of the financial subsector's assets, deposits and membership. Due to the nature of their business, Saccos are regulated prudentially under the Sacco Societies Regulations Act (SASRA), (Mutinda, 2016). The Act provides for licensing and supervision of Saccos in a manner befitting other deposit taking financial institutions. The investment funds and credit agreeable social orders in Kenya have for quite a while been overseen under the Co-operative Societies Act Cap 490 (Mutinda, 2016).The helpful qualities and standards

have withstood the trial of time and offer the best model for battling poverty and inequality in society (Njuguna, 2019).

1.3 Statement of the Problem

Savings and Credit Cooperative Societies (Saccos) are financial organizations aimed at collecting deposits, managing the deposits and disbursement of loans to its members. The Saccos also offer financial technical advisory services (Churk, 2015). As part of their mandate Saccos upgrade economic development and advancement by accepting part reserve funds and benefiting resources to individuals to take part in viable business ventures (Karagu & Okibo, 2014). Saccos offer most comparable items with other financial institutions including banks and microcredit financial institutions (Odero & Shitseswa, 2016). In this sense, Saccos are reasonable for low salary families who think that it's hard to get to credit from banks. Conveying money related services to the Sacco individuals is the key capacity of Savings and Credit Cooperative societies. These incorporate financial products and advisory services (Mwangi & Ombui, 2018).

Many studies have been done on the performance of Saccos with a lot of focus on financial performance with few research efforts on non-financial factors bringing out contextual gap. This in-turn necessitated a non-financial focused study (Wanjiru, 2015). A Study by Amenya (2016) have found a positive correlation between Sacco's financial management capacity and financial policies on the performance of Saccos in Kiambu County. A study by Biwot (2015) established a high default rate for the KARI Sacco society and hence establishing a positive correlation between credit risk management policies and the performance of KARI Saccos Limited. Mwangi and Ombuli (2018) have established a positive correlation between the Sacco resource base and financial management capacity in Nairobi County. This study further established a significant relationship between the regulation environment and Saccos in Nairobi, County (Mwangi & Ombui, 2018).

A Study on SACCOs in Mt Kenya region has confirmed that Saccos face dangers emerging from liquidity inadequacy , which has become a significant reason for disappointment of numerous

money related cooperatives societies (Mugambi et al., 2015)**.** Chamwana (2017) found that there was no significant influence of external factors on performance of Saccos in Makungu ward in Mufindi District in Tanzania (Churk, 2015). Kimathi (2014) content that real threats to Sacco's growth and existence include their inability to contribute their riches adequately through amassing of enough institutional cash-flow to back non-pull back adequate capital subsidized resources (Kimathi, 2014).

In their study on Saccos in Nakuru town, Ochieng and Simon (2018) established a positive correlation between financial resource base and performance. A majority of these studies discussed herein focused on financial factors on Sacco performance with little emphasis on non-financial measures and hence need for a study investigating potential non-financial factors like policy and external factors likely to affect performance. Additionally, these studies were carried out elsewhere outside Machakos County and hence a research gap and the necessity of a similar study in Machakos Sub-county. This study therefore sought to investigate the effect of non-financial factors determining the performance of deposit taking Saccos in Machakos County. The study investigated the effect of financial capacity, Capital resource base, financial policies and external factors on the performance of deposit taking Saccos in Machakos town Sub-county in Machakos County.

1.3 Research Objectives

1.3.1 General Objective

The objective of this research was to investigate the factors that influence the performance of deposit taking Saccos in Machakos Sub-county, Machakos County.

1.3.2 Specific Objectives

i) To investigate the effect of financial management capacity on the performance of Sacco Societies in Machakos Sub-county County.

ii) To establish the effect of Sacco Capital resource base on the performance of deposit taking Saccos in Machakos town Sub-county.

iii) To find out the influence of financial policies on the performance of deposit taking Saccos in Machakos town Sub-County.

iv) To determine the influence of Sacco external factors on the performance of deposit Sacco Societies in Machakos town Sub-county.

1.3.3 Research Questions

i) What is the effect of financial Management capacity on the performance of deposit taking Sacco Societies in Machakos Sub-County?

ii) What is the effect of Sacco capital resource base on the performance of deposit taking Sacco Societies in Machakos town Sub-county?

iii) What is the influence of finance policies on the performance of deposit taking Sacco Societies in Machakos town Sub-County?

iv) What is the influence of external factors on the performance of deposit Sacco Societies in Machakos town Sub-county?

1.4 Significance of the study

This research will create awareness to the Saccos in Machakos on how to mobilize capital and apply that capital in business related activities. It will also be instrumental in informing the government, donor community and county government on the necessity of streamlining the existing societies and forming new ones in relation with the emerging local opportunities and grow to level which can be compared to best managed societies in the country and thus deliver on economic blueprints presented to electorate in national politics.

1.5 Scope of the Research

This research studied Sacco societies in Machakos Sub- County. The study included an assessment of the factors affecting the performance of Sacco's Machakos County focusing only on Machakos town sub-county. The study focused on 37 senior management staff of the three Deposit taking Sacco's in Machakos Sub County namely, KWETU, UTS and Mwalimu Sacco Societies located in

Machakos County. The study picked these three Saccos because they are the only deposit taking Saccos s in Machakos County. The study focused on selected factors of performance including financial capacity, Sacco resources base , Sacco financial policies, and external factors as they affect the performance of Sacco's in the selected area of study ;Machakos Sub-county. Furthermore, this study will only study the deposit taking Sacco's and not any other classifications.

1.6 Limitations of the study

This study faced several challenges along the way. One of the limitations that faced this study was the uneasiness with which the respondents to participate in the study by filling the questionnaires. The researcher solved this problem by attaching the University letter and the NACOSTI Permission letter to carry out the research in the Saccos in Machakos County. Another limitation of this study was that the researcher could not administer all the questionnaires personally and had to be assisted by research assistants. This limitation was solved by ensuring that there was clarity in the questionnaires so that there was no unclearness in the meaning of the statements in the questionnaires. The study was carried out during the COVID 19 outbreak. The researcher solved this problem by ensuring that he spend more time collecting the data than planned to have the questionnaires returned. The researcher also involved information technology to send some of the questionnaires. This took quite a lot of time for the researcher because some respondents took much time to respond. This was solved by visiting the Saccos to request the participants to complete the questionnaires.

CHAPTER TWO:

LITERATURE REVIEW

2.0 Introduction

Literature Review involves a review of both theories upon which studies are anchored and also past literature that supports the study. This chapter means a review of literature of the theories that support the variables of the study. The theories in this study are those theories with a practical application on research subject area, and which this research was anchored. The chapter also involved a detailed empirical literature review of past studies related to research area of focus.

2.1 Theoretical Literature Review

The theoretical literature review in this study involved a detailed study of theories that formed the bases of the theoretical orientations of the study. The study was therefore anchored on the cash management theory, free cash flow theory, liquidity preference theory, agency theory, task technology fit theory and decision-making theory.

2.2.1 Cash Management Theory

The theory was advanced by Brigham (1999). Proponents of this theory postulate that the reason for money the management is to decide and accomplish the fitting level and structure of money, and marketable securities, predictable with the idea of the business' activities and objectives (Brigham, 1999. According to this theory, mangers have a motivating force to accumulate money to expand the measure of benefits under their influence and to increase optional control over the firm investment decision. This theory proposes that if establishments have money accessible to invest, the manager doesn't have to raise external funds and to give capital markets point by point data about the organization’s venture ventures (Mugambi et al. 2015).

The application of this theory in this research is that Saccos must have prudent cash management practices to make breakthrough performance. The theory is affirmative that prudent cash

management is critical for the performance of any organization. Henceforth, managers of Saccos could attempt investments that negatively affect investor's wealth. The use of this theory is that it is basic in the management of liquidity in the firm and guaranteeing there is a harmony between meeting the present commitment to relieve liquidity shortage and putting resources into the interest of shareholders wealth maximization.

2.2.3 Liquidity Preference Theory

The theory was advanced by Keynes (1936) and Emery (1984).This theory holds that short term bonds are more favourable than long term bonds since investors prefer short term bonds to long term securities for the liquidity aspect for they can be converted to cash with little danger of losing of the principle Keynes (1936) argued money is demanded for transaction, speculative, and precaution purposes. This theory is relevancy in the research in that it models the liquidity management system of the Saccos under study. Proponents of this theory argue that money is demanded for transaction, speculative, and precaution purposes. The identification of a simple regulation by Farhi et al, (2009) in support of this Keynes (1936) theory postulate that liquidity requirements has the potential to correct an externality through interest rates in the markets. Farhi et al (2009) further states that the liquidity limits out to be used is dependent on the nature of the shocks that financial intermediaries and agents experience. According to the liquidity theory, the allowable form of solution to getting the liquidity problem solved is getting the optimal liquidity requirement of the organisation. Allan and Gale (2004) conclude the liquidity theory discourse by stating that the absence of aggregate shocks and incompetence's of the markets for aggregate risk, then there is no regulation that can improve upon the market equilibrium. While contrasting Farhi et al, (2009), Allen and Gale proposed that imposing a liquidity requirement on the minimal (liquidity cap) or the maximal amount of liquidity holdings of short holdings of the short asset for an intermediary. The theory postulates that companies that have cash problems use more credit than those with normal access to credit through the financial institutions. This theory continues to state that when there are restricted monetary policies in the economy, the offer of credit will account for the reduction of credit in offer by financial institutions.

This theory is applicable in this research because it informs and relates with financial management capacity and the external regulation of the Saccos by government agencies. According this theory Saccos' management boards have a duty to run the Saccos in such a way as to ensure liquidity and its access for operational purposes. The theory can further be used to explain the relationship between Sacco finance management boards and their responsibility to harness liquidity to facilitate Sacco's financial performance. The theory is also applicable in explaining the influence of Sacco finance policies and performance.

2.2.5 Task-Technology Fit Theory

Theory advanced by Goodhue and Thompson (1995). The theory postulated that task-technology fit is an important concept in assessing and explaining the information system's success in an organization. Proponents of this theory focused on the individuals' use of information systems and presented a primarily positivistic research approach applicable to information systems in organizations. Proponents of this argue that technology is a tool used individually to carry out tasks that turn inputs to outputs in the organization. The task technology fit is aims at aligning the technology being applied with the job at hand. The theory focusses on use of group tasks and group support systems and their formulated fit profiles applicable to specific utilisation in the organisation. The theory looks at technology as a tool that organisations should use to carry out tasks. This theory sums up by stating that there should always be a task technology fit in the utilisation of a technology and a link between task-technology fit-technology fit for performance improvement (Mwaura, 2009).This theory is applicable on the external factor theory and specifically relates to how financial technological innovations are likely to impact on the performance of Saccos in Kenya.

2.3.1 Financial management Capacity and Organizational Performance

Financial management is the ability of the organizations to institute the needed procedures and practices pertaining to institutional finances (Mwangi & Ombui, 2018).Financial capacity in this research was investigated through financials literacy, cash management capacity, credit

management capacity, the company investment decisions and liquidity management abilities (Karagu & Okibo, 2014). A descriptive study of influence of financial literacy on loan repayment of Inozamhigo Umurege Sacco in Rwanda established that financial literacy provides the capacity to utilize information and abilities to deal with company's monetary resources and found a positive correlation with organizational performance (Mulyungi et al., 2018). This finding concurs with the finding of (Ochieng, 2018) in a descriptive study of Saccos in Nakuru County who established that financial related proficiency had a positive correlation with organizational performance. Mulyungi *et al.* (2018) established that financial literate organizations have clear financial operational plans to guide their financial activities and highly correlated with improved performance of those organizations. Mokua (2015) in a study of deposit taking Saccos in Kenya established a positive correlation between financial literacy and the performance of Sacco's. Mokua established that financial capacity facilitate provides capacity to manage debts significantly influencing the performance of the organizations.

A study by Ombogi (2014) on deposit taking Saccos in Kajiado County established a positive correlation between financial literacy and organizational performance. This study found that financial literacy helps to inculcate Sacco's members with the financial knowledge necessary to create household budgets, initiate savings plans, and make strategic investment decisions. These finding agree with the findings of a study of Saccos in Kakamega County by Odero & Shitseswa, (2016) which established that proper application of that financial literacy had a significant correlation with performance in that it helps investors to meet their financial obligations through wise planning, and resource allocation so as to derive maximum utility. The study findings in the study of Unmurege Sacco in Rwanda by Mulyungi et al (2018) agree with findings of Magambo (2017) in a study of cooperatives in Kenya who established a significant relationship between t Lack of financial literacy performance. The study by Magambo further found that financial illiteracy is negatively significant to organizational performance. A study by Mwangi & Ombui (2018) among cooperative societies in Nairobi county established that firms with inadequate financial literacy significantly performed poorly than companies with adequate financial literacy.

In a study on the effect of a mandatory financial literacy program on loan repayment performance in Kenya, Olweny (2018) found a positive correlation). In a descriptive survey study on investment decision and performance of Sacco's, in Baringo County, Kiprotich, Njeje and Namiinda (2016) have established that financial literacy had a positive correlation with performance. Rotich *et al* found that investment decisions are informed by the level of financial literacy hence positively influencing the performance of the organization. A study by Tsuma et al (2015) within Kakamega teachers Sacco established that the quality of investment decision making literacy was positively correlated with improved organizational performance. In a study of Baringo County found that there was a positive relationship between the right investments in choosing between lending to treasury bonds and to government and the performance of Saccos (Kipkorir *et al*., 2016). Tsuma et al (2015) in a descriptive study of Kakamega Teachers Sacco in Kenya has established that there was a positive correlation between financial literacy and the performance of managers in Sacco's. A case study on the determinants of financial performance in deposit taking Saccos in Kiambu established that the lack of financial literacy about the firm's location and investment direction leads to serious managerial errors negatively impacting on the performance of these Sacco's (Amenya & Ombui, 2016).

A descriptive study of the Kenya Sacco sector, Kivuvo and Olweny (2014) firmly established a positive correlation between real estate investment and financial capacity adequacy. Nyakado (2016) in a descriptive survey study on effect of credit policy on Saccos in Nairobi County found that positive correlation between financial literacy and the growth of Saccos' wealth. Kiprotich et *al* (2016) concluded that financial literacy facilitates the ability to scale up effective investment on assets. A study on Saccos in Baringo on Saccos found that investments in treasury bills is a risk free investment option in Kenya and had a significant positive correlation with performance (Kiprotich, Namiinda, and Njeje 2016). The government promises to pay you back with interest after a certain period. A descriptive study of Saccos in Kisii County established a positive correlation with organizational performance (Gweyi *et a*l., 2018).

A descriptive study of deposit taking Saccos in Kenya established that financial literacy was highly correlated with organizational performance and that Saccos needed to build their literacy to be

competitive in the market place (Karagu & Okibo, 2014).This finding concurs with in a descriptive in Deliberate creative literacy exceptionally critical for investment and had a positive correlation with performance (Musiega et al., 2014). An examination by Nyabere, (2013) on credit risk management of deposit taking Saccos in Kenya found that the development of Sacco's wealth is spoken to by the estimation of its net resources and an expansion in these benefits means viable speculation on resources. In his study, Magambo (2014) discovered that a good liquidity management capacity is sure way of controlling cash inflow against cash outflows.

Ombongi (2014) found out that in that some scenarios, financial institution will dispose assets they holds to address the miss-match of inflows and outflows while Juma et al (2016) has established that the mismatch of banks own liquidity and customers liquidity expectation results to financial institution liquidity risk. Hezron and Muturi (2015) in a study of Saccos S in Kisii County established that Cash management capacity is altogether corresponded with firm performance. A study by Duncan *et a*l (2015) built up a positive relationship money the management on monetary performance of store taking Saccos in Mount Kenya Region. This investigation further settled that set up that most Saccos S get ready money spending plan routinely which were affirmed to have a positive commitment to the performance of the organization. As Nyabere (2018) attests, setting up of a money balance approach guarantees judicious money planning and speculation of surplus money (as referred to in Kwame, 2007). These findings concur with the discoveries by Song'E, (2015) who set up that money planning is helpful in making arrangements for deficiency and excess of money and affects the monetary performance of the firms.

The assertion by (Ombongi, 2014) in a study of Micro-finance institutions in Kajiado county decreasing the time cash is tied up in the working cycle improves a business' profitability and market esteem advances affirms the significance of effective money the board rehearses in improving business execution. In a descriptive study, Juma, Otuya and Kibati (2016) uncover that credit management is one of the most significant activities in any organization and can't be neglected by any economic enterprise. It is the procedure to guaranteeing that clients settle up for the items conveyed or the services rendered. Kagoyire and Shukla (2016) in their study describe credit

management as methods and strategies adopted by a firm to ensure that they maintain an optimal level of credit and its effective management.

Nyabere (2013) in a descriptive study of credit risk management of Saccos in Kenya established a positive correlation between financial literacy in credit risk management and organizational performance. Nyabere further found that credit management literacy was an imperative for all business organizations. Nyakando (2016) agree with these findings in a study of credit risk in Nairobi County by establishing a significant positive correlation with the performance of the Saccos

In a study in Kisii County, Muturi (2015) establishes a deficiency in loans appraisal literacy negatively relating with performance of the Saccos. Juma et al (2017) concurs with Muturi while studying Saccos in Nakuru County and concludes that the capacity of members to manage credit risk had a positive correlation with the performance of the organization. A study by Biwot (2015) in a study of risk management in KARI Sacco society showed that there exists a positive relationship between credit risk management literacy and firm performance of Sacco's s. A study by Kagoyire and Shukla (2016) on credit management literacy in Equity bank, Rwanda, established a positive correlation between sound credit management practices and organizational success.

2.3 Empirical Literature Review

The empirical literature review in this study provides past literature on factors influencing the performance of Sacco's Societies that has been done elsewhere in the field of study. In this study empirical literature of constitutes existing study findings and gaps inherent in these studies to justify the necessity for the current study in Machakos Sub-county, Machakos County.

2.3.2 Sacco Capital Resources Base and Organizational Performance

Capital resource base refers to the sources of capital for organisations and mostly from the various investments of the organisation (Karagu & Okibo, 2014). Kipkoril et al (2016) while studying cooperative societies in Baringo County established that organizational capital resource base positively influences performance Wangui (2016) while studying factors affecting the performance of cooperative societies in Kiambu County established a positive relationship between financial

resource base and firm performance. Juma *et al.* (2016) in a study of Saccos in Nakuru town found that internal resource had a significant influence on organizational performance.

Mulyungi *et al.* (2018) in a study of Umurege Sacco in Rwanda found that financial resourcing bases have a positive correlation with the performance of organizations. Ochieng (2018) while studying Saccos in Nakuru County found that lack of adequate financial resources base had a high chance of success and therefore a high correlation with performance. Studies on the relationship between financial resources and firm performance in Rwanda further by Mulyungi, and et *a*l (2018) affirm that inadequacies in sustainable resource bases were negatively correlated with performance of the organization. In his studies Magambo (2014) affirmed that the ability of an organization to mobilize capital is essential for economic growth and that this way Sacco societies are able carry out with high level of efficiency. The study observed that this is better since most savings are deducted from source within the registered co-operative society and that a healthy proportion of equity capital, as opposed to debt capital, in a company's capital structure is an indication of financial fitness.

A study on internal factors affecting the performance of Saccos in Kisii County established a mixed relationship between firm resource base and performance. The study when seeking to determine the relationship between internal capitals in the form of retained earnings and performance established the existence of a positive relationship (Muturi & Obure, 2015). Magambo (2012), in a study of SACCOs in Kenya found a positive correlation between resource base and the performance of the organization. Duncan et al. (2015), investigated factors affecting the performance of deposit taking Saccos in Mt Kenya Region confirmed that an organization's capabilities and resource bases in the form of assets have a significant influence on organizational performance. A study of deposit taking Saccos in Kiambu confirmed a positive influence between capital resources and performance. The study postulates that the sources of capital facilitate firm performance and may include equity, debt, and retained earnings among others.

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In his study on Sacco societies in Baringo County, Kipkorir (2016) established a positive correlation between resources base and organizational and that Sacco liquidity was a critical resource base. Kimathi (2014) while studying Sacco societies in Nairobi County found that Sacco membership and shares bases had a positive relationship with the performance of the Saccos. Mokua (2015) in a study of deposit taking Sacco in Kisii count found that increasing shareholder power had a mixed relationship with performance. A study by Mutethia (2017) on external factors affecting performance of Micro-Credit Organizations in Kenya found that Sacco's capital resource bases had a significant relationship with organisational performance. Mutethia (2017) further notes that the stock of capital, net investments, happens through growing the income of the organization thus significant influencing the performance of the organization. In a study by Kipkorir, Namminda & Njeje, (2016) in Baringo County established a positive correlation on registered Sacco Capital resources and the performance of the organizations. Kivuvo and Olweny (2014) further found that the low efficiency of capital can therefore reduce stock and thus growth in poverty level. They help bring idle resource into a full productive resource that can contribute to growth and establishment of business enterprises.

Mwangi and Ombui (2018) in a descriptive study of Saccos in Nairobi County established appositive correlation with organizational performance. The study occluded that the deposits made by individuals are in the form of shares positively influence the performance of the organization. Research findings by Mwaura (2019) on mobile banking found that technological advancement as a resource base that positively influences the performance of the organization. This view is consisted with Muchangi (2019) on the performance of debit card services on deposit taking Saccos established a significant positive correlation with performance. Mwangi and Ombui (2018) further found out that Sacco Membership Studies by Mutethia (2017), agree with the findings of Mwangi and Ombui in that they postulate that Sacco membership is significant relational with Saccos performance.

Ouma (2018) in a study of effect of innovations in deposit taking Saccos in Nairobi County established a positive correlation and concluded that financial innovation is a resource in that facilitates the emergence of new products and services portfolios in the market place. Financial innovation ensures ease, efficiency and safety to the clients increasing their demand for the new innovations while demand for traditional payment systems reduces as customers switch to the more effective payment systems thereby causing positive correlation with performance The study finding of Mwangi and Ombui (2018) concur with the finding of (Uma, 2018) which concluded that financial innovativeness brings about the development of new processes on service and product delivery and hence improved performance (Uma, 2018).

2.3.3 Financial Policies and Organizational Performance

Financial policies are frameworks of action pertaining to financial dealings and operations within business organisations for standardised financial behaviour (Maiti, 2015). Kiprotich et al (2016) in their study on factors affecting performance of Saccos in Baringo County established that policies have a positive relationship with Sacco performance. Biwot (2015) while studying credit risk management of KARI Saccos in Kenya established a positive correlation between financial policies and organizational performance. A study on the effect of cash management policy on Saccos in Mt Kenya region established a positive correlation between financial policies and the performance of Saccos. This finding agree with the findings on the effect of liquidity management in Saccos in Nairobi County which established that there is a positive correlation between cash management policy and performance (Song'E, 2015). This study by Song' E established that cash budgeting policy is useful in planning for shortage and surplus of cash and that this has a significant effect on organizational performance.

Studies by Maiti (2015) in a study of credit policy on Saccos in Nairobi County established the existence of a positive relationship between credit policy and financial performance. Maiti (2015) in a study of credit policy of Saccos in Nairobi County further established credit policy practices were highly correlated with performance. Mugambi et al. (2015) have established that there is a positive impact of credit policy on performance.

A study by Karagu and Okibo (2014) on financial factors affecting performance of savings Saccos in Kenya have established that dividend policy had a significantly correlation with performance. Wangui (2016) in a study of Saccos in Kiambu County agrees with Karagu and Okibo by a positive correlation between dividend policy and organizational performance in Saccos in Kiambu. Mokua (2015) in a study of Saccos in Kisii County has established a positive correlation with the performance of Saccos in Kisii County. Nyambere (2016) in a study of credit risk management and performance of Saccos in Kenya established a significant positive correlation with organizational performance. This study further concludes that an appropriately managed dividend policy is imperative to shareholders since it influences share costs and investor's riches and hence improved performance of the organization.

2.3.4 External Factors and Organizational Performance

External business factors are the forces external to the business and with the potential of impacting on business (Sossion, 2015). This study used regulation and technological adoption in business. Musiega *et al.* (2014) in a comparative study on influence of government regulated interest rates established a positive relationship between regulation and the performance of Saccos in Kenya. The study further concluded that regulations on Savings and Credit Cooperative Societies and credit schemes in Kenya generally was had a positive influence because it facilitated a level playing field among related businesses. A study on effect of regulation on the performance of Saccos in Kenya found a positive relationship between regulation and performance of Saccos. (Magambo, 2014). Saccos are traditionally for-profit generation. Magambo further concludes that the idea of investment funds regulation by the credit union Credit Union guidelines demonstrates a significant relationship with performance (Magambo, 2014).

According to Njuguna (2019) prudential standards that guide the Sacco operations have positive relationship with performance in that these guidelines are designed by the Ministry of co-operatives and SASRA to smoothen Sacco operations. The standards though similar to the controls by commercial banks are less strict but good enough to manage the co-operative movement and hence

positively impact on performance of the Saccos (Njuguna, 2013). A study by Mugabi *et al* (2016) concluded that the microfinance industry as currently regulated through the Microfinance Act of 2006 seeks to lay the framework of key policies governing the industry for Sacco improved performance. The regulatory environment within the microfinance industry in the country has more positive significance on Saccos as compared to other finance based commercial institutions (Magambo, 2014). A study by Kiprotich et al (2016) established a positive relationship between regulatory conditions as an external environmental factor and the performance of Saccos in Kenya. These findings are confirmed by a study on impact of regulation on deposit taking Saccos in Kenya which established a significant positive correlation with performance (Mutinda, 2016).

In a descriptive study on regulation on deposit taking Saccos, in Kenya, Mutinda (2016) established controlling the amount of cash that Saccos can handle at any given time and a positive correlation with the performance of these organisations. Mutinda, further established that a positive correlation between external environment and organizational performance in that Saccos work within a regulated environment that is protective from negative effects of unregulated behaviour and hence improved performance.

Wanjiru (2015), in a study of the telecommunications industry worldwide established a significant relationship between technological advancement and the performance of organizations. The study further found that the utilization of electronic solutions in business organizations like the banking industry was highly correlated with high customer appeal and hence improved organizational performance (Wanjiru, 2015). A study on the influence of technology on organizational performance established a significant influence on the use of technology applications brought about efficiency on managers and hence improved performance(Kivuvo & Olweny, 2014). Wanjiru (2015) further in a study of influence of technological adoption on organizational performance in the banking industry found that electronic banking, users can now advantageously complete banking transaction remotely hence positively influencing the performance of the organisation.

Muchangi (2019) agrees with the finding of Kivuvo and Olweny (2014) by establishing that finding e-banking, convenience can be accomplished 24hrs per day significantly impacting on the

performance organisations in. Muchangi found that the grounds that the user approach is user friendly from his mobile phone throughout the day, consistently hence positively impacting on the performance of these organisations. A study on factors affecting the financial performance of Saccos, Muturi and Hezron (2015) established that a positive correlation between technological advancement and the performance of banking service institutions. A study by Wanjiru (2012) on effect of technology on Sacco's, discovered that the selection and utilization of cell phones technology was positively correlated with performance and that the Saccos adoption of the E-technological strategies was in the right direction to improved performance of the .A study in the Kenyan banking industry postulate that ATM technology was the most utilized technology and significantly influenced that financial performance of the banking industry (Kivuvo & Olweny 2014). Kivuvo and Olweny further concluded that although some banks were at the initial stages of adopting ATM technology the overall correlation between technology involvement and the performance of the business organisations (Kivuvo & Olweny, 2014).

A study by Muchangi (2019) on electronic banking and the performance of commercial banks, found that electronic banking systems like ATMs, pay direct, electronic check conversion, mobile telephone banking, and electronic transactions establishing strong significant relationships between techno and performance a great impact on bank performance. The study by Muchangi further concluded that technology increased profitability, reduced operation costs, and increased assets and efficiency hence improved organisational performance. A study by Mutethia (2017) on factors affecting the performance of micro-credit institutions in Kenya a positive correlation between technology and organisational performance. The study further established that information and communication technologies enhance individual and organizational performance if the functionalities of the technology conform to the attributes of the tasks intended to be performed by users within an organization. Odero in a study on factors affecting the implementation of financial strategies among Saccos in Kenya established a positive correlation between ask-technology fit and the performance of the Saccos. This study concludes that task fit technology is significantly influences performance of the organisation because it assists individuals to do the best in their tasks leading to better performance of their organisations. The study by Odero and Shitseswa, further finds that technology fit among task requirements, individual abilities, and the functionality and interface

of the technology are a requisite for realization of tangible benefits from a given technology facilitating improved performance (Odero & Shitseswa, 2016).

Muchangi (2019) established that information technology has revolutionized the conduct of business operations through automation and communication and has provided new business channels to offer services and products to organizations' clients, employees, and other stakeholder. Florence, (2015) point out that mobile technology and related innovation services such as mobile banking, mobile communication, mobile web services, and credit card and debit card services are some of the information and communication technologies adopted and utilized by financial institutions to improve their financial performance today. Muchangi (2019) a study on influence of technology on business performance established that information systems have largely dwelt on the drivers of mobile technology services and led to improved business performance.

2.3.5 Empirical Literature Summary

Table 2.1: Empirical summary showing the research gap being addressed in the study.

Author /year	**Research design & methodology**	**Focus of study**	**Keys Findings**	**Knowledge Gaps**
Amenya & Moraa 2016	The study adopted the descriptive research design	To find out the determinant of financial performance of Saccos in Kiambu	Financial innovations have a significant influence on investment decisions	Research did not into other non-financial factors
Amenya & Chamwana 2015	the researcher adopted a survey study since it describes in-depth	Establish effect of credit risk management among Sacco's in Nauru County	Study found that credit risk management practice was not carried out in all	This research was biased and did not investigate other financial factors affecting Sacco's

	the nature of the phenomenon and examines actions as they happen rather than manipulation of the variables		the Sacco's in Nauru County -Credit risk management had significant influence on Sacco operations	
Biwott 2015	Descriptive research design	Effect of credit management practices on Kari Sacco limited	Credit management practices had a significant effect on performance of Sacco's	Research did not into other financial potential factors -Not much research has been done in Machakos County.
Churk 2015	Case study of Muvikima Saccos inn Tanzania	Understanding the contributions of social livelihoods	Saccos had mixed influence in community livelihoods improvements.	Research did not investigate the issues of performance of the Sacco's. Research investigated the beneficiary aspect
Dancan et al 2015	Descriptive survey of Saccos in Mt Kenya region.	Focus on effect of cash management on performance of Saccos.	Conclusion was that there was need to introduce cash management controls in Saccos.	Research biased and did not investigate other factors affecting performance of Saccos.

			-A need for credit management policy in Saccos.	-Many Sacco's do not have credit policies in mt Kenya -A knowledge gap for this research
Gaudence et al (2016)	study adopted descriptive quantitative research design	Effect of cash management practices on performance of Umurenge Saccos in Rwanda	Study established a positive relationship between cash management practices – bookkeeping, budgeting and debt management literacy on management of Sacco's.	Research only delved on financial literacy leaving out other factors and therefore a research gap
Kagoyire and Shukla (2016)	Descriptive survey design	Effect of credit management on Financial performance of banking institutions in Rwanda- equity	Established a positive relationship Tough collection policy was found to have more effect on performance	Research on banking institutions in Rwanda- Current research on Saccos.

Karagu (2014)	Descriptive study design	Effect of financial factors on performance of Saccos.	Positive relationship – Need for prudent investment decisions – need to strengthen the credit management.	Need to look at non – financial factors
Khalayi et al (2014)	Descriptive study	Effect of interest rates on performance of Saccos	Positive relationship	Consider internal factors that affect performance.
Kibati,Otuya and Juma (2018)	Descriptive research design	Effect of sound credit management on Performance of Saccos in Nakuru town	Established a high score relationship between performance and sound credit management practices	Research only pre-occupied with credit – other factors also responsible for performance – a research gap.
Olweny et al (2018)	A census survey design	Effect of credit risk management on performance of deposit taking Saccos in Kenya	Found that credit risk has a negative impact of performance of Saccos	Research only looked at one variable – credit risk management leaving other factors – need for a new study in Machakos County.

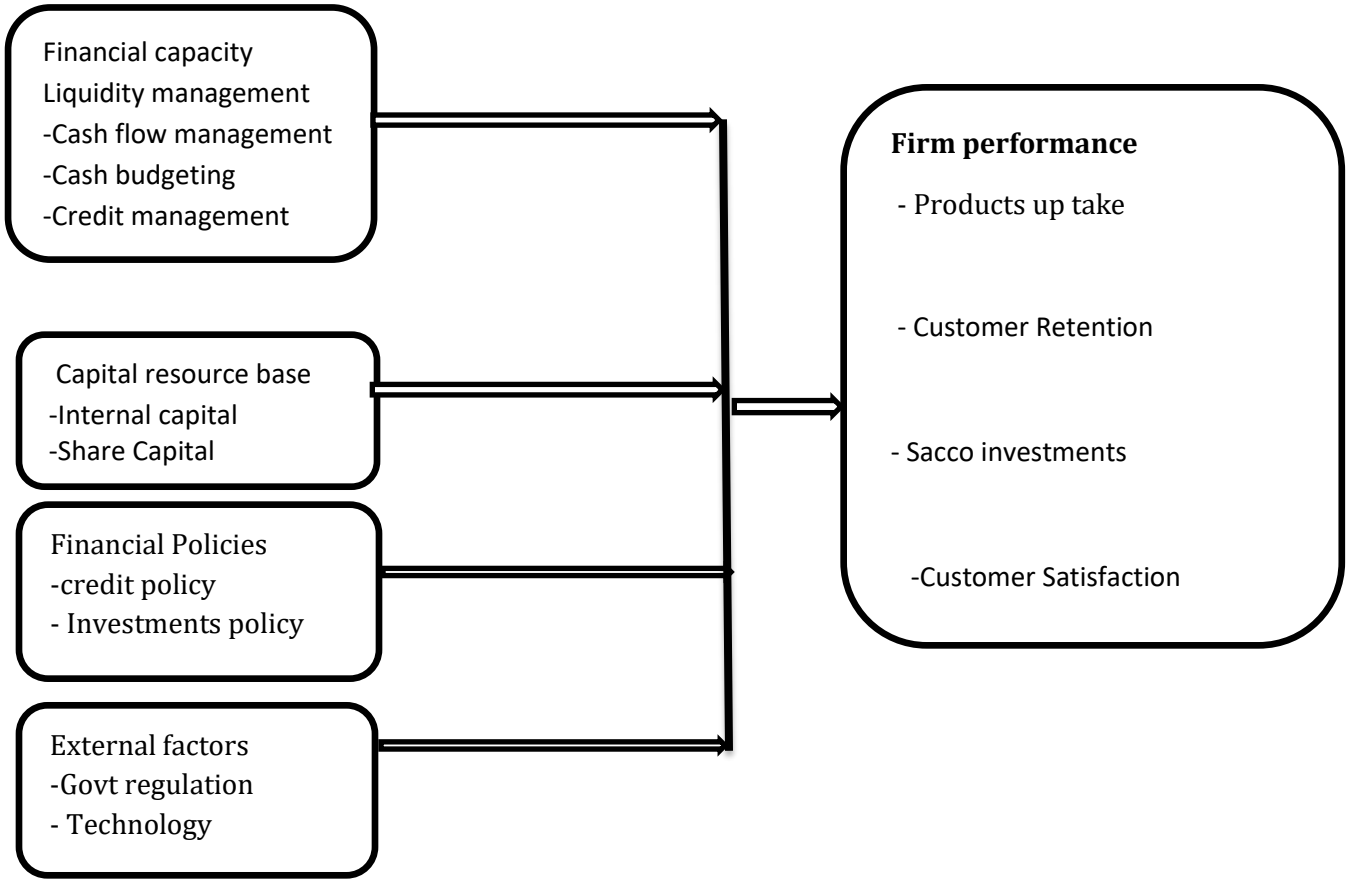
Obure and Muturi (2015)	Descriptive research design	Establish the effect of internal factors on Sacco performance in Kenya- Kisii	Research established a positive relationship between loan funding and investing in IT related projects.	Research only looked at internal factors – there are also external factors that account for success of Saccos – A research gap.
Magambo (2012)	Descriptive survey design	Effect of Regulation on Saccos	There is a positive relationship in regulation and performance of Sacco's in Kenya	Research was general in Kenya. A gap in studying this variable in Sacco's in Machakos County
Maiti (2016)	Correlation research design	Effect of credit policy on Sacco's in Nairobi County	Found the existence of financial standards in policy led to significant relationship between performance and credit policy of Saccos.	Study on investigated Sacco's in Nairobi. Same research can be carried out in Machakos county.
Mokua (2015)	Descriptive study	Variables affecting financial	Study established the need for credit	A study of this variable in

		performance of Saccos.	risk and diversity safeguard	Machakos County can be carried out.
Mutinda (2016)	Descriptive survey design	Effect of regulation on financial performance of Saccos in Kenya	Study found that regulation among Saccos in Kenya had a significant influence	Study can be applicable in Machakos. Study left out other variables
Njeje (2016)	Descriptive survey	Effect of investment decisions on deposit taking saccos	Established that there was a positive relationship between the rights investments as lending to its, to treasury bonds and to government and firm performance of Saccos in Baringo county	Study was done in Baringo checking on only investment decisions. There are other factors that have the potential to influence performance
Wanjiru 2012	Descriptive survey design	Effect of mobile banking on performance of Deposit taking	That technology significantly influenced the performance of	Not much of this study has been done and especially in

		Sacco's in Nairobi	Saccos S in Nairobi County.	Machakos Sub-county.

2.3.6: Conceptual Framework of the study

Figure 2.1: conceptual framework diagram



The conceptual framework in figure 2.1 represents the independent variables financial capacity, Sacco Capital resource base, Sacco financial policies and external factor and their relationship with the dependent variable organisational performance. The diagram informs the bases of analysis of the variables in the regression model in 3

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter elaborates clarifies on the research design and, methodology that was utilized in the study. Kumar (2006) says that research a methodology includes an efficient strategy by which the researcher begins from the underlying recognition of problem to its last conclusion and that its significance is to carry on the research work in a scientific and manner. This researcher used a descriptive case design to collect data from the two Saccos under study in Machakos town Sub-county. In this chapter the study and target population, was addressed fully. Furthermore, the data collection instruments, data analysis and the presentation of results of the research findings were also analysed for understanding.

3.2 Study Design

A study design is the configuration of the architectural plan on the researcher will solve the research problem. This ranges from the definition of type of study suitable for the research at hand, deciding on the study population, target population and also the sample size (Mugenda and Mugenda (2003).This study employed a descriptive survey design .This is because this type of research takes detailed analysis of all members of a study population. According to Kothari (2004) descriptive survey design is a method of exploring the life of a social unit which may involve a person, a family, institution, cultural group or even an entire community in a detailed form. Furthermore, a case study tries to collect the bits in support of a propositions about the population. Mugenda and Mugenda (2003), states that a research design is a plan that determines the sources and kinds of information pertinent to the research problem. It is a strategy indicating which approach will be utilized for gathering and analysing data and furthermore incorporates the time and cost and budgets to be used in the research. A case study means a unit, an institution, a nation, religion and an individual or a concept. It refers to a close study of a unit, a deep study, cumulative study or a clinical study. In this study the research design outlines the approaches that were used to solve the research problem at hand. The justification for the choice of a descriptive survey study design in this research was that the study population is composed of three organisations with senior management employees who

have a deeper understanding the factors affecting financial and non-financial performance of Sacco Societies in Machakos Sub-County. In this study a quantitative approach was employed using mathematical formulations and statistical analysis to produce the study results. Punch (2005), postulates that a quantitative data analysis is scientific in that the data is transformed in the form of numbers. Furthermore the researcher employed a census methodology to involve all senior management staff in charge key functions in the Saccos .The researcher used inferential statistics to test the relationship between the study variables and determine the causal relationships leading to the solving of the research problem by use of regression and ANNOVA tables.

3.3 Study population and Target Population

Kumar (2006) underscores that the word study population in research implies the specific characteristics of a specific group. Kumar states that in selecting a sample it is important that the researcher defines his population and enumerates its characteristics. Cooper and Schindler (2006) define study population as the total collection of elements about which a researcher wishes to make some inference. It includes all the people and the items with the characteristics which one wishes to study. Mugenda and Mugenda (2008) define a study population as a complete set of individuals, units, cases or objects with some common observable qualities. It is the population about which the researcher wishes to generalize the findings of the study. In this study all the study all the staff in the three Saccos under study including KWETU, Mwalimu and Universal teachers were the study population.

The target population in this study was made up of the senior departmental management staff working in Universal Traders Sacco KWETU and Mwalimu Sacco's were the target population the target study population. According to Kumar (2006), the target population is the actual selected number out of the study population to be involved in the study.

3.4 Sampling Techniques

Kumar (2006) declares that sampling is an indispensable technique of behavioural research without which research cannot be carried out .He further says that the study of total population is not possible

and also not practical in research with large populations and therefore the need for sampling to make the research findings economical and accurate. Kothari (2004) defines a sample as a subset of individuals selected from a population and that it means constructing or designing a sub-set within the population by a full or partial enumeration. According to Gal et al (2003) a sample as a sub-group of the study units picked from a study population. The study used stratified sampling techniques to bring out the key departments that cut across the three deposit taking Saccos in Machakos Sub-County in Machakos County as shown in table 3.1.The study then used the researchers' discretion to pick out the key senior managers manning identical shared key departments identified from the three Saccos under study. According to Mugenda and Mugenda (2008), the discretion of the researcher is allowed in selecting part of the target population. The study further used a census to involve all senior management identified from all the three Saccos and in the identical shared departments. All the staff from each strata of shared departmental strata of MWALIMU Sacco, KWETU Sacco and UNIVERSAL TRADERS Sacco were involved in the study as shown in table 3.1. A census survey was found to be the suitable because the target population being studied is quite small and involving all the members of the target population would increase the chances of getting an in-depth understanding of the issue being studied. A census involves studying all the members of the target population. Furthermore, this technique is suitable because the management cadre being studied have a better understanding of the issues under investigation. This study therefore did not require a sample size calculation methodology because all the members brought out in the strata were involved in the study.

According to Kumar (2006) a sample size is the number of items or members of a population to be selected from the universe of the study to constitute a sample. Kumar says that the sample size should neither be excessively large or small but should be optimal to give unbiased representation and it fulfils the requirement of efficiency, reliability and flexibility. As to what constitutes a representative sample Mugenda and Mugenda (2008) assert that 10% to 50% of the total target population forms a representative sample. However, and in regard to the study design mentioned and that was used this study did not need any calculation or any formula to calculate sample size of the population to be involved in the study because the entire management teams of the three Saccos were being studied.

Table 3.1: Target population for KWETU, MWALIMU and UNIVERSAL TRADERS Sacco's in Machakos Sub-county

Table 3.1 Source: Researcher (2020).

Staff Strata per department	**KWETU SACCO**	**MWALIMU SACCO**	**UTS**	**Total**
Chief Executive Officers	1	1	1	3
Senior Manager – Accounts	1	1	1	3
Senior Management-Credit	2	2	2	6
Senior Manager – Investments	1	1	1	3
Senior Manager – Human resources	1	1	1	3
Senior Manager – Customer service	1	1	1	3
Senior Manager –Marketing	2	2	2	6
Senior FOSA - Manager	2	2	2	6
Total	**11**	**11**	**11**	33

The determination of the sample size population of the units of study strata will include management staff in key departments making up the two Saccos under investigation.

3.5 Piloting of the data collection instrument

The researcher carried out a pilot test of 7 questionnaires to establish the fitness of the questionnaires to be used in the study. The primary purpose of the pilot test was used to check face and content validity of the instrument at the same time checking consistency of the questions in their ability to measure exactly what they are meant to measure (Mugenda & Mugenda 2003).A random administration of eight questionnaires to employees in the Saccos in Machakos Sub-County was done. The result of the pilot was that the instrument had some few issues for correction which were done and then the questionnaire was administered.

3.5 Data Collection Techniques

The study used primary sources of data collection technique. The use of this kind of data was supported by Mugenda and Mugenda (2008) who says that primary data is the firsthand information relating to a study. The primary data in this study gathered by the researcher assisted and the trained research assistants. The researcher used a structured questionnaire in the collection of the data for the research. The use of the structured questionnaire was prudent because it was convenient to the research study subjects who may need to fill the questionnaire at their own convenience. The questionnaires were administered to the selected sample size study by the research assistants using the method of dropping and pick later method for ease of administration.

3.6 Data Analysis and Presentation Techniques.

Quantitative methods of data analysis will be used in this study. This stage of data collection involves coding of the responses and keying in the entire data into the SPSS analysis tool. The researcher used SPSS to analyse and present the data. Additionally, the researcher used the Liked scale to clarify on the level of the causal relationships of the variables under study. This research used both qualitative and quantitative data using SPSS (Statistical package for Social Scientists). The statistical test model for testing the significance of the relationships involving key variables that were hypothesized to determine organizational performance. The variables included financial management capacity, Sacco capital resource bases, financial policies, and external factors affecting the performance of Saccos in Machakos Sub-county.

3.6.1 Regression Model

The Regression equation model took the form of

PDTS= α +βFC+ β CR + β FMP + β EFμ.....1

Where.

α is the model equation intercept,

β is the coefficient,

P DTS is Performance of deposit taking Sacco's,

FMC Is Financial Management Capacity,

CR Is Capital Resources base,

F P Is Finance Policies,

EF Is External factors

3.8 Validity and Reliability

3.8.1 Reliability

For test of reliability the research adopted Cooper and Schindler (2007) principle which indicate that for an instrument to be regarded as reliable, the value of Cronbach's alpha coefficient has to be at least 0.7. The test of reliability showed a test result that was within the range allowed by Cooper and Schindler (2007) which showed that the questionnaire was reliable to be used in the study.

3.8.2 Validity

Validity is the capacity of the data collection tool to measure what it is meant to measure (Kothari 2004). Different types of validity were addressed on the data collection instrument. Content validity was addressed by adopting grounded measurement scales. Face validity was handled by subjecting the questionnaire to input from experts in management of finance and financial institutions.

3.9 Ethical considerations

Research whose subjects are animals or people must consider the conduct of the research and give attention to the ethical issues associated with carrying out research. Some of the rules the researcher applied for data collection are as follows; The researcher maintained confidentiality at all times and was bound by the professional ethics, the researcher obtained consent from the Sacco Society Official and ensured the subjects participated in the exercise effectively, the researcher was objective, honest in his interpretations and findings, the researcher applied statistical measures objectively towards the result obtained. The researcher also obtained a research permit from NACOSTI from the National Government agency in charge of research authorization in Kenya. Furthermore, the research subjects were given free will to choose to participate or not.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION.

4.0 Introduction

This chapter interprets and presents the findings obtained from the respondents. The data from questionnaires were analysed by use of SPSS. Based on the objectives of the study, the findings of this study were presented by use of tables.

4.1 Response Rate

This study targeted a sample of 33 respondents from which 31 questionnaires were filled and returned. The response rate was 93.9 percent and according to According to Kothari (2004) any response of 50% and above is acceptable for analysis thus 93.9 % was excellent. The results of response rate are shown in the.

The table below represents the response rate.

Table 4.1: Response Rate

	Frequency	Percent
Responded	31	93.9
Not Responded	2	6.1
Total	33	100

4.2 Demographic Information

The study sought to gather information on number of years worked in organization, number of years worked in current position and level of education among Deposit Taking Saccos' staff in Machakos Town Sub-County.

4.2.1 Number of Years Worked in Organization

To find out the number of years respondents worked in their respective Deposit Taking Saccos, the study found out as shown in the table below.

Table 4.2: Number of years worked in Deposit Taking Saccos

	Frequency	Percent
Below three years	9	29.0
4-6 years	11	35.5
7-10 years	6	19.4
More than 10years	5	16.1
Total	31	100.0

Table 4.2 shows that majority of respondents 35.5% worked for the organization for between 4-6 years, 29% had worked 3 years below while, and 19.4% between 7-10 years and the remaining 16.1% had worked for more than 10 years. This indicates that majority of respondents had sufficient experience of between 4-6 years in the organization.

4.2.2 Number of Years Worked in Current Position at Deposit Taking Saccos

The study sought to find out how long the respondents had been serving in their respective current positions at Deposit Taking Saccos. The response was shown in the table below.

Table 4.3: Number of Years Worked in Current Position.

	Frequency	Percent
Below three years	14	45.2
4-6 years	8	25.8
7-10 years	7	22.6
More than 10 years	2	6.5
Total	31	100.0

The table above shows that majority of respondents 45.2% worked for the Saccos in their current positions less than three years, 6.5% had worked more than 10 years while, 25.8% had worked between 4-6 years and the remaining 22.6% had worked for more for between 7-10 years. This indicates that majority of workers at Deposit Taking Saccos Machakos County had worked in their current positions three years in the Saccos.

4.2.3 Respondents Level of Education

The study sought to know the educational qualification of the respondents who work in Deposit Taking Saccos. Their level of education was shown in the table below.

Table 4.4: Level of Education

	Frequency	Percent
Certificate	6	19.4
Diploma	10	32.3
First degree	9	29.0
Masters	6	19.4
PhD	0	0.0
Total	31	100.0

The findings on the educational level achieved indicate that 29% of the respondents had attained first degree while 25.8% had diplomas, 19.4% had masters and certificates. Only 6.5% of the respondents had PhD. This implies that majority of the respondents were well qualified with at least first degrees.

4.3 Reliability Tests Results

Table 4.4 shown below gives the findings of Cronbach's Alpha Coefficients on reliability and validity using a pilot study of seven questionnaires. These results agree with conclusions found by

Cooper and Schindler (2007) and Saunders et al. (2009) who stated that alpha scales of 0.7 and above, indicate satisfactory internal consistency of reliability. Based on these results, the variables of this study were accepted to have adequate internal consistency, therefore, reliable for the analysis and generalization on the target population under study.

Table 4.5: Reliability Coefficients

Scale	Cronbach's Alpha	Number of Items
Financial Capacity	.879	7
Capital Resource Base	.730	6
Financial Policies	.818	7
External Factors	.936	7

Source: Pilot study, 2020

4.4 Factors Affecting the Performance of Deposit Taking Saccos in Machakos County

The researcher sought to determine the factors that influence the performance of Deposit Taking Saccos in Machakos Sub-county, in Kenya. The respondents were expected to respond as to whether they agree or disagree with given statements concerning how these factors affect Performance of Deposit Taking Saccos**,** where: 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree and descriptively, M= Mean and SD=Standard Deviation.

4.4.1 Influence of Financial Management Capacity on Performance of Saccos

The researcher sought to determine the influence of financial capacity factor on performance Deposit Taking Saccos in Machakos Sub-county. Table 4.4 below gives the findings of the study.

Table 4.6: Influence of Financial Management Capacity on Performance

Statement	1 %	2 %	3 %	4 %	5 %	M	SD
1.Our company liquidity management system is up to expected international standards which contribute to good performance	29	32.3	6.5	12.9	19.4	3.85	1.377
2.Our cash flow management system meets the recommended standard threshold and contributes to firm performance	29	38.7	9.7	6.5	16.1	2.54	1.555
3.Our organizations cash management structure is adequate and positively influences our organization performance	22.6	12.9	9.7	29	25.8	3.62	1.235
4. Our company has a sound debt management capacity which influences our company performance.	22.6	16.1	16.1	25.8	19.4	3.08	1.547
5. Our company has sound credit management capacity which significantly influence our company performance.	25.8	19.4	12.9	22.6	19.4	3.85	1.223
6. Our company investments management capacity meets standard threshold and hence positively influences our company performance.	25.8	41.9	12.9	3.2	16.1	3.00	1.600
7.Our company invests in alternative sustainable projects positively influencing our performance	19.4	29	25.8	16.1	9.7	2.68	1.249

Table 4.6 show an average mean of 2.54 as regards whether the Saccos s cash flow management system meets the recommended international threshold. The respondents strongly disagreed as per the results in the likert scale. This implies that the cash flow management ability of the Saccos

does not meet the recommended international threshold. Findings in Table 4.6 show an average mean of 3.62 that the Saccos' cash management structure positively influences organization performance, which respondents strongly agreed as per the results in the likert scale. This implies that the cash flow management structure adopted by the Saccos positively influences organization's performance. From the above table, the research results show an average mean of 3.08 that the Saccos s' debt management capacity positively influences organization performance, which respondents agreed as per the results in the likert scale. This implies that the cash management structure positively influences organization performance.

The results presented in table 4.6 show an average mean of 3.85 that the Saccos has sound credit management capacity, which respondents strongly disagreed as per the results in the likert scale. This implies that Saccos in Machakos County have sound credit management capacity which is essential for significant influence on Sacco's performance. Table 4.6 show an average mean of 3.00 that the investments management capacity meets national regulatory threshold, which respondents disagreed as per the results in the likert scale. This implies that the Saccos investments management capacity does not meet standard threshold as to influences organizations' performance.

From the above table the research results show an average mean of 2.68 that the Saccos' invest in alternative sustainable projects, which respondents disagreed as per the results in the likert scale. This implies that Saccos in Machakos County do not have investments in alternative sustainable projects and hence negatively influencing performance.

These findings imply a positive significant relationship between financial management capacity and the performance of Saccos in Machakos Sub-County in Machakos County. These findings concur with studies by Musiega et al (2018) who established that financial literacy had a positive correlation with the performance of the organisation. The finding also in agreement with studies by Ombogi (2014), who found a positive correlation the performance of Saccos. The research also agrees with

Kiprotich *et al*. (2016) who found out in their study found that there was a positive relationship between the right investments' literacy and the performance of Saccos. These findings postulate that the ability to make the right investment decisions can bring incremental revenues to Saccos as it is considered to be cost effective, and an improvement to existing products line.

4.4.2 Influence of Capital Resource Base on Performance of Saccos

The study sought to find out the effect of capital resource base on the performance of Deposit Taking Saccos in Machakos Sub-county. The responses are as shown in the table below.

Table 4.7: Influence of Capital Resource Base on Performance

Statement	1 %	2 %	3 %	4 %	5 %	M	SD
8. Our Sacco internal capital resource base is adequate and influences our credit portfolio and hence performance of our organization.	22.6	38.7	6.5	12.9	19.4	2.68	1.469
9. Sacco member Share capital portfolio increases gradually and influences credit facility availability to our esteemed customers.	16.1	16.1	6.5	22.6	38.7	3.52	1.546
10. Our company capital investments are adequate and continuously sustain our customer cash flow requirements positively influence our performance.	48.4	35.5	3.2	6.5	6.5	1.87	1.176
11. Our Sacco has diversified capital resource bases facilitate continuous	12.9	6.5	6.5	41.9	32.3		

equity equilibrium and positively influence our performance.						3.74	1.341
12. Our Sacco adopts financial innovativeness leading to increased customer catchment and member savings hence improved Sacco performance.	19.4	6.5	9.7	29	35.5	3.55	1.524
13.Our Sacco has established fixed asset resource bases which influences company performance	25.8	29	19.4	9.7	16.1	2.61	1.407

From the above table 4.7 the research results show a mean of 2.68 that the Saccos' internal capital resource base influences credit portfolio, which respondents disagreed as per the results in the likert scale. This implies that Sacco in Machakos County do have adequate internal capital resource base negatively influencing Sacco's performance.

Table 4.7 results show an average mean of 3.52 that the Saccos' member Share capital portfolio increases gradually, which respondents strongly agreed as per the results in the likert scale. This implies that members' Share capital portfolio increases gradually and hence positively influences Sacco's performance. Results presented in Table 4.7 show a mean of 1.87 that the capital investments continuously sustain customer cash flow requirements, which respondents strongly disagreed as per the results in the likert scale. This implies that Saccos in Machakos County do not have sustainable capital investments and have difficulties to continuously sustain their customer cash flow requirements and hence this affects their performance.

From the above table 4.7 the research results show a mean of 3.55 that the Sacco' financial innovativeness significantly influences Saccos performance. This implies that the Sacco financial innovativeness significantly influences customer catchment, member savings and hence

positively influenced performance. The results presented in table 4.7 show an average mean of 2.61 that the Saccos have not established a sound resource base, and this significantly influences Sacco performance.

These conclusions disagree with the findings of Muturi and Obure (2015) who in their study established a positive relationship between firm resources and performance. From these findings there exists a significant relationship between Sacco Resource base and the performance of the Saccos.

4.4.3 Influence of Finance Policies on Performance of Saccos

The researcher sought to find out the effect of finance policies as a factor on the performance of Deposit Taking Saccos. The results are shown in the table below.

Table 4.8: Influence of Finance Policies on Performance

Statement	1 %	2 %	3 %	4 %	5 %	M	SD
14.Our credit policy is attractive to our customers hence positively influences our performance	9.7	19.4	9.7	29	32.3	2.61	1.407
15.Our Sacco investments policy is conducive to shareholder wealth creation	19.4	9.7	12.9	38.7	19.4	2.90	1.535
16.Our Sacco dividend policy positively contributes to individual wealth increase and protective of Sacco Share portfolio	12.9	32.3	9.7	29	16.1	3.29	1.419
17.Our Sacco members are receptive to the Company credit policy leading to more credit up take	22.6	19.4	6.5	19.4	32.3	2.90	1.535
18. Our credit policy is flexible and facilitates timely credit disbursement and settlement.	22.6	9.7	12.9	29	25.8	3.19	1.621

19. Our Sacco Finance policies are in alignment with government of Kenya Sacco policy and legal structure and therefore positively influence performance.	19.4	16.1	9.7	35.5	19.4	3.19	1.621
20. Our adherence to Central bank of Kenya Interest rating control policy positively influences our Sacco performance.	16.1	12.9	3.2	25.8	41.9	3.26	1.527

The findings in table 4.8 show an average mean of 2.61 that the credit policy is significantly attractive to the customers of Deposit Taking Saccos' which respondents strongly agreed as per the likert measurement scale. From the above table 4.8 the study results finding show an average mean of 2.9 that the Saccos' investments policy significantly influences the performance of the Saccos in Machakos Sub-County This implies that the Saccos' investments policy impacts positively on shareholder wealth and hence positively influenced performance. Table 4.8 show a mean score of 3.29 that the' Saccos' dividend policy significantly influences the performance of Saccos in Machakos Sub-County. This implies that the Saccos' dividend policy is not conducive and does not facilitate individual wealth increase as well as protective of Saccos' Share portfolio.

The results in table 4.8 show a mean score of 2.90 that the Saccos 'members are receptive to the Company credit policy leading to more credit up take, which respondents strongly agreed according to the likert scale. This implies that the Saccos' members are receptive to the company credit policy leading to more credit up take.

Table 4.8 show an average mean of 3.29 that the' Saccos' credit policy is flexible and facilitates timely credit disbursement and settlement, which respondents agreed as per the results in the likert scale. This implies that the Saccos' credit policy is flexible and facilitates timely credit disbursement and settlement.

The findings in Table 4.8 show an average mean of 3.19 that the Saccos'' finance policies are in alignment with government of Kenya Saccos' policy and legal structure, which respondents agreed as per the likert scale. This implies that the Sacco's Finance policies are in alignment with government of Kenya Saccos' policy and legal structure and therefore positively influence performance. The presentation in Table 4.8 show an average mean of 3.26 that the Saccos 'adherence to Central bank of Kenya Interest rating control policy positively influences performance, which respondents strongly agreed as per the likert scale. This implies that the Saccos' adherence to Central bank of Kenya Interest rating control policy positively influences performance and therefore positively influence performance. These findings imply that there is a significant relationship between Sacco Financial policies and organisational performance.

This study agrees with various studies, Biwot (2015) which established a significant relationship between Sacco financial policies and the performance of Saccos. Other studies by Musiega et al. (2015) established that setting up of a cash balance policy ensures prudent cash budgeting and investment of surplus cash. This finding agrees with the findings by Song 'E, (2015) who established a positive relation between finance policies and the performance of Saccos.

4.4.4 Influence of External Factors on Organizational Performance of Saccos

The respondents were asked to indicate the extent to which they agree or disagree with the following statements on table 4.9 regarding the influence of external factors on performance of Deposit Taking Saccos 'in Machakos Sub County.

Table 4.9: Influence of External Factors on Organizational Performance

Statement	1 %	2 %	3 %	4 %	5 %	M	SD
21. Government regulation on Sacco operations positively influences our Performance	15.4	19.2	30.8	15.4	19.2	3.16	1.594

22.Some of the Government regulation on Sacco operations negatively influences our performance	23.1	30.8	19.2	11.5	15.4	3.13	1.500
23.Advancement in Technological development significantly influences our company performance	15.4	15.4	23.1	19.2	26.9	3.42	1.566
24. Adoption of technological innovations has significantly influenced performance of our company.	11.5	15.4	19.2	23.1	30.8	3.71	1.465
25. High expenses in technological adaptation significantly influences our product and service lead times.	29	16.1	6.5	32.3	16.1	2.90	1.535

The results in table 4.9 show an average mean of 3.16 that the government regulation on Saccos 'operations positively influence performances, which respondents were neutral according to the likert scale. This implies that it is not clear whether government regulation on Saccos 'on operations has positive influence on their performance.

Table 4.9 shows an average mean of 3.13 that some of the government regulation on Sacco's operations negatively influences their performance, which respondents disagreed according to the likert scale. This implies that not all government regulation on Sacco's operations negatively influences their performance.

The findings in table 4.9 show an average mean of 3.42 that the advancement in technological development significantly influences performance, which respondents strongly agreed according to the likert scale. This implies that the advancement in technological development significantly influences performance in Saccos'

The research findings in table 4.9 show an average mean of 3.71 that the adoption of technological innovations has significantly influenced performance of our company, which respondents strongly agreed as per the likert scale. This implies that the adoption of technological innovations has significantly influenced performance of Saccos in Machakos Sub-County.

The findings in table 4.9 indicate an average mean of 2.90 that high expenses in technological adaptation significantly influences product and service lead times, which respondents agreed as per the likert scale. This implies that the high expenses in technological adaptation significantly influence product and service lead times and hence affect performance of Saccos in Machakos Sub-County.

These study findings concur with a study by Njuguna (2019) who found out that Saccos are guided by prudential standards that are designed by the Ministry of co-operatives and SASRA. The standards though like the controls by commercial banks they are less strict but good enough to manage the co-operative movement. A study by Mugabi (2016) also posit that the microfinance industry is currently regulated through the Microfinance Act of 2006 which sought to lay the framework of key policies governing the industry.

The above findings are in line with studies by Kipkorir *et al* , (2016) who confirmed that regulatory environment provides more structured and clear guidelines on the operations of Saccos, thus creating more customer confidence and more dynamic and enabling environment for their business growth and good performance.

4.4.5 Results on influence of factors affecting the performance of Saccos

The respondents were asked to indicate the extent to which they agree or disagree with the following statements regarding the performance of Deposit Taking Saccos as shown in the table below.

Table 4.10: Organizational Performance

Statement	1 %	2 %	3 %	4 %	5 %	M	SD
26.Our financial policies significantly influences customer satisfaction	22.6	9.7	3.2	45.2	19.4	3.29	1.488

27. Our financial policies leads to customer retention positively influencing our performance.	19.4	16.1	6.5	41.9	16.1	3.19	1.424
28. Our company financial capacity has facilitated positive return on the company investments	19.4	16.1	3.2	35.5	25.8	3.32	1.514
29. Our company invests in income generating investments which positively influences our performance.	38.7	29	6.5	16.1	9.7	2.29	1.395
30.Our company investments in credit facility to our members is profitable and hence positively influences our performance	12.9	12.9	9.7	41.9	22.6	3.48	1.338
31.Our company capital resource base ensures undisturbed cash flows and credit availability to our customers	25.8	16.1	12.9	25.8	19.4	2.97	1.516
32.Our company technological forces are opportunities for efficiency	22.6	12.9	6.5	35.5	22.6	3.23	1.521
33. Our company regulation mechanisms facilitate growth and more investments.	19.4	19.4	6.5	35.5	19.4	3.16	1.463

Table 4.10 show an average mean of 3.29 that financial policies significantly influence customer satisfaction, which respondents agreed according to the likert scale. This implies that financial policies significantly influence customer satisfaction and hence their performance. Findings in table 4.10 show an average mean of 3.19 that financial policies leads to customer retention, which respondents agreed according to the likert scale. This implies that financial policies lead to customer retention and hence influence their performance.

Table 4.10 show an average mean of 3.32 that Sacco's financial capacity has facilitated positive return on the company investments, which respondents agreed according to the likert scale. This

implies that financial capacity has facilitated positive return on Sacco's investments and hence influence their performance.

Results in Table 4.10 show an average mean of 2.29 that Saccos invest in income generating investments, which respondents strongly disagreed according to the likert scale. This implies that investments by Saccos' in income generating investments are not adequate and this does not positively influence their performance.

Research findings presented in Table 4.10 show an average mean of 3.48 that Saccos' investments in credit facility to their members is profitable, which respondents agreed according to the likert scale. This implies that investments by Saccos' in credit facility to their members is profitable and hence positively influences their performance. Table 4.10 show an average mean of 2.97 that Saccos' capital resource base ensures undisturbed cash flows, which respondents agreed according to the likert scale. This implies that Saccos' capital resource base ensures undisturbed cash flows and therefore influences their performance. Findings in Table 4.10 show an average mean of 3.23 that Sacco's external technological forces are opportunities for efficiency, which respondents agreed according to the likert scale. This implies that technological forces are opportunities for efficiency and hence Saccos 'should begin to invest in them for improved performance.

Findings in the above Table 4.10 show an average mean of 3.16 that Sacco's regulation mechanisms facilitate growth and more investments, which respondents agreed according to the likert scale. This implies that regulation mechanisms in Saccos facilitate growth and more investments and hence positively influences their performance.

4.5 Regression Analysis

The researcher sought to find out the factors affecting the performance of Deposit Taking Saccos in Machakos Town Sub-County, Machakos County. Variables that were considered for the study were external factors, Sacco resources, Sacco financial policies and financial management capacity. These

factors were regressed on the performance of Deposit Taking Saccos in Machakos Sub County, in Kenya and were analysed using SPSS software as below.

Table 4.11 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843[a]	.710	.666	.647

a. Predictors: (Constant), External Factors, Sacco Resources, Sacco Financial Policies, Financial Capacity

The study findings in table 4.11 show that R square is .710 showing that 71.0% of the variations in the performance of Deposit Taking Saccos are caused by the independent variables while 29.% are caused by other factors not accounted for in the study. R is the correlation coefficient showing the relationship between the study variables. From the findings, the study showed that there was a strong positive relationship between the study variables as shown by .843. The adjusted R squared 0.666 indicate that if population was used rather than a sample then the variation in the performance of Deposit Taking Saccos would be 66.6%.

Table 4.12 ANOVA[a]

Model	Sum of Squares	do	Mean Square	F	Sig.
Regression	26.670	4	6.667	15.935	.000[b]
Residual	10.879	26	.418		
Total	37.548	30			

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), External Factors, Sacco Resources, Sacco Financial Policies, Financial Capacity

The findings in table 4.10 above shows that the regression model generated is statistically significant in predicting the relationship between dependent (performance of Deposit Taking Sacco) and independent variable (external factors, Sacco resources, Sacco financial policies and financial capacity). The significance value in testing the reliability of the model for the relationship was obtained as 0.000 which is less than 0.05, the critical value at 95% significance level as indicated by the nova table above. This shows that sample data used was ideal for making conclusions about the population under study.

4.12 Regression Coefficients

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.137	.401		.340	.736
	Financial management Capacity	.701	.157	.791	4.461	.000
	Sacco Resources	-.188	.119	-.225	-1.582	.126
	Sacco Financial Policies	.271	.141	.320	1.923	.065
	External Factors	-.067	.142	-.081	-.470	.643

a. Dependent Variable: Firm Performance

The findings in regression coefficients table above reveal the relationship between the independent variables and the dependent variable as shown by the regression equation which established that: Y = .137 +.701 + -.188 + .271 +-.067. Holding at 95% confidence level to a constant zero, organizational performance of Deposit Taking Saccos would stand at .137 and a unit increase in

financial capacity would lead to an increase in the performance by a factor of .701 while a unit increase in Sacco capital resource base would lead to unit decrease in performance by a factor of -0.188. A unit increase in Sacco financial policies would lead to an increase in performance by a factor of .271 while a unit increase in external factors would lead to a decrease in performance by a factor of -.067. The above research findings show that performance at Deposit Taking Saccos would be highly impacted by financial capacity of and Sacco financial policies in place. The research findings also that Sacco capital resources and external factors would impact negatively on the performance of Saccos in Machakos Sub-County.

CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the summarized findings of the study according to its objectives. It also gives conclusions as well as proposed recommendations for policy implications that can enhance performance in Deposit Taking Saccos in Kenya.

5.2. Summary of Study Findings

The study sought to determine the factors that influence the performance of deposit taking Saccos in Machakos Sub-County. The study used a sample of 34 respondents out of which only 31 questionnaires were received and analysed. The response rate was therefore 91.18% and this response according to the author, was acceptable and satisfactory for the study. The researcher sought to know number of years respondents had worked with Deposit Taking Saccos in Machakos Sub-County. The study showed that majority of respondents 35.5% worked for the Deposit Taking Saccos for between 4-6 years, 29% had worked 3 years and below while, 19.4% between 7-10 years and the remaining 16.1% had worked for more than 10 years. This indicates that majority of respondents had sufficient experience of between 4-6 years in the organization.

The study sought to find out the highest level of education of respondents. The indicated that 29% of the respondents had attained first degree while 32.3 % had diplomas, 19.4% had masters and none of the respondents had a PhD academic qualification. This implies that majority of the respondents were well qualified for the positions they occupied. The study also sought to find out the number of years Deposit Taking Sacco's staff had worked in their current positions. The findings show that majority of respondents 45.2% worked for the Sacco's in their current positions less than three years, 6.5% had worked more than 10 years while, 25.8% had worked between 4-6 years and the remaining 22.6% had worked for between 7-10 years. This indicates that majority of workers at Deposit Taking Sacco's Machakos County had worked in their current positions for less than three years in the Sacco's.

5.2.1. Financial Management Capacity and Organizational Performance

The researcher sought to determine the influence of financial capacity factor on performance of Deposit Taking Saccos in Machakos Sub-county. From the research findings, majority of the respondents strongly agreed that the cash flow management structure and cash management structure positively influence performance in Deposit Taking Saccos.

The study findings are supported by the results showing 29 and 32.4 percent disagreed and strongly disagreed respectively that t their Sacco had sound liquidity management systems in place. This finding is further supported from the results of the analysis showing that 29.2 and 38.7 percent disagreed and strongly disagreed that their Sacco had sound cash management system. The results also revealed a low investment capacity of the Saccos with 25.8 and 41.9 percent disagreement and strongly disagreeing respectively. The study also concluded a low credit management capacity evidenced 25.8 and 19.4 percent of the respondents disagreeing and strongly disagreeing the presence of sound credit management systems in the Saccos. The study also concluded a low credit management capacity evidenced 25.8 and 19.4 percent of the respondents disagreeing and strongly disagreeing the presence of sound credit management systems in the Saccos. These findings are drawn from table 4.6.

5.2.2 Capital Resource and Organizational Performance

The study sought to find out the influence of capital resource base factor on performance of Deposit Taking SACCOs in Machakos Sub-county. The study found a significant relationship between capital resource base and the performance of Saccos in Machakos County. The reveal that 22.6 and 38.7 percent of the respondents disagreed and strongly disagreed respectively that the Saccos had put in place adequate internal capital resources. Additionally, 48.4 and 35.5 percent respectively disagreed and strongly disagreed that the Saccos capital investments are adequate while 41.9 and 32.3 percent respectively agreed and strongly agreed that the Saccos had diversified capital resource bases. The findings further revealed that financial innovativeness has increased customer catchment and members' savings as well as facilitating and positively influencing organizations' performance with 29 and 35.5 percent agreeing and strongly agreeing respectively. These findings represented in

table 4.7 imply a significant relationship between capital resource base and the performance of the Saccos in Machakos Sub-County, Machakos County.

5.2.3 Finance Policies and Organizational Performance

The researcher sought to find out the effect of finance policies as a factor on the performance of Deposit Taking Saccos at Machakos Sub-County. The results of the findings indicate a significant relationship between finance policies and performance of Saccos in Machakos County. This is confirmed by 29 and 32.3 percent of the respondents who agreed and strongly agreed that the Saccos had sound credit policies and 38.7 and 19.4 percent respectively agreeing and strongly agreeing that investment policy was conducive to shareholder wealth creation. Furthermore, 12.9 and 32.3 percent of the respondents agreed and strongly agreed that the dividend policy for the Saccos was attractive to shareholder with a 19.4 and 34.3 percent disagreeing and strongly disagreeing that the members were responsive to the credit policy of the Saccos.

From the research findings, majority of the respondents strongly agreed that credit policy is attractive to the customers of Saccos and that the Saccos members are receptive to the company credit policy leading to more credit up take. They also strongly agreed that the Saccos adherence to Central bank of Kenya Interest rating control policy positively influences performance.

Majority of the respondents agreed that the Saccos investments policy impacts positively on shareholder wealth and hence positively influenced performance. They also agreed that the Saccos credit policy is flexible and facilitates timely credit disbursement and settlement and that the Finance policies are in alignment with government of Kenya Sacco policy and legal structure and therefore positively influence performance.

However, majority of respondents disagreed that Sacco's dividend policy positively contributes to individual wealth increase as well as protective of Sacco share portfolio.

5.2.4 External Factors and Organizational Performance

The researcher sought to find out the effect of external factors as a factor on the performance of Deposit Taking Saccos at Machakos County. The study findings showed a significant correlation between external factors (government regulation and technological adoption) and the performance of Saccos in Machakos County. From the findings 15.4 and 19.2 percent of the respondents disagreed and strongly disagreed while 15 and 19 percent agreed and strongly agreed that government regulation had a significant influence in the performance of Saccos in Machakos County. Additionally, 15.4 and 15 percent respectively disagreed and strongly disagreed that technology adoption has a significant relationship with the performance of Saccos, while another 19.2 and 26.9 percent respectively agreed and strongly agreed that adoption of technology had a significant influence on the performance of Saccos in Machakos County. These findings are confirmed by table 4.9 on influence of external factors and performance of Saccos.

From the research findings, majority of the respondents disagreed that government regulations on Sacco's operations negatively influences their performance. On the other hand, majority of the respondents strongly agreed that the advancement in technological development significantly influences performance in Saccos. They also strongly agreed that the adoption of technological innovations has significantly influenced performance of Saccos in Machakos Sub-County. While most respondents agreed that the high expenses in technological adaptation significantly influence product and service lead times, substantial number were neutral that it was not clear whether government regulation on Sacco's operations has positive influence their performance

5.2.5 Correlational results on significance

The findings in table 4.13 below shows that there is a strong positive correlation between strategy implementation factors and performance of Sacco (r=1). From the table, research findings show that all the four variables- financial capacity, capital resources, external factors and financial policies are relatively correlated as shown by the values. 806**, 426*, .680, ** and.606** respectively in the table. The findings also indicate that the correlation is significant at the 0.01 level (2-tailed) of significance, given that p-value (0.000) is less than alpha (0.01).

Table 4.13 Correlations matrix of the variable

		Firm performance	Financial Capacity	Capital Resources	Financial Policies	External Factors
Firm performance	Pearson Correlation	1	.806	.426	.680	.606
	Sig. (2-tailed)		.000	.017	.000	.000
	N	31	31	31	31	31
Financial Capacity	Pearson Correlation	.806	1	.653	.687	.723
	Sig. (2-tailed)	.000		.000	.000	.000
	N	31	31	31	31	31
Capital Resources	Pearson Correlation	.426	.653	1	.553	.528
	Sig. (2-tailed)	.017	.000		.001	.002
	N	31	31	31	31	31

Financial Policies	Pearson Correlation	.680	.687	.553	1	.731
	Sig. (2-tailed)	.000	.000	.001		.000
	N	31	31	31	31	31
External Factors	Pearson Correlation	.606	.723	.528	.731	1
	Sig. (2-tailed)	.000	.000	.002	.000	
	N	31	31	31	31	31

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

5.3. Conclusion

5.3.1. Financial Management Capacity and Organizational Performance

The findings established that financial capacity affects performance of Deposit Taking Saccos in Machakos Sub-county. The study concludes that majority of the respondents strongly disagreed that the cash flow management system meets the recommended international threshold. They also strongly disagreed that Saccos in Machakos have sound credit management capacity which is essential for significant influence on Sacco's performance. They further disagreed that the Sacco's investments management capacity meets national regulatory threshold as to influences their performance. The results show as well that majority of respondents disagreed that investments in alternative sustainable projects positively influence Sacco's performance.

This implies that cash flow management system should be well established to meet the recommended international threshold for improved performance. The Saccos in Machakos should also put in place sound credit management capacity to facilitate good performance. They study also concludes that Saccos should scale up their investment capacity management capacity to make investments in alternative sustainable projects for improved performance. This finding is supported by studies by Mokua (2015) in a study of deposit taking Saccos in Kenya which established a

positive correlation between financial literacy and the performance of Sacco's and a study by Ombogi (2014) on deposit taking Sacco's in Kajiado County which established a positive correlation between financial literacy and Sacco performance.

5.3.2 Capital Resource base and Organizational Performance

The study revealed that Sacco's diversified capital resource bases as part of capital resource base factor of Deposit Taking Saccos significantly influences performance in Machakos Sub-county. The study concludes that majority of the respondents strongly disagreed that the saccos in Machakos County had adequate internal resource base and that also disagreed that the saccos had adequate capital investments and neither did they have adequate fixed asset base. However, the study concludes that the Saccos had put in place diversified capital bases and had also put in place financial innovativeness in their product and service delivery. The findings conclude a negative correlation between financial resource base and the performance of Saccos in Machakos County. This is confirmed by the regression analysis showing -188.This finding is contradicted by a study of Mulyungi *et al. (*2018) in a study of Umurege Sacco in Rwanda which found that financial resource bases have a positive correlation with the performance of organizations and a study by Ochieng (2018) while studying Sacco's in Nakuru County found that lack of adequate financial resources base had a high chances of success and therefore a high correlation with performance.

5.3.3 Finance Policies and Organizational Performance

The study revealed that finance policies of Deposit Taking Saccos at Machakos Sub-County influence organization's performance. From these findings most of the respondents agreed and strongly agreed that Sacco Finance Policies had a significant relationship with the performance of Saccos in Machakos County. These findings confirm a significant correlation between financial policies and the performance of the Saccos in Machakos County. These findings are supported by table 4.8 on the analysis of the influence of Sacco policies on performance of Saccos in Machakos County.

The study therefore concludes financial policies of Saccos has a positive relationship with the performance of Saccos in Machakos County. The study concludes that the Sacco Policies which include investments policy, credit policy, dividend policy and credit policy is flexible and should be followed for the sake of good performance. However, the study concludes that Sacco's credit policy should be reviewed as to be more receptive to Sacco Shareholders and more credit uptake. This conclusion is supported by the regression analysis coefficient results of 0.271. This finding is supported by studies by y Maiti (2015) on credit policy of Saccos in Nairobi County, Mugambi et al (2015) both of which established a positive relationship between finance policy practices and the performance of Saccos. Furthermore this finding is supported in the study findings by Karagu and Okibo (2014) on financial factors affecting performance of savings Saccos in Kenya have established that dividend policy had a significantly correlation with performance.

5.3.4 External Factors and Organizational Performance

The study found out that external factors have a negative influence on the performance of Deposit Taking Saccos at Machakos County. These findings show that majority of the respondents did not find government regulation and technological adoption to have much significant influence on the performance of Saccos in Machakos County. The study concludes that Saccos regulation adherence is important but does not have much influence on performance. It also concludes that Saccos should adopt technological development and technological innovations as to improve their performance. However, the study concludes that though technological adoption may not necessarily lead to improved performance. The general conclusion is that external factors may negatively influence the performance of Saccos in Machakos County. This is confirmed by the regression coefficients results that showed a – 067 as depicted in 4.5.

This finding are in disagreement with studies by Njuguna (2019) that established that the prudential standards that guide the Sacco operations have positive relationship with performance a study by Mugabi *et al.* (2016) that established that government regulation has a positive correlation with performance. Furthermore, the study conclusion disagrees with a study by Kiprotich *et al.* (2016)

which established a positive relationship between regulation and performance and the findings of Kivuvo and Olweny (2014) which established a positive correlation between external factors and performance.

5.4 Recommendations

5.4.1. Financial management Capacity and performance of Saccos

This study recommends that Deposit Taking Saccos should establish cash flow management system well to meet the recommended international threshold. The Saccos should also put in place sound credit management capacity as to have good performance. They study also concludes that Sacco's investments management capacity should be scaled up to meet national regulatory threshold.

5.4.2 Capital Resource and Organizational Performance of Saccos

This study recommends that the Sacco's enhances prudent use of their resources. This will positively affect their performance.

The study also recommends that Deposit Taking Sacco' s should continue diversifying capital resource but should optimize their internal capital resource and fixed asset resource bases as well as their capital investments. This will enhance their performance.

5.4.3 Finance Policies and Organizational Performance of Saccos

This study recommends that the Saccos should adhere to Central bank of Kenya Interest rating control policy. They should also follow their credit policy as well as investments policy in order to ensure good organizational performance. The study also recommends that they should review their dividend policy to enhance performance.

5.4.4 External Factors and Organizational Performance of Saccos

This study recommends that Deposit Taking Saccos at Machakos County should align its operation with international operational threshold. It should also observe national Sacco regulations. The study recommends that Saccos should follow government regulations strictly and should adopt technology and technological innovations as to improve their performance. Further, the study recommends that

Saccos should be careful on expenses in technological adaptation since they significantly influence product and service lead times and hence on performance

5.5 Recommendations for Further Research

This study recommends further research to be carried out to find the specific financial factors on Deposit Taking Saccos in Machakos Sub-County on performance of the Sacco. Further, research should also be done on the best ways of improving performance of Deposit Taking Saccos in Kenya. Another research can also be carried on factors affecting other financial institutions in Machakos County like Microfinance and banking institutions.

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APPENDIX 1: RESEARCH QUESTIONAIRE:

INTRODUCTION

PERSONAL INFORMATION

My name is Charles Lussa a student in St Paul's University taking a Master of business administration candidate at St Paul's university. I am required to carry out a research as a requirement for graduation**.** I am carrying out the research in Machakos Sub-county focusing on Kwetu Sacco, Mwalimu Sacco and Universal Traders Sacco, all in Machakos Sub-County.

The information you will provide will be useful in helping me come up with appropriate proposals that can improve business financing in Kenya and consequently help in achieving the Kenya vision 2030 of raising the earnings in Kenya by transforming the business sectors in Kenya into an efficient innovative sector.

Participating in this study is voluntary, and your business will not be personalized in any way. Please be assured that this information is sought for research purposes only and your responses will be strictly confidential. No individual's responses will be identified and the identity of the individuals responding will not be published or released to anyone. The protection of your confidentiality is highly regarded to the researcher and to me, as well as St Paul's University.

INFORMATION TO THE RESPONDENTS.

This is to confirm that the data collected in this research will only be used for academic purpose. I therefore request you to feel free and fill the questionnaire.

SECTION A: DEMOGRAPHIC INFORMATION

SECTION A: DEMOGRAPHIC DATA

1. Name of the Organization (Optional)_____
2. Number of years worked in organization?

   Below 3 years [ ]

4-6 years [ ]

7-10 years [ ]

More than 10 years [ ]

3. For how many years have you worked in the current position?

Below 3 years [ ] 4-6 years [ ] 7-10 years [ ] More than 10 years [ ]

4. What is your highest level of education?

Certificate [ ] Diploma [ ] First Degree [ ], Masters [ ].PhD [ ]

5. Below are different statements about factors affecting the performance of your SACCO in your organization? Please express your opinion as to the level of agreement with each of the statements.

Below are different statements factors affecting the performance of deposit taking SACCOS in Machakos Town Constituency, Machakos County? Please indicate the extent of your agreement or disagreements as with each of the statements by ticking either of the Likert scales values 1-5 The Likert scale will use a scale of 1-5 where: 1-Strongly disagree; 2-Disagree; 3-Neutral 4- Agree 5-Strongly agree. However some questions will require YES and No (Please Tick as appropriate).

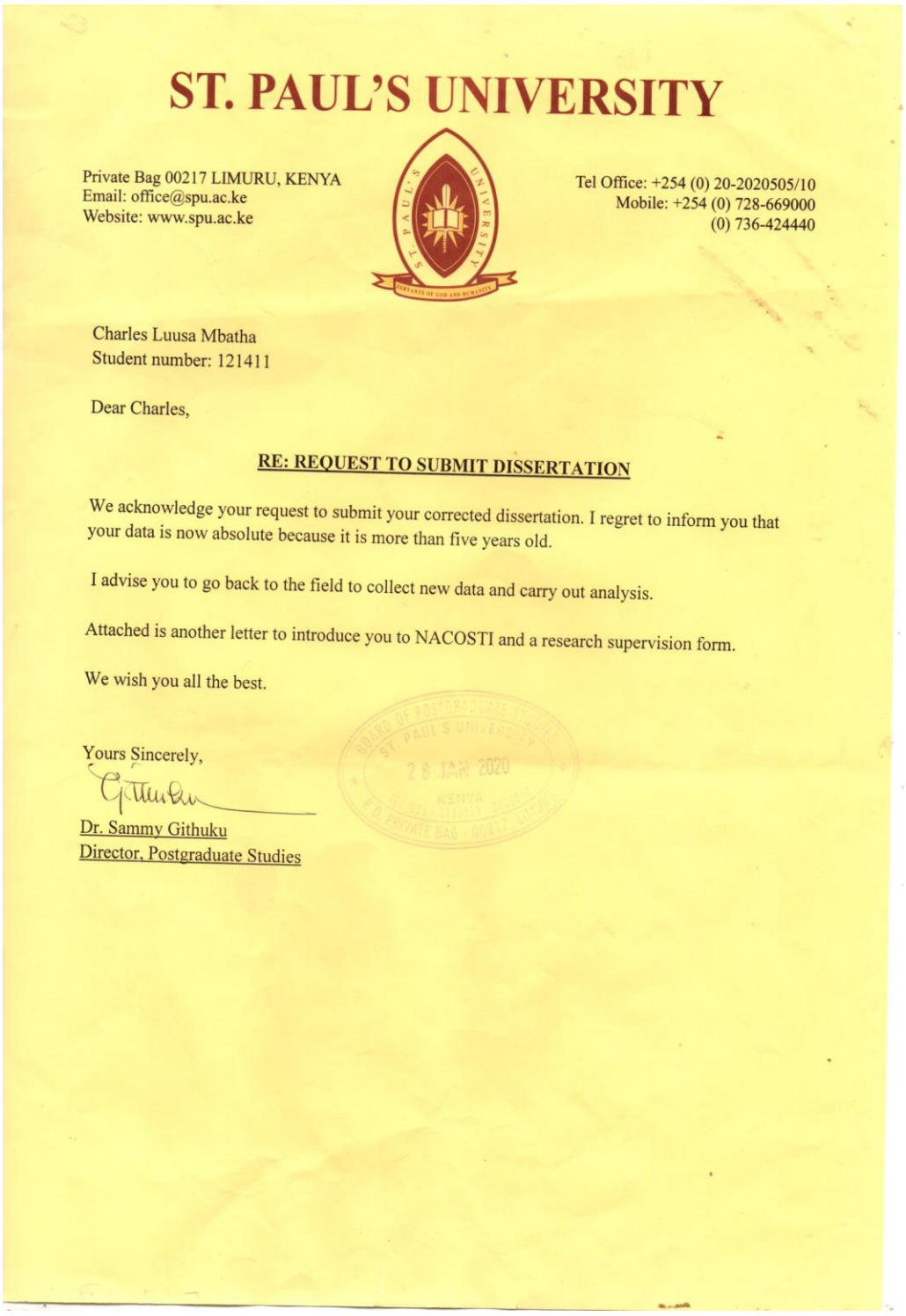
Scale	**1**	**2**	**3**	**4**	**5**
A) INFLUENCE OF FINANCIAL MANAGEMENT CAPCITY ON PERFORMANCE					
1. Our company liquidity management system is up to expected international standards which contribute to good performance.					
2.Our cash flow management system meets the recommended international threshold and contributes to firm performance					
3.Our organizations cash management structure positively influences our organization performance					
4. Our company has a sound debt management capacity which influences our company performance.					
5. Our company has sound credit management capacity which significantly influence our company performance.					

6. Our company investments management capacity meets national standards threshold and hence positively influences our company performance.					
7.Our company invests in alternative sustainable projects positively influencing our performance					
B) INFLUENCE OF CAPITAL RESOURCE BASE ON PERFORMANCE					
8. Our Sacco internal capital resource base is adequate and influences our credit portfolio and hence performance of our organization.					
9. Our Sacco member Share capital portfolio increases gradually and influences credit facility availability to our esteemed customers.					
10. Our company capital investments are adequate and continuously sustain our customer cash flow requirements positively influence our performance.					
11. Our Sacco has diversified capital resource bases facilitating continuous equity equilibrium positively influence our performance.					
12. Our company adopts financial innovativeness facilitating increased customer catchment and savings hence improved Sacco performance.					
13. Our Sacco has established fixed asset resource bases which influences company performance.					
C) INFLUENCE OF FINANCE POLICIES ON PERFORMANCE					
14.Our credit policy is attractive to our customers hence positively influences our performance					

15.Our Sacco investments policy is conducive to shareholder wealth creation hence improved performance					
16.Our Sacco dividend policy is conducive to individual wealth increase and also protective of Sacco Share portfolio					
17.Our Sacco members are receptive to the Company credit policy leading to more credit up take					
18. Our credit policy is flexible and facilitates timely credit disbursement and settlement.					
19. Our Sacco Finance policies are in alignment with government of Kenya Sacco policy and legal structure and therefore positively influence performance.					
20. Our adherence to Central bank of Kenya Interest rating control policy positively influences our Sacco performance.					
D) **INFLUENCE OF EXTERNAL FACTORS ON ORGANIZATIONAL PERFORMANCE**					
21. Government regulation on Sacco operations positively influences our Performance					
22.Some of the Government regulation on Sacco operations negatively influences our performance					
23.Advancement in Technological development significantly influences our company performance					
24. Adoption of technological innovations has significantly influenced performance of our company.					

25. High expenses in technological adaptation significantly influences our product and service lead times.					
E.) ORGANIZATIONAL PERFORMANCE					
26.Our financial policies significantly influences customer product uptake					
27. Our financial policies leads to customer satisfaction and retention positively influencing our performance.					
28. Our company financial capacity has facilitated positive return on the company investments					
29. Our company invests in income generating investments which positively influences our performance.					
30.Our company investments in credit facility to our members is profitable and hence positively influences our performance					
31.Our company capital resource base ensures undisturbed cash flows and credit availability to our customers 32.Our company technological forces are opportunities for efficiency 33. Our company policy regulation mechanisms facilitate growth and more investments.					

APPENDIX 3: Letter from St Paul's University to collect data for research



ST. PAUL'S UNIVERSITY

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Website: www.spu.ac.ke

Tel Office: +254 (0) 20-2020505/10
Mobile: +254 (0) 728-669000
(0) 736-424440

Charles Luusa Mbatha
Student number: 121411

Dear Charles,

RE: REQUEST TO SUBMIT DISSERTATION

We acknowledge your request to submit your corrected dissertation. I regret to inform you that your data is now absolute because it is more than five years old.

I advise you to go back to the field to collect new data and carry out analysis.

Attached is another letter to introduce you to NACOSTI and a research supervision form.

We wish you all the best.

Yours Sincerely,

Dr. Sammy Githuku
Director, Postgraduate Studies

APPENDIX 4: NACOSTI PERMISSION TO CARRY OUT RESEARCH

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **397970**

Date of Issue: **21/May/2020**

RESEARCH LICENSE



This is to Certify that Mr.. CHARLES Luusa MBATHA of St. Paul's University, has been licensed to conduct research in Machakos on the topic: THE CONTRIBUTION OF SACCO SOCIETIES ON THE ESTABLISHMENT OF RETAIL ENTERPRISES IN KENYA: A CASE STUDY OF MACHAKOS SUBCOUNTY for the period ending : 21/May/2021.

License No: **NACOSTI/P/20/5019**

397970

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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The Grant of Research Licenses is Guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014

CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearence from relevant Government Agencies
5. The License does not give authority to tranfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one of completion of the research
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice

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APPENDIX 5: RESEARCH WORKPLAN

Month /YEAR	Research Assignment
June –July 2019	Literature Review
August –Sept.2019	Review and finalize chap.1
November –December 2019	Theoretical and Empirical Literature
January – March 2020	Finalize on Empirical literature/Research Methodology /Questionnaire
April - 2020	Data collection and analysis

APPENDIX10: RESEARCH BUDGET

Month /YEAR	Research Assignment	Specifics /tools	Cost in KSH
June –July 2019	Literature Review	Internet	1000/=
August –Sept.2019	Review and finalize chap.1	Internet	1000/=
November –December 2019	Theoretical and Empirical Literature	Internet	1000/=
January – March	Finalize on Empirical literature/Research Methodology /Questionnaire	Internet	1000/-
April -	Data collection and analysis	Analysis	20,000/-
		TOTAL	24,000