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STRATEGY DETERMINANTS ON ORGANIZATIONAL GROWTH AMONG SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES IN KISII COUNTY

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ABSTRACT

Numerous institutions establishments are currently facing the imminent risk of closure as a result of mismanagement, which has placed them in a precarious financial situation. The SACCOS, totaling 2,200 in number, were declared dormant or unknown by SASRA due to their failure to meet the required criteria. The aforementioned circumstances led to the initiation of a research investigation into strategy determinants on the SACCO growth in Kisii. The main aim in this study was to examine the effect of strategic fund mobilization, strategic investments and strategic information dissemination. The study was founded on Efficiency Structure Theory, Neoclassical Theory of Investment and Modern Portfolio Theory. A total population from staff members in the SACCOS was 342. The sampling methodology was stratified random sampling. The sample size was 68 respondents, which corresponds to 20% of the target population. Data collection was collected using questionnaires. The questionnaire was pilot tested with a sample of six respondents from selected Sacco in Kisii town. The reliability tests were conducted by assessing its Cronbach alpha value. The research employed both descriptive analysis and inferential statistical analyses such as regression and correlation analysis. The SPSS software was utilized to compute percentages, frequencies, mean values, and standard deviations. The study's results showed that SACCOS benefited from strategic fund mobilization, and that this benefit was statistically significant as shown by (β) 0.224, $t=1.859$, p value 0.05). Based on the findings of the the analysis in Saccos in Kisii County, a favourable and statistically significant correlation (β)=0.849, $t=4.438$, $p0.05$) was found between Strategic investment and organizational growth. Still, there was negative as well as notable importance amongst Strategic information dissemination and organizational growth (β) -.161, $t=-.664$, p value 0.05). The study concluded that high member default rates do hurts Sacco growth. Thus, high default rates indicated inadequate financial planning by members, which hampered Sacco expansion. Sacco invests in service diversification to boost SACCO's growth by producing new financial products and entering new markets with stronger growth prospects. The study recommends that authorities should develop mechanisms to help SACCOS access capital for expansion and liquidity management.

Key Words: Strategy Determinants, Organizational Growth, Strategic Fund Mobilization, Strategic Investments and Strategic Information Dissemination.

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BACKGROUND

The Sacco's have been regarded internationally as key channels of economic advancement. According to the membership of the International Cooperative Alliance (ICA), the highest authority on cooperatives in the world, there are close to a billion individuals involved with cooperatives. Numerous nations that have attained a level of economic development each have a thriving and active cooperative sector that has made a significant contribution to the expansion of their respective economies (Barker & Barr, 2018). Hermalin and Weisbach (2018) assert that the Sacco sector has demonstrated persistent growth, with numerous cooperative societies exhibiting a notably substantial financial foundation. Through their Front Office Operation (FOSA), the cooperative societies presently carry out banking operations. In contrast to land acquisition, a significant number of cooperative organizations were formed in the late 1960s and early 1970s with the primary goal of purchasing properties and supporting individual growth. These cooperatives operate in a number of economic sectors, including as general services, manufacturing, housing, finance, and agriculture.

The fact that Savings and Credit Cooperative Organizations (SACCOS) are owned and operated by their members is one of their main advantages. This suggests that the members themselves make democratic decisions about how the organization will operate and how its revenues were distributed. This democratic control ensures that the interests of the members are at the center of all decision-making processes (Alfaraih, Alanezi & Almujaed, 2021). Another advantage of SACCOS is that they provide financial services to their members at lower costs than traditional financial institutions. This is because SACCOS operate on a not-for-profit basis, with any surplus income generated being distributed back to the members in the form of dividends or used to improve the services provided by the SACCO (Seifert, 2019).

Temeche (2019) noted that there particular emphasis placed on the Kalu Woreda credit and savings union in Ethiopia. The cooperative was facing a number of issues, some of which were a decrease in the level of member engagement, a lack of openness and responsibility, and an inadequate level of knowledge and competence within the management committees. In the African country of Ghana, Father John McNulty played a pivotal role in the establishment of the first Savings and Credit Cooperative Society (SACCO) in the region. The initial adopters of Savings and Credit Cooperative Organizations (SACCOS) were predominantly English-speaking nations. The founding members of the initial Savings and Credit Cooperative Organizations (SACCOS) included Ghana, Uganda, Nigeria, Tanzania, and Kenya. During the 1960s, a growing number of African countries where English is not the primary language started to recognize the value of Savings and Credit Cooperative Organizations (SACCOS). This recognition led to a notable increase in the participation and involvement of these countries in the SACCO community during the 1970s (Mwakajumilo, 2018).

Approximately 80% of the Kenyan population relies on SACCOS to be main income avenue, with these entities being pervasive across various sectors of the economy. Nevertheless, SACCOS in Kenya encounter intense competition from various entities within the financial services sector, including commercial banks, microfinance institutions, moneylenders, and investment groups. According to the Republic of Kenya (2019), approximately 63% of the population, which amounts to a significant 24.6 million individuals, are engaged in SACCO businesses either directly or indirectly. However, a significant proportion of 3452 SACCOs, accounting for 51% of the total, were found to be non-operational.

Hundreds of institutions are facing imminent liquidation as a result of mismanagement that has put them into financial hardship. Following the unsuccessful performance on the examination, the SASRA (Savings and Credit Co-operative Societies Regulatory Authority) identified and categorized a total of 2,200 SACCOS to be either dormant or of unknown status. The SASRA report (2020) indicates that there has been unsatisfactory performance of SaCCOS financially. This is evident from the declining average growth rates of deposit-taking Saccos over a three-year period, with the average growth rate reaching 5.23% in 2020. If the current trend persists, it is expected that the market share of Deposit Taking - SACCOs will experience a significant decline. This decline is likely to have negative implications for both their competitive position and their

sustainability. The Deposit Taking - SACCOs exhibited most modest growth rates over the course of three consecutive years. Specifically, the growth rates were recorded at 8.69% in the period of 2017-2018, 7.64% in 2018-2019, and reached 7.51% in 2019-2020. Throughout the span of three years, the rates that were reported were consistently at their lowest.

Loan growth rate can be measured in terms of the total value of loans that the SACCO has provided to members each year, as well as the rate at which the value of loans is growing. As the SACCO is able to offer more loans to members, it is able to help them achieve their financial goals, while also increasing its own profitability (Nyangarika & Bundala, 2020). Measurement of the growth of SACCOs can be accomplished by the utilization of a variety of components. One of the most important measures of the growth of SACCOs is membership. The number of members of a SACCO reflects the popularity of the institution and its ability to attract new customers. The growth of membership can be measured in terms of the number of new members joining the SACCO each year, as well as the total number of members that the SACCO has. As the number of members grows, the SACCO is able to expand its services and increase its profitability (Hezron & Muturi, 2019). Another important measure of the growth of SACCOs is assets. The assets of a SACCO include its cash reserves, investments, and other holdings. As the SACCO grows, its assets should also increase. This is because the SACCO is able to attract more members, offer more services, and make more investments. Both the total value of the assets held by the SACCO and the pace at which the assets are expanding each year can be used to quantify the growth in assets. According to Ekadah and Mboya (2022), one of the most important services that SACCOs offer is the capacity to grant loans to their members.

Statement of the Problem

The SACCO's plays a vital role of pooling resources for investment and wealth creation. They stimulate growth of economy by mobilizing savings done domestically. From the SASRA report (2020), SACCOs operations generate 43% of total GDP. Communities typically create SACCOs to mobilize finances and pool resources while the members take advantage of low borrowing rates and savings plans. However, SACCO, like many other economic entities in Kenya, encounter difficulties in their drive for survival and expansion, according to Ademba (2018) enforcement of SASRA were enacted by the Kenyan government in an effort to slow down the causes of slow growth. The regulator discovered that SACCO management lacked adequate knowledge in prudential management and had poor policies, so they developed policy guidelines to address such shortcomings.

According to Olando, Jagongo, and Mbewa (2020), SACCOs have inadequate wealth growth, which poses a threat to their ability to operate. This jeopardizes their viability in the financial market, which could lead to its total closure. The SACCOs have reported significant losses due to poor management and a lack of competitiveness as a result of their insufficient capital bases, low leadership capacities, bad management, and weak marketing structures. Considering that the government has not provided outright solution to the Co-operative fraternity's poor growth, the issue is still present in Kisii County. According to in their study, Otieno and Okeng'o (2020) conducted an assessment to examine the impact of government financial regulations on the financial performance of Savings and Credit Cooperative Organizations (SACCOs) in Kisii Central, Kenya. An evaluation was carried out by Otieno and Okeng'o (2020) with the purpose of determining the influence that government financial laws have on the financial performance of Savings and Credit Cooperative Organizations (SACCOs) in the region of Kisii Central, Kenya.

The researchers obtained statistical data from SASRA report (2020) which revealed that the Deposit Taking - SACCOs exhibited most modest growth rates over the course of three consecutive years. Specifically, the growth rates were recorded at 8.69% in the period of 2017-2018, 7.64% in 2018-2019, and reached 7.51% in 2019-2020. Throughout the span of three years, the rates that were reported were consistently at their lowest. Further statistical data from the District Cooperative Office in Kisii Central, which revealed that the annual withdrawal rate among SACCO members is approximately 6%. The empirical and conceptual gaps observed

where some studies did not focus on strategy determinants and variables used were not in relation to strategic fund mobilization, strategic investments, strategic information dissemination and portfolio loan quality. This prompted a study to be carried out to address strategy determinants of growth of SACCOs in Kisii County..

Objectives of the Study

- To assess the influence of strategic fund mobilization on organizational growth of savings and credit co-operative societies in Kisii County..
- To establish the influence of strategic investments on organizational growth of savings and credit co-operative societies in Kisii County..
- To determine the influence of strategic information dissemination on organizational growth of savings and credit co-operative societies in Kisii County...

Theoretical Framework

This research was grounded on the following theories;

Efficiency Structure Theory

The Theory of Efficient Structures was formulated by Demsetz in 1973. Based on the theoretical framework, it is posited that in response to market competition, proficient enterprises prevail over their adversaries and undergo expansion, resulting in increased size, market share, and financial gains. Advocates of the theory contend that greater administrative capability and proficiency in managing scale led to heightened levels of effort and profitability. One of the essential abilities that the Sacco should possess is a set of knowledge skills. These skills encompass the ability to enhance both social and educational systems, as well as the ability to effectively manage costs while striving for cost savings without compromising quality. The ultimate goal of these skills is to promote productivity within the Sacco (Fama, 2015).

This theory holds significance in the context of this study as it illustrates the correlation between the efficiency of SACCO institutions and their growth. According to this theory, the successful management of mobilized funds sufficiency, cash management, asset quality, and loan repayments is considered a key factor in achieving financial growth for (SACCOS).

Neoclassical Theory of Investment

The enhancement of a firm's benefit and prosperity over time forms the foundation of the neoclassical theory of investment. The investment process, according to this theory, is a dispersed delayed function of changes in the needed capital. The production quantity, consumer capital expense, and output price all influence the necessary or wanted capital. According to the theory, businesses spend to increase their earnings and will fund initiatives that offer the best yields at the lowest costs. The theory further posits that firm administrators operate in the best interests of the firm's clients and that the cost of capital is constant and irrespective of the amount of expenditure. However, in practice, companies might not have full access to all the necessary data, and their projections might be inaccurate. The neoclassical theory of investment can help "SACCOS analyze the success of their investment assets, examine prospective investments, and determine interest rates for their financial goods. Thus, the theory contributes to the explanation of how strategic expenditures affected the expansion of "SACCOS in Kisii County.

Modern Portfolio Theory

Harry Markowitz developed Modern Portfolio Theory, a financial theory, in the 1950s. MPT contends that varying an investor's financial selection will lower risk and boost yield. According to MPT, a shareholder should pay attention to their entire collection of assets rather than just a single one. According to MPT, investors can lower the total risk of their portfolios without losing anticipated profits by spreading their investments across a variety of assets. This is so that the risk can be spread out and the return can be steadied. The fact that "SACCOS can use MPT to control their risk exposure makes this theory relevant to the research.

By looking at the relationships between different assets, SACCOS can identify assets that have a poor or unfavorable link with other items in their inventory. This means that the success of other assets in the inventory might not be impacted if one of them suffers a bad jolt. This can aid in lowering portfolio risk and improving return consistency. As a result, MPT can help explain how portfolio credit quality has an impact on the expansion of “SACCOS in Kisii County.

Empirical Framework

Strategic Fund Mobilization and Growth of SACCOS

In Nairobi, Kenya, Kimeli, Muganda, and Ogendo (2022) carried out a study to ascertain the effect of finances and the policies of Credit Cooperative Societies on the mobilization of the money of their members. Of the five thousand and two hundred Savings and Credit Cooperative Organizations (SACCOS) in Nairobi, a sample of thirty members was selected at random. In addition, a survey was conducted regarding 180 members of the SACCO, who were chosen from a community that consisted of 150,000 individuals. The selection of these products was carried out in a completely random fashion. The questionnaire being semi-structured was used to collect information from the 210 individuals as sample. The analysis involved multiple linear regressions, According to the results, the amount of savings that are accumulated is significantly influenced by the options for investment as well as the conditions that intervene in the process. At a confidence level of 99%, the data indicated that the two primary factors that stood out as significant were the prospects for investment and the variables that intervened in the process.

Strategic Investments and Growth of SACCOS

The research that was carried out by Karanja, Wepukhulu, and Matanda (2024) investigated the kinds of investments that deposit-taking savings societies in Kenya made and the results that they obtained financially. The findings of the study and their conclusions were derived using secondary data that was reachable. The observations that were going to be used covered the time period from 2023 to 2021, and the population consisted of eleven different deposit-taking societies, sometimes known as Saccos. From the information that was acquired, a statistical analysis that was both descriptive and inferential was carried out. Both correlation and regression analysis were carried out as analytical methods in order to facilitate the interpretation of the relationship that exists between the variables that were chosen for the study. Regarding the analysis, STATA 15 was utilized. According to the findings of the study, the management of deposit taking societies Saccos has the ability to reinvigorate their organization's financial capabilities in terms of asset operations and asset returns by making decisions regarding asset renewal. These Saccos in Kenya witnessed a beneficial influence on their financial performance as a result of the decisions they made about investments.

Strategic Information Dissemination and Growth of SACCOS

The research conducted by Kwamanga (2016) looked at strategic information systems on the success of lending companies in Nairobi County, Kenya. The research questioned 56 microfinance banks using surveys, and found that despite having internet access and remote locations, consumers still encountered lengthy waiting periods due to system inefficiencies. Moreover, many of the clients' information was not properly displayed at the store level due to sporadic system failures. However, the research did demonstrate a favorable link between the use of independent factors such as online banking, mobile banking, and automatic teller machines, and the success of microfinance banks in Nairobi County.

Conceptual Framework

Research uses conceptual frameworks to outline potential possibilities or to provide the optimal strategy, which includes defining the problem and objective, doing a literature study, developing a methodology, gathering data, and conducting the final analysis (Peil, 2023).

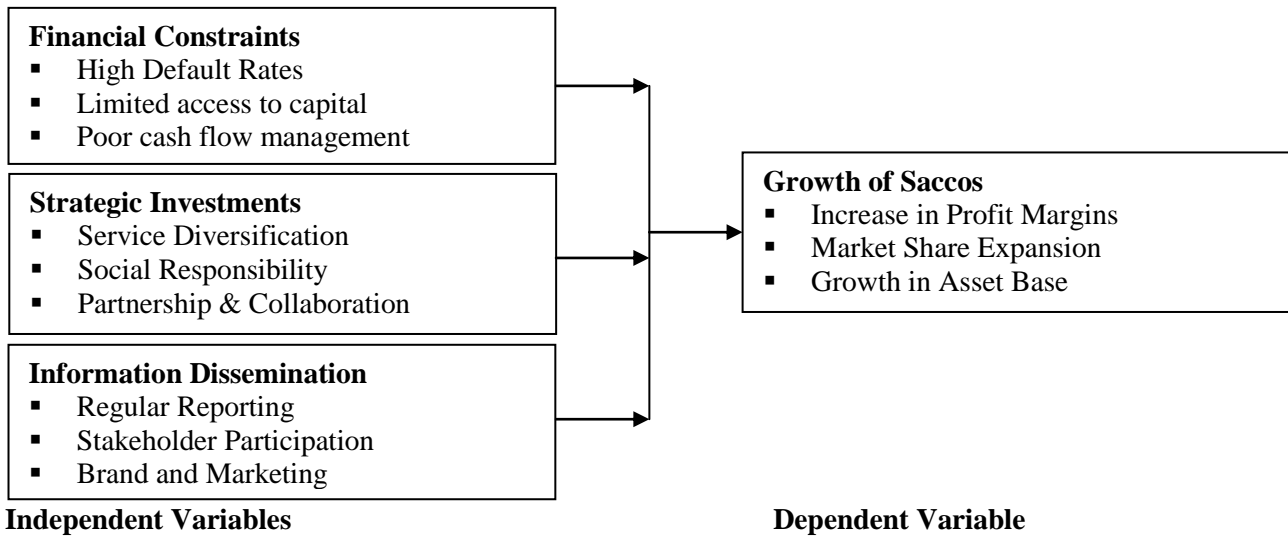


Figure 1: Conceptual Framework

Source: Researcher (2024)

METHODOLOGY

The study adopted a descriptive research design. The population of study was seven SACCOS situated in Kisii Town. The study's target group was staff from the seven selected SACCOS in Kisii Town. Therefore, a total of 342 staff were targeted. In sampling, the study respondents were selected using a stratified random sampling procedure. Population for sampling comprised of Gusii Mwalimu Sacco with a population of (51), Wakenya Pamoja Sacco (62), Kenya Achieves Sacco (55), Afya Sacco Kisii branch (41), Chai Sacco (55), Mwalimu National Sacco (45) and Waumini Sacco (33). The sample size was 68 respondents. Data for this research was gathered by use of questionnaire. Validity tests were confirmed by supervisor and research experts. Reliability tests were tested using Cronbach alpha value 0.7 as the threshold. In data analysis, both descriptive which included frequency, percentage, mean and standard deviation. Inferential statistics included regression analysis and while Pearson correlation in order to assess relationship existing among the numerous independent variables and the dependent variable. Presentation of major findings was accomplished by use of tables.

FINDINGS

Table 1: Strategic Fund Mobilization

Statement	SD F (%)	D F (%)	N F (%)	A F (%)	SA F (%)	Mean	Std. Dev.
The Sacco records high default rates from the members	9(15.8)	14(24.6)	4(7.0)	17(29.8)	13(22.8)	3.19	1.44
High default rates indicates that members have poor financial planning	5(8.8)	6(10.5)	20(35.1)	7(12.3)	19(33.3)	3.50	1.29
SACCOS charge high interest rates to manage strategic fund mobilization which affects its growth	19(33.3)	22(38.6)	5(8.8)	4(7.0)	7(12.3)	2.26	1.32
High interest rates indicates that the Sacco has a low saving mobilization which affects its growth	9(15.8)	16(28.1)	8(14.0)	8(14.0)	16(28.1)	3.10	1.48
Low loan disbursement is a sign of strategic fund mobilization	5(8.8)	8(14.0)	3(5.3)	25(43.9)	16(28.1)	3.68	1.26
Sacco members have low creditworthiness which negatively affects the growth of the SACCOS	3(5.3)	10(17.5)	4(7.0)	19(33.3)	21(36.8)	3.78	1.26

Source: Research Data (2024)

Presentation shown on table 1 showed that the SACCOs records high default rates from the members which has negative impact on the growth of the SACCOs. There was a consensus among the majority of respondents as depicted by mean of 3.19 and std. dev. 1.44. The study found High default rates which indicates that members have poor financial planning skills which affects growth of the SACCOs as depicted by a mean of 3.50 and Std. dev. of 1.29. It was also established that SACCOs do not charge high interest rates to manage strategic fund mobilization which affects its growth as shown by a mean of 2.26 and Std. dev. of 1.32. The analysis revealed that high interest rates indicate that the SACCOs have a low saving mobilization which affects its growth. This was represented by a mean of 3.10 and Std dev. of 1.48. The study found that low loan disbursement is a sign of strategic fund mobilization among members which affects the growth of SACCOs. This was supported by mean of 3.68 and Std. dev. of 1.26. Findings show that SACCO have low creditworthiness which negatively affects the growth of the SACCOs as depicted by a mean of 3.78 and std. dev. of 1.26. Therefore, the high default rates were an indication of members had poor financial planning skills which affected growth of the SACCO.

Thus, it was confirmed that the high interest rates indicates that the Sacco had a low saving mobilization although other respondents also disagreed implying that rates were charged based on the riskiness of the borrowers where riskier ones could have been subjected to higher rates compared to less risk ones with low rates. It was also revealed that low loan disbursement is a sign of strategic fund mobilization among members with which the aim of retaining funds meant for other investment opportunities on behalf of members. The finding was considered similar to Kimeli, Muganda, and Ogendo (2022) who found that savings mobilization is influenced to a large extent by both investment opportunities and intervening factors. It was also revealed that some of the Sacco members had low creditworthiness which negatively affected the growth of the SACCOS resulting disbursement of fewer loans to selected creditworthiness members. The analysis was related to findings by Mwendwa (2018) who found that the low capital bases are further exacerbated by lenders' risk sensitivity toward the success of MFIs, which deters them from financing to these tiny organizations.

Table 2: Strategic Investments

Statement	SD F (%)	D F (%)	N F (%)	A F (%)	SA F (%)	Mean	Std. Dev.
The Sacco invests in service diversification which enhances the growth of SACCOS	5(8.8)	5(8.8)	3(3.53)	12(21.1)	32(56.1)	4.07	1.33
Service diversification such as developing new financial products and expanding into new markets enhances	6(10.5)	7(12.3)	4(7.0)	14(24.6)	26(45.6)	3.82	1.40
The Sacco has invested in expanding branch network	3(5.3)	8(14.0)	3(5.3)	11(19.3)	32(56.1)	4.07	1.29
The Sacco invests in community development programs	0(00.0)	11(19.3)	2(3.5)	12(21.1)	32(56.1)	4.14	1.17
The Sacco promotes environmental sustainability initiatives	0(00.0)	5(8.8)	5(8.8)	13(22.8)	34(59.6)	4.33	0.96
The Sacco has formed partnership with private investors	0(00.0)	0(00.0)	7(12.3)	18(31.6)	32(56.1)	4.43	0.70

Source: Research Data (2024)

The study established that the SACCOs do invests in service diversification which enhances the growth of SACCOs as evidenced by mean of 4.07 and std. dev. of 1.33. It was established that service diversification such as developing new financial products and expanding into new markets enhances the growth of the

SACCOs as evidenced by mean of 3.82 and std. dev. of 1.40. The analysis revealed that the SACCOs have invested in expanding branch network which enhances its growth as evidenced by mean of 4.07 and std. dev. of 1.29. The study found that the SACCOs invest in community development programs such as promoting financial literacy as shown by mean of 4.14 and std. dev. of 1.17. The Sacco promotes environmental sustainability initiatives which positively affects its growth and shown by mean of 4.33 and Std. dev. It was established that the SACCOs have formed partnership with private investors which positively affects its growth as represented by a mean of 4.43 and std. dev. 0.70. Strategic investment had influence on Sacco growth. The study found that since Sacco do invest in service diversification that enhances the growth of SACCOs and this was found to involve developing new financial products and expanding into new markets with better opportunities for growth. Some of other approaches included identifying strategies to expanding branch network that was ultimately found to promote growth. The findings were also in agreement with those provided by Kamotho and Ombui (2018) who found that SACCOs had strong investment committees that actively included interested parties in the process of making decisions regarding all investments.

The reveals that the Saccos have been investing in community development programs such as promoting financial literacy and still focusing on promoting environmental sustainability initiatives which positively affects their growth. Nonetheless, these results were at odds with those reported by Abdikadir (2023), who discovered a positive correlation between financial institutions' return on assets, building investments, and government stock investments. Still analysis revealed that Sacco have been forming partnership with private investors which positively affects their growth. However, others who failed to support could imply that some of the partnerships may not be bringing the expected returns.

Table 3. Sstrategic Information Dissemination

Statement	SD F (%)	D F (%)	N F (%)	A F (%)	SA F (%)	Mean	Std. Dev.
The Sacco provide regular and timely financial reports	1(1.8)	7(12.3)	4(7.0)	13(22.8)	32(56.1)	4.19	1.12
The Sacco provide regular operational reports to the employees	4(7.0)	3(5.3)	5(8.8)	43(75.4)	2(3.5)	3.63	0.91
The Sacco solicits feedback from the stakeholders which enhances performance	10(17.5)	4(7.0)	7(12.3)	27(47.4)	9(15.8)	3.36	1.33
The Sacco responds to customer inquiries and concerns which positively affects the growth of the Sacco	25(43.9)	23(40.4)	2(3.5)	3(5.3)	4(7.0)	1.91	1.15
The Sacco involves stakeholder in decision making which enhances performance of the Sacco	6(10.5)	5(8.8)	4(7.0)	10(17.5)	32(56.1)	4.00	1.40
The Sacco has invested in brand and marketing initiatives to promote their services	8(14.0)	25(43.9)	3(5.3)	12(21.1)	9(15.8)	2.80	1.35

Source: Research Data (2024)

The presentation shown revealed that the Sacco provide regular and timely financial reports to the stakeholders which enhances performance as confirmed by a mean of 4.19 and std. dev. of 1.12. The SACCOs provide regular operational reports to the employees and customers which enhances performance as confirmed by a mean of 3.63 and std. dev of 0.91. The Sacco solicits feedback from the stakeholders which enhances performance as shown by a mean of 3.36 and std. dev. of 1.33. The SACCOs rarely responds to customer inquiries and concerns which positively affects the growth of the Sacco as represented by a mean of

1.91 and std. dev. of 1.40. The SACCOs involves stakeholder in decision making which enhances performance of the SACCOs and evidenced by mean of 4.00 and std. dev. of 1.40. Only a few SACCOs have invested in brand and marketing initiatives to promote their services and products which leads to growth as confirmed by a mean of 2.80 and std. dev. of 1.35. The analysis revealed that some of the SACCOs involved in the study were able to provide regular and timely financial reports to the stakeholders an indication that some efforts are being made by the Sacco management to have all the financial consumed by the relevant stakeholders. These findings were not related Kavulya *et al.* (2018) who noted that the implementation of a technological adoption strategy is advantageous for Saccos regarding provision of information by use of technology systems. Findings further revealed that Sacco have been seeking feedback from the stakeholders but do not respond to customer inquiries and concerns on timely basis. However, there was no close relationship with findings provided by other researcher for instance, a study by Kwamanga (2016) noted that despite having internet access and remote locations, consumers still encountered lengthy waiting periods due to system inefficiencies.

Table 4: Portfolio Loan Quality

Statement	SD F (%)	D F (%)	N F (%)	A F (%)	SA F (%)	Mean	Std. Dev.
The Sacco has a thorough loan application process	21(36.8)	24(42.1)	3(5.3)	6(10.5)	3(5.3)	2.05	1.15
The Sacco adherence to loan approval criteria	5(8.0)	16(28.1)	4(7.0)	22(38.6)	10(17.5)	3.28	1.29
The Sacco has loan monitoring and reporting systems	3(5.3)	13(22.8)	3(5.3)	25(43.9)	13(22.8)	3.56	1.22
The Sacco tracks loan performance which lowers cases of loan default	5(8.8)	11(19.3)	9(15.8)	21(36.8)	11(19.3)	3.38	1.25
The Sacco conduct regular loan reviews	2(3.5)	9(15.8)	6(10.5)	20(35.1)	20(35.1)	3.82	1.18
The Sacco has credit policies to manage the loan	18(31.6)	24(42.1)	5(8.8)	4(7.0)	6(10.5)	2.22	1.26

Source: Research Data (2024)

The presentations showed that the Saccos lack a thorough loan application process which ensures that only eligible clients get the loan as shown by a mean of 2.05 and Std. dev. of 1.15. The Sacco adheres to loan approval criteria which lowers the risks of loan defaults and was supported by mean of 3.28 and std. dev. of 1.29. The Sacco has loan monitoring and reporting systems which helps in maintaining loan quality hence growth of the Sacco and this was provided by a mean of 3.56 and std. dev. 1.22. The Sacco tracks loan performance which lowers cases of loan default hence promoting growth as evidenced by mean of 3.38 and std. dev. of 1.25. The Sacco conduct regular loan reviews to identify loans at risk and take appropriate action hence promoting growth of the Sacco and was provided by a mean of 3.82 and std. 1.18. From the analysis, it was confirmed that majority of SACCOs lack credit policies to manage the loan which promotes growth of the Sacco and depicted by a mean of 2.22 and std. dev. of 1.26. The study showed that the Saccos involved in this study may not be having a thorough loan application process that only ensures eligible clients get the loan. This implied that some of the members could be securing loans without thorough creditworthy assessment. These findings corroborated with those provided by Ochola (2019) who revealed that there was a significant correlation between the legal framework, microeconomic ambiguity, company, and loan traits, which determine the value of business security in a loan portfolio.

The results revealed that the Saccos were having loan monitoring and reporting systems that were aimed at helping in maintaining loan quality. Some efforts were put in place to ensure that all loans advanced to borrowers are able to be recovered. This was evidenced by responses showing that Sacco tracks loan

performance which lowers cases of loan default; therefore, this required that the Sacco had to conduct regular loan reviews to identify loans at risk and take appropriate action in order to promote consistent growth. However, some Saccos did not have thorough credit policies to manage; as a result, it could pave way to cases of default resulting to low growth. These findings relate with Gatimu (2022) who found that loan restructuring, guarantee policies, credit monitoring, and credit management procedures are significant factors influencing non-performing loans (NPLs) in (SACCOs) which affects growth of Saccos.

Inferential Analysis

Table 5: Correlation Analysis

Inferential analysis covers the regression and correlation analysis;

		Growth of SACCOs	Strategic fund mobilization	Strategic investment and growth	Strategic information dissemination
Growth of SACCOSS	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	57			
Strategic fund mobilization	Pearson Correlation	.758**	1		
	Sig. (2-tailed)	.000			
	N	57	57		
Strategic investment	Pearson Correlation	.495**	.864**	1	
	Sig. (2-tailed)	.000	.000		
	N	57	57	57	
Strategic information dissemination	Pearson Correlation	.510**	.878**	.978**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	57	57	57	57

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

Inferential analysis covers the regression and correlation analysis.

The results of the correlation analysis as shown in Table 5, indicated that; the relationship between strategic fund mobilization and organizational growth among SACCOs was positive, strong and statistically significant at 0.05 level of significance ($r=0.758$; $p<0.05$), the correlation between strategic investments and organizational growth among SACCOs, was positive, strong and statistically significant ($r = 0.495$, $p<0.05$), the relationship between strategic information dissemination and organizational growth among SACCOs was established to be positive, strong and statistically significant ($=0.510$; $p<0.05$), the correlation between portfolio loan quality and organizational growth among SACCOs, was positive, strong and statistically significant ($r = 0.934$; $p<0.05$). Therefore, it was imperative to infer that there was a great likelihood that the aforementioned strategic determinants, would result in substantial improvement of growth of SACCOs. The results concurred with Gatimu (2022) who conducted a study on the influence of strategic management practices on non-performing loans in Kenyan deposit-taking savings and credit cooperatives where the study concluded that loan restructuring, guarantee policies, credit monitoring, and credit management procedures are significant factors influencing non-performing loans (NPLs) in (SACCOs) which affects growth of SACCOs. This revealed that some of the SACCOs had recorded an increase in asset base for the past years implying that notable growth is being experienced.

Regression Analysis

Table 6: Regression Analysis Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.960 ^a	.922	.916	.39707

a. Predictors: (Constant), Strategic investment and growth, Strategic fund mobilization, Strategic information dissemination.

The adjusted R-square is a statistical measure known as the coefficient of determination, which quantifies the proportion of variation in this case growth of SACCOS and can be attributed to changes in strategy determinants. According to the results presented in Table 16 the adjusted R-square value was found to be 0.922, indicating that approximately 92.2% of the variation in organizational growth of SACCOS can be attributed to factors comprising of strategic fund mobilization, strategic investments, strategic information dissemination and portfolio loan quality. These findings were obtained with a 95% confidence interval. Moreover, it can be inferred from this study that other variables account for 7.8% of organizational growth, indicating the need for future investigation to address this knowledge gap.

Table 7: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.679	4	24.170	153.298	.000 ^b
	Residual	8.199	52	.158		
	Total	104.877	56			

a. Dependent Variable: Growth of SACCOS

b. Predictors: (Constant), Portfolio loan quality, Strategic investment, Strategic fund mobilization, Strategic information dissemination.

In the study shown in table 7, it was discovered through analysis that each of the factors listed below strategic fund mobilization, strategic investments, strategic information dissemination and portfolio loan quality —had a significant impact on organizational growth. As a result in the analysis, it was discovered that the regression model had indicated a significance level of 0.000%, proving that the data used in this study were appropriate for inferring information about population parameters because the level of significance was less than 0.005, the minimum point at which inferences can be considered valid. The value of F (153.298), which remains constant, is obtained by dividing the regression's mean by the residue's mean. The data was significant for drawing the conclusion that the predictor variables, which are strategic fund mobilization, strategic investments, strategic information dissemination and portfolio loan quality, show variation in the dependent variable, which is organizational growth. The significance value indicated by this value, 0.000, is considered to be lower than the approximated value of 0.005.

Table 8: The Regression Coefficient Results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.134	.290		.461	.647
Strategic fund mobilization	.224	.120	.236	1.859	.069
Strategic investment	.849	.191	.828	4.438	.000
Strategic information dissemination	-.161	.242	-.132	-.664	.510

a. Dependent Variable: Growth of SACCOS

The following multiple linear regressions model was used.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

The analysis revealed that there exist a positive and still statistically significant relationship between Strategic fund mobilization against organizational growth of SACCOs (β) 0.224, $t=1.859$, p value 0.05). The findings of the analysis suggested that a unit adjustment in Strategic fund mobilization would influence organizational growth of SACCOs by 0.224 units, provided that all other factors were held constant.

Based on the findings of the the analysis in SACCOs in Kisii County, a favourable and statistically substantial correlation (β)=0.849, $t=4.438$, $p=0.05$) was found between Strategic investment and organizational growth of SACCOs. When controlling other factors or keeping other variables constant, the analysis suggested that a one-unit increase in Strategic investment may contribute towards 0.849 unit change in organizational growth of SACCOs.

It was further established that there was negative and substantial relationship between the Strategic information dissemination and organizational growth of savings and credit co-operative societies (β) -.161, $t=-.664$, p value 0.05). According to the findings of the investigation, suggested that a one-unit increase in Strategic information dissemination would lead to a -.161 unit change in organizational growth of SACCOs.

CONCLUSION

In strategic fund mobilization, the study concluded that high member default rates do hurts SACCOs growth. Thus, high default rates indicated inadequate financial planning by members, which hampered SACCOs expansion. This is despite SACCOs not charging high lending rates to mobilize strategic funds to boost growth. The study found that the SACCOs had low saving mobilization due to high interest rates even though the rates were charged based on borrower risk, with riskier borrowers paying higher rates than less risky ones. It was also found that limited loan disbursement indicates intentional fund mobilization among members to retain funds for subsequent investment opportunities. Some SACCOs members had low creditworthiness, which limited SACCOs' expansion and reduced loan disbursement to selected members.

The study concluded that SACCOs invests in service diversification to boost SACCOs growth by producing new financial products and entering new markets with stronger growth prospects. Another method was identifying branch network expansion techniques that promoted growth. The SACCOs have invested in community development programs include financial literacy and environmental sustainability, which has helped them flourish. The SACCOs have partnered with private investors, which boosts growth. Some of the SACCOs in the study were able to offer frequent and timely financial reports to stakeholders, indicating that the management is trying to get all the financial information to the stakeholders. SACCOs has been soliciting stakeholder opinion, suggesting that client comments may help make educated investment decisions using SACCOs funds. The non-supporters' comments showed that SACCOs do not reply to consumer enquiries and complaints quickly, which could mean they are missing out on client suggestions that could help them develop in Kisii County.

RECOMMENDATIONS

The authorities should develop mechanisms to help SACCOs' access capital for expansion and liquidity management. This may include partnerships with financial institutions or the creation of specialized funds for SACCO capitalization. Facilitate collaboration among SACCOs and with other financial institutions. Encourage the formation of SACCOs' networks or associations to share best practices and promote collective growth. The service users should actively participate in SACCOs' activities and meetings. They should regularly attend general meetings, contribute to discussions, and vote during elections. Engaging in the day-to-day of the SACCO helps ensure transparency and accountability. For information dissemination, other stakeholders should consider providing accurate and up-to-date information about SACCO services, products,

and opportunities through various media channels. SACCOs play a significant role in Kenya's financial sector and have a substantial impact on economic development. The SACCOs management should invest in digital solutions such as mobile banking, online account access, and digital loan processing to improve member convenience and operational efficiency. There is need to explore partnerships with mobile money providers and fintech companies to expand the digital offerings.

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