

Influence of strategic financial resources on performance of deposit taking SACCOs in Kiambu County, Kenya”

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Abstract

Savings and Credit Co-operatives (SACCOs) face challenges in keeping up with technological advancements and competition from larger financial institutions like commercial banks. The utilization of strategic resources defines their competitive advantage and performance. This study examined the impact of strategic financial resources on the performance of deposit-taking SACCOs in Kiambu County, based on the resource-based view theory. A descriptive survey research design was used, targeting 227 management staff in Kiambu County, including 26 top-level, 67 middle-level, and 134 lower-level managers. Stratified sampling selected a sample of 14 top-level, 36 middle-level, and 71 lower-level managers. Primary data was collected via a semi-structured questionnaire, administered using the drop and pick method. The instrument's face and content validity was verified, and reliability was measured using Cronbach's alpha (α), with a coefficient of 0.7 or higher deemed adequate. Data analysis involved descriptive and inferential techniques. R^2 assessed the model's predictive power, and the F -statistic evaluated model fitness. The significance of variables influencing SACCO performance was determined by P -values at a 0.05 significance level. Findings indicated a moderate deployment of strategic financial resources and a positive correlation with SACCO performance. These resources were statistically significant in predicting performance. The study concluded that strategic financial resources have a substantial impact on SACCO performance. It recommends that SACCO management focus on acquiring and optimally utilizing these resources to improve performance.

Keywords: Deposit Taking SACCOs, Financial Management Practices, Performance, Strategic Financial Resources, Small and Medium Enterprises (SMEs).

AJCDT, Vol. 8 No. 1 (December, 2023), pp. 30 – 43, © 2023 Authors

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