

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).

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INTRODUCTION

Background of the Study: Over the years, deposit taking Savings and Credit Cooperatives (SACCOs) have been instrumental in economic growth and development, particularly, in the developing world. Deposit taking SACCOs are financial institutions that accept deposits and advance loans to the members of the public (World Council of Credit Unions, 2018). However, the performance of SACCOs has been going through a major shift in the past two

decades (Feather & Meme, 2018). It is worth noting that SACCOs operate in an ever-fluctuating environment and ought to always change for them to preserve their competitive position within the industry. For this reason, it is inevitable for them to identify, obtain and configure strategic resources at their disposal (Feather & Meme, 2018). It should be noted that Sacco industry in Kenya is the largest in Africa accounting for 5.7 percent of total assets to GDP ratio (Solidaridad, 2022). Kiambu

County plays a key role in hosting these SACCOs due to its proximity to Nairobi County that hosts the capital City of Kenya. SACCOs in Kiambu County, have leveraged on rapid adoption of technology and innovations in the provision of financial services and products coupled with the opening up of the common membership bond (SASRA, 2020). The region witnessed 11.8% growth in total assets in 2019 and 13.2% in 2020. At the same time deposits members, grew by 11.3% in 2019 and 17.7% in 2020. However, cost to income ratios and credit risk remains high with non-performing loans increasing from 5.2 percent in 2016 to 9.1 percent by June 2020 (SASRA, 2020). If an organisation can obtain strategic resources, they can gain competitive advantage manifested in higher profitability, larger market share, advanced technology, and customer loyalty. Resources are said to be strategic if they are Valuable, Rare, difficult to Imitate, and Non-substitutable (VRIN) (Mecagni, 2015). Resources are valuable if it has the capacity to enable the firm ward off threats and at the same time maximize on available opportunities. On the other hand, resources are rare if the firm controls them and can monopolize them. Inimitable resources are those that competitors find difficult to imitate or duplicate due to their unique and sophisticated nature. Finally, resources are strategic where they are non-substitutable such that competitors cannot find alternative ways to gain the benefits that such a resource provides (Nwachukwu & Chladkova, 2019). Consequently, strategic resources are the source of competitive advantage for any organisation. Particularly, financial strength of an organisation, its business understanding (enterprise knowledge) and its human capital (workforce) are the three typical organisation resources that combine to generate competitive advantage (Nwachukwu & Chladkova, 2019). An organization that has weak financial resources and business knowledge like the

proprietary processes or patents cannot generate enough to grow and cannot distinguish itself from its competitors (Ruska, 2017). Conversely, a company that has been able to produce a product with good quality than its competitors, is able to win among the customers because they prefer products with the best quality and at the best prices (Mecagni, 2015). Thus, companies create competitive advantage to enable them produce goods and services more efficiently. Indeed, strategic resources do influence firm performance. However, the basis of the study was on reviewed literature and the results cannot be contextualized (Andersén, 2017). Studying the effect of strategic resources on performance of rural SMEs, Agyei-Mensah (2016) found that strategic resources such as stock, cash, and customers have a positive association with firm's performance, measured through customer satisfaction. However, in this study, inventories, cash, and customers were used to operationalize strategic resource while in the current study it was operationalized through financial resources. Globally, managers are preoccupied with improving operational effectiveness by using various strategic organisational resources such as human resources and intellectual capital. As alluded by Schultz and Van der Walt (2015), human resources, physical resources, intellectual capabilities, as well as financial resources are some of the strategic resources that the managers and owners of organisations must realise to gain competitive advantage. Strategic resources are the source of competitive advantage in a business. This is because organisation that are able to strategically utilize resources to combine financial strength, enterprise knowledge, and its workforce, are more likely to create competitive advantage. Strategic resources are however not easy to obtain and constitute. In some cases, it involves foregoing current profitability and market share for the future good (Grant, 2016). As a

result, SACCOs have faced constant challenges that arise mostly from the scarcity and underutilization of strategic resources (Chetty et al., 2018). The link between strategic resources and capabilities as proposed by the resource-based approach has found empirical support in literature. For instance, Waweru and Ngugi (2014) found evidence that adoption and utilisation of strategic resources leads to superior organization performance. Similarly, Dimba and Obonyo (2015) alluded that organizations, especially those in the financial sector, must deliberately create or obtain strategic resources to secure future success and performance. In sub-Sahara Africa, Sacco's movement is instrumental in uplifting the livelihood of the people through savings mobilization, employment opportunities, and provision of affordable credit facilities. Additionally, SACCOs strive to improve the wellbeing of small rural producers' income through integrated access to financial services and agricultural markets. According to WOCCU (2018), there are 55,952 credit unions, of which 16,000 are in Kenya, serving more than 200 million members in 101 countries around the world. Kenya is ranked among the countries that have embraced the spirit of credit unions recording on average 4.7 million new members every year above 2.1 million in the United States and Canada (Ruska, 2017). The high-ranking Kenyan financial sector among her peers in the in the Sub-Saharan Africa region has contributed towards her economic growth and development (Nkuru, 2015). The role of SACCOs in attaining the big four agenda and vision 2030 cannot be overemphasized. They play instrumental role in savings mobilization, Gross Domestic Product (GDP) growth as well as improving the living standards of the members. Particularly, of the total savings mobilized and loans advanced by SACCOs in Africa, SACCOs in Kenya account for over 62% and 65% of the loans making it the most

influential Sacco movement in Africa (Nyaga, 2017). It is also noted that over 30 million Kenyans, accounting for 67% of the entire population, directly or indirectly depend on the co-operative related activities for their livelihoods. Furthermore, SACCOs control slightly over 30% of Kenya's GDP and accounts for 80% of the total accumulated savings. However, despite of the relevance and their robust activities in the financial sector, very little is being amplified regarding the role of SACCOs in the economy which has over 16,000 societies with more than 14 million members (WOCCU, 2018). The establishment of the Lumbwa Cooperative Society by European colonists in 1908 was the onset of the developments of SACCOs in Kenya. SACCOs are currently credited worldwide to improve the socio-economic status of nations. They have gradually responded to the dynamic and competitive economic setting. In Kenya, the SACCO movement control approximately Ksh. 490 billion in the form of savings and assets, this can be equated to 35 percent of domestic budget. The World Council of Credit Unions WOCCU mentioned that SACCOs in Kenya are growing very fast in the world. A WOCCU report in 2013 identified that the growth of SACCOs is on top in Africa and globally in position seven (WOCCU, 2018). The trends on growth logically mean an intensified competition level as each player seeks a share in the market. Therefore, SACCOs ought to come up with ways to achieve competitive advantage, survive competition, and remain relevant. Studies show that performance of SACCOs is largely dependent on the strategic organisational resources. Unlike in other jurisdictions, SACCOs in Kenya are categorized into two primary classifications, namely Deposit taking SACCOs (DT- SACCOs) and Non-Deposit taking SACCOs (Non-DT-SACCOs) (Anania et al., 2015). By law, DT-SACCOs are permitted to demand deposits and thus provide

services similar to those offered by banks that can be withdrawn from savings accounts. This is confirmed by the membership of the SACCOs, which stood at 3.6 million people registered as using the financial services of DT-SACCOs in 2016. Currently, there SACCOS registered under Kenya's societies Act are 6000 out of this 1955 are fully operational (KUSCO, 2018). There are 535 registered deposited taking SACCOs (SASRA, 2019). Among these, Kiambu County has 55 registered in areas like Juja, Thika, Kiambu, and some areas in Kikuyu. The distribution of these members is in numerous proportions among the 176 DT-SACCOs, which were licensed and operational in the country (SASRA, 2019). The strategic positioning of the DT-SACCOs makes them instrumental in fostering economic growth and financial inclusion not only in Kiambu County but Kenya at large. Similarly, the capacity of DTS to handle hazards, implement leading agreements, and improve loan delivery transaction costs has been decreased by adopting fresh methods (KUSCO, 2018).

Strategic Financial Resources and Performance: Financial resources refer to all monetary funds of the organization. Financial resources are defined as the part of the organization's assets or property. In addition, according to Karltorp (2016), financial resources form part of a firm's liquid assets comprising cash, deposits in banks and financial statements that are liquid. The purpose of financial resources is to conduct the major business operations, such as purchase of good and services as well as undertake long-term investments. Financial resources may comprise cash, short-term deposits in banks, and liquid financial investments, like bonds and stocks. At times financial resources are referred to as finance, usually with some features like business finance, personal finance and public finance. Neneh (2016), in a study to find out how financial literacy affects the performance

of a firm and evaluate the moderating effects of availability of financial capital on financial literacy and performance relationship in SMEs in Free State province of South Africa, observed that the SME financial literacy and availability of financial capital levels are low. In addition, financial literacy positively affects performance of SMEs. This research was supported by RBV theory. Results postulated that availability of financial capital positively moderated financial literacy and performance. Therefore, it is important for the owners of SMEs to build financial literacy skills as a vital part of entrepreneurial undertaking. However, this research was based in South Africa which is at a more advanced stage regarding economic growth and development compared to Kenya. Further, the study focused on financial literacy and its effect on performance while this research was based on the effect of strategic financial resources on performance. Rahim et al. (2015) researched on the impact of finance sources on performance of mid-sized firms in Kenya. The descriptive cross-sectional was used. The population comprised of 100 SMEs in Kenya. The sample comprised 30 SMEs selected randomly. Primary data was gathered using questionnaires and analysed using regression analysis. The regression results show that the finance sources have no significant effect on performance of SMEs in Kenya. The study recommends the need for use of a mix of financing options to improve the financial performance of organisations rather than reliance on one form of financing. Additionally, the Government must be instrumental in offering loan facilities for businesses as currently very few mid-sized firms have used this method of financing. While the findings in this study enlighten on the role of sources of finance and their impact on performance, the study generalised all financial resources and did not make a distinction between strategic and non-strategic. Furthermore, the study focused on SMEs while

the current study focus was on specifically savings and credit cooperatives allowed to take deposits. Irene (2015) conducted a study to find out how bank financing impacts on SMEs performance in Kenya. The research was descriptive. This study used quantitative, secondary data gathered from top 100 Kenyan SMEs from KMPG for a duration of 5 years (2009 to 2013). Information was gathered in relation to the variables. The study adopted the financial theory of finance. In this study descriptive statistics were relied out in analysing quantitative data while content analysis was adopted in analysing qualitative data. The study was hinged on static pecking order, trade-off, and Agency theories. The study findings revealed that SME size and bank financing had a positive effect on financial performance while there was an inverse association between tangibility and financial performance. It was concluded that bank financing and financial performance of SMEs had a significant positive relationship. Therefore, the CBK ought to constantly reform the bank financing terms to improve credit access by the SMEs from the financial firms. It was also recommended that SMEs management ought to increase the size of their firms to improve their financial outcomes. Similarly, this study was based on general SMEs. Therefore, it failed to show the link between availability of strategic financial resources and performance of the SMEs. This study's focus was on Deposit Taking SACCOs as opposed to SMEs.

METHODOLOGY

The study adopted descriptive research design to describe how strategic financial resources influence performance of DT-SACCOs in Kiambu County. Kiambu County is one of the leading counties with DT SACCOs in Kenya where changes in the business environment have made SACCOs in Kiambu county change to various products and services including investment in real

estate, transport industry, and also professional investment advice. The target population comprised of 227 management staff, comprising of 26 top management staff including CEOs and managing directors, 67 middle managers such as human resource managers, operations managers, and finance managers as well as 134 lower-level management staff representing branch and departmental heads drawn from 55-DT SACCOs in Kiambu County. Stratified sampling technique was used to select a sample of 14 top level, 36 middle level and 71 lower-level staff of deposit taking SACCOs in Kiambu County forming a total sample of 121 respondents. The targeted population had a direct involvement in the management of the organizational resources of deposit taking SACCOs in Kiambu County. The study utilized a semi-structured questionnaire to collect primary data. The questionnaire collected data on elements of strategic financial resources such as owners' equity, debt capital, and short-term investments on deposit taking SACCOs. Regression analysis was carried out to demonstrate the relationship of the independent and dependent variables. Based on the multiple regression results, the coefficient of each independent variable and the constant were observed. At the same time, the p-value for each variable was observed. Where the p-value was established to be below 0.05, then the variable was significant in predicting performance. The model's predictive power was evaluated using R square (R^2). F-statistic in Variance Analysis (ANOVA) was used to ascertain the fitness model. Finally, student t-testing was conducted to find out the significance of strategic financial resources, predicting performance of deposit taking SACCOs. Significance of independent variables after diagnostic tests was based on the P-value at 0.05 significance level.

RESULTS AND DISCUSSIONS

A sample of 121 respondents was targeted where 81 duly filled questions were obtained forming a 66.9% response rate while 40 questionnaires were not returned making a non-response rate of 33.1%. The study found the rate of response was adequate to allow data analysis to proceed based on the recommendations of Mugenda and Mugenda (2003) that a 50% or more response rate is adequate.

Descriptive Statistics Results: The study also sought to descriptively analyze the obtained data based on frequency of occurrence, mean scores, and variation as measured by standard deviation. The descriptive statistics for strategic financial resources and performance are presented.

SACCOs performance in relation to financial resources influence: The respondents were required to state the extent to which strategic financial resources influenced performance of their SACCO.

Table 1: Extent that Strategic Financial Resources Influence Performance

	Frequency	Percent
No extent	3	3.7
Little extent	4	4.9
Moderate extent	22	27.2
Great extent	33	40.7
Very great extent	19	23.5
Total	81	100.0

Source: Research Data (2024)

From table 1, results indicated that (40.7%) of the respondents believed to a great extent that strategic financial resources affected performance of their SACCO. Further, results showed that another, 27.2% alleged that strategic financial resources influenced performance of their SACCO to a moderate level, 23.5% believed to a very great level that strategic financial resources influenced performance of their SACCO, 4.9% opined that strategic financial resources influenced performance to a little extent while only 3.7% felt that strategic financial resources had no

influence whatsoever on performance of their SACCO. Karltorp (2016) who opined that liquid financial asset enables the firm to execute and finance its operations thereby attaining higher performance made similar observations. On the other hand, Irene (2015) concluded that business financing and size of SMEs positively impacts on SMEs financial performance. When the respondents were required to state the extent to which they agreed on adoption of some statements on strategic financial resources in their SACCO, the results in Table 2 were obtained.

Table 2: Descriptive Statistics for Strategic Financial Resources

	N	Minimum	Maximum	Mean	Std. Deviation
We are guaranteed of unlimited line of credit from central bank if need be.	81	2	5	4.14	.848

The SACCO endeavor to retain earnings for investment purposes	8 1	3	5	3.94	.659
We invest in short term investments to ensure the SACCO is always liquid	8 1	1	5	3.88	.967
Our SACCO invest excess cash balances in inmarketable securities	8 1	1	5	3.81	1.062
The SACCO can liquidate short term investments with ease	8 1	1	5	3.72	.952
The SACCO can access unlimited amount of equity capital	8 1	2	5	3.65	.777
Bank loans are preferred in this SACCO due to interest tax savings	8 1	1	5	3.33	1.204
The SACCO has a line of credit from the central bank of Kenya	8 1	2	5	3.20	.697
This SACCO has raised adequate capital through issue of ordinary shares	8 1	1	5	2.21	.984
we raise debt capital by borrowing from commercial banks	8 1	1	4	1.74	.648
Overall				3.36	.880

Source: Research Data (2024)

Table 2 results indicated that to a moderate extent, strategic financial resources were deployed as demonstrated by (mean = 3.36). There was agreement on this assertion as indicated by the low standard deviation of 0.88. The study observed that to a large extent, SACCOs were confident of a guaranteed unlimited line of credit from central bank if need be with a (mean = 4.14) and (std. dev. = 0.848). However, SACCOs did not rely on debt capital by borrowing from commercial banks and only borrowed to a little extent with a (mean = 1.74) and (std. dev. = 0.648). These results point to the fact that SACCOs which are member owned rely more on contributions from members in financing their operations as suggested by Nyaga, (2017). In particular, it was observed that SACCOs largely endeavored to retain earnings for investment purposes with (mean = 3.94) and (std. dev. = 0.659), invest in short term investments for liquidity purposes with (mean = 3.88) and (std. dev. = 0.967), invest excess cash balances in marketable

securities with (mean = 3.81) and (std. dev. = 1.062), liquidate short term investments with (mean = 3.72) and (std. dev. = 0.952) and most SACCOs can access unlimited amount of equity capital from their members with (mean = 3.65) and (std. dev. = 0.777). On the other hand, the study found that bank loans were only preferred to a moderate extent due to interest tax savings as shown by (mean = 3.33) and (std. dev. = 1. 204). SACCOs had a line of credit from the central bank of Kenya though it was not regularly utilized with (mean = 3.20) and (std. dev. = 0.697) and that most SACCOs had only raised adequate capital through issue of ordinary shares to a low extent with (mean = 2.21) and (std. dev. = 0.984). The findings of the study were like conclusion of Neneh, (2016) that financial capital availability has a positive effect on performance. However, the findings contradicted the findings of Rahim et al. (2015) who concluded that financial resources do not affect financial performance of companies.

Performance of Deposit Taking SACCOs:

The respondents were required to provide the average level of performance in terms of market share, return on shareholders' equity, and return on asset. For descriptive results, the study converted the collected data into likert

form where 1 represented Less than 10%, 2 represented between 10%-20%, 3 represented 20%-30%, 4 represented 30%-40%, and 5 represented Over 40%. The results were as presented in table 3.

Table 3: Descriptive Statistics for Performance

	N	Minimum	Maximum	Mean	Std. Deviation
Return on shareholders' equity	81	1	5	3.33	1.032
Market share	81	1	5	3.31	1.004
Return on asset	81	1	5	3.27	1.016
Overall				3.31	1.017

Source: Research Data (2024)

The results in table 3 indicated that overall performance of DT- SACCOs in Kiambu County was 3.31 indicating that performance ranged between 20% and 30%. Specifically, shareholders' equity had a mean score of 3.33, market share had a mean score of 3.31 while return on asset had a mean score of 3.27. Thus, all indicators of performance averaged between 20% and 30%.

Correlation Analysis Results: The study aimed to establish the kind of relationship existing between the variables in the study. To

achieve this, the Pearson's moment correlation coefficient was used to conduct a correlation analysis. According to Taylor et al. (2015) correlation coefficients of < 0.5 indicates a weak correlation while a coefficient of 0.5 or more indicates a strong correlation. On the other hand, a coefficient less than 0 (zero) indicates negative correlation while a coefficient greater than zero indicates there is a positive correlation. Table 5 is a presentation of the results.

Table 4: Correlations Results

		Performance of DTS		Strategic financial resources
Performance of DTS	R	1		
	Sig. (2-tailed)			
	N	81		
	R	0.412	1	
Strategic financial resources	Sig. (2-tailed)	0.026		
	N	81		
			81	

*. Significant level 0.05 (2-tailed).

Source: Research Data (2024)

From table 5, it was observed that the correlation coefficient value of performance of DTS and strategic financial resources was 0.412. Therefore, there was positive correlation between performance and all independent

variables. Results also showed that P-values for all the correlation coefficients were below 0.05 indicating that they were statistically significant. Neneh (2016) and Rahim et al. (2015) showed that financial resources and

financial literacy influences SME performance positively.

Regression Analysis Results: Hypotheses testing was based on multiple regression results. This test was done to determine if the independent variable (strategic financial resources) significantly influences

performance of DTS in Kiambu County. The decision on the significance of the variables was based on significance level of the variable coefficients as recommended by Field (2013). In so doing, performance was regressed on strategic financial resources. Table 6 shows the model summary.

Table 5: Model Summary

Model	R	R Square	Adjusted R Squared	Std. Error of the Estimate
1	.850	.723	.708	.51049

a. Predictors: (Constant), Strategic Financial Resources

Source: Research Data (2024)

The model summary in table 5 indicate that the adjusted model R-squared was 0.708 indicating that strategic Financial resources predicted 70.8% of all variations in performance of DT SACCOs in Kiambu County. Results also indicated that 29.2% of all performance of DTS

variations was described by other variables other than those discussed in this study.

The study also conducted ANOVA to determine if the model as constituted was fit. Table 6 shows the results.

Table 6: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	53.659	4	13.41475	49.523	.000
Residual	20.587	76	.271		
Total	74.246	80			

a. Dependent Variable: Performance of DTS

b. Predictors: (Constant), Strategic financial resources Source: Research Data (2024)

From the findings in table 6 indicates that the F-statistic for the model was $49.523 > (4, 76=2.4920)$ f critical indicating that the model was fit. The findings also showed that the F-statistic p-value was $0.000 < 0.05$ indicating that it was statistically significant. Further, the

study conducted student t-test to establish the significance of the variables in influencing performance. The p-value 0.05 level of significance was used to make the decision on the significance. Table 7 shows the results.

Table 7: Coefficients Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.840	1.776		2.162	.034
Strategic financial resources	.212	.101	.194	2.099	.039

a. Dependent Variable: Performance of DTS

The findings in table 7 indicated that 3.840 was the constant suggesting that if all the independent variables were absent, performance would be equal to 3.840. Similarly, strategic financial resources had a beta of 0.212 indicating that when each factor is held constant, a unit rise in financial resources would lead to a 0.212 rise in performance. The model was summarised as follows:

$$FP = 3.840 + 0.212SFR + \epsilon$$

Where:

FP = Financial Performance

SFR = Strategic Financial Resources

ϵ = Error Term

From these results, it was established that strategic financial resources was one of the major influences on performance of DT-SACCOs in Kiambu County.

Hypotheses Testing Results: Test of hypotheses was based on multiple regression results. The decision on the significance of the independent variables in influencing the dependent variable was formed based on P-value at 0.05 significance level.

Influence of Strategic Financial Resources on Performance: The second study objective was to assess the influence of strategic financial resources on deposit taking SACCOs performance. The null hypothesis was that strategic financial resources have no significant influence on performance of DT-SACCOs was tested. Further, results postulated that the strategic financial resources coefficient was 0.212 with a significance level of $0.039 < 0.05$. Also, it was established that strategic financial resources were statistically significant. Thus, the null hypothesis was rejected, and conclusion made that strategic financial resource significantly influences performance of DT-SACCOs in Kiambu County. The results posted on this

variable were consistent with descriptive results which indicated that most of the respondents believed that strategic financial resources, which were deployed to a moderate extent, influenced financial performance of their SACCO to a great extent underscoring the significance of strategic financial resources in driving financial performance of the firm. The results also agreed with the existing empirical literature such as Njagi and Muchemi (2018) who showcased that financial resources and health organizations performance were significant and positively related. Irene (2015) also showed that bank financing of SMEs positively affected their financial performance. The results however, failed to agree with assertions by Rahim et al. (2015) that financial resources have no affect the performance of Top 100 companies in Kenya. Further, it was noted that availability of money anytime it is required will improve performance of the firm. This is mainly because the firm will acquire the required fixed assets, pay for operational costs, and make purchases on time. Respondents also indicated that availability of financial resources enables the firm to market their products effectively which improves performance. Availability and proper utilisation of money enables the firm to take advantage of new technologies that trickle into the market while at the same time taking advantage of opportunities that present themselves in the market. From the foregoing, it is deduced that DT-SACCOs should be able to obtain finances when required through issue of equity shares, borrowings from financial institutions such as central bank and commercial banks as well as disposal of fixed assets and cash equivalents.

CONCLUSION

The study aimed at evaluating the influence of strategic financial resources on

performance of deposit taking SACCOs in Kiambu County. Results showed that respondents believed strategic financial resources influenced performance of their SACCO to a great extent. Further, strategic financial resources were deployed among deposit taking SACCOs in Kiambu County to a moderate extent. Correlation findings indicated that there was a positive correlation between strategic financial resources and performance. It was also revealed that strategic financial resources and performance of DT-SACCO had a statistically significant relationship. The study showed that strategic financial resources had a statistically significant influence on performance of DTS in Kiambu County. The results coincided with the provisions of effective financial management that access to resources such as financial resources, assets, capabilities, and competencies is key to achieving superior performance. Therefore, access to strategic financial resources such as equity capital from shareholders and short-term investments enable the firm to achieve greater performance. Overall, the study revealed that there was a positive correlation between strategic financial resources and performance. Further, the strategic financial resources were statistically significant in predicting performance of deposit taking SACCOs in Kiambu County. It was thus concluded that strategic financial resources have a statistically significant influence on performance of DTS in Kiambu County.

Limitations of the Study: The study was based on deposit taking SACCOs in Kiambu County and therefore the findings thereof can only be generalised on a similar population or one that has significant similarity with the current population. It is

thus suggested that other studies should be carried out in other sectors such as agricultural sector to identify which resources are strategic in nature and the influence they have on firms' performance. Secondly, the study only focused on strategic financial resources as the most appropriate strategic resources affecting performance of SACCOs. It is thus recommended that further research should be done to identify whether there are other strategic resources not covered in this study that may significantly influence performance of deposit taking SACCOs. The period under consideration in coming up with the study conclusion was five years. This means that the predictions made in the study can only hold for such a similar timeframe. It is thus suggested that other studies should be conducted covering longer duration to establish if there are any externalities that may affect the responsiveness of performance to variations in strategic resources.

RECOMMENDATIONS

The study concluded that strategic financial resources significantly influence performance of DT- SACCOs in Kiambu County. Consequently, the study recommends that SACCOs should always ensure that they have a guaranteed source of financial resources either through issue of share capital or a guaranteed line of credit. The study also recommends that SACCOs should invest in marketable securities that can be sold when the firm require short term financing.

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