ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

Financial Governance and Performance of Deposit Taking Saccos in Kenya

Timothy VIKIRU[1], Prof. Wario GUYO, (PhD)[2], Dr. Makori MORONGE (PhD)[3], Dr. Joyce AMUHAYA (PhD)[4]

[1]PhD Scholar, Governance & Leadership, Jomo Kenyatta University of Agriculture and Technology, Kenya

[2]Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

[3]Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

[4]Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

DOI: https://doi.org/10.5281/zenodo.8158919

Published Date: 18-July-2023

Abstract: **The purpose of this study was to examine the influence of financial governance on performance of deposit taking SACCOs in Kenya. The contextual scope of this study was limited to the deposit taking SACCOs in Kenya. The study is based on the Stewardship theory. A conceptual framework is illustrated to show the relationship between the independent and dependent variables. This study was anchored to a positivist paradigm as well as descriptive-correlational-cross-sectional research designs. The target population of the study was 350 CEOs and chairpersons of the boards of the deposit taking Saccos in Kenya. The study used to select the subjects of study. The study used bivariate regression analysis to analyze the association between financial governance dimensions and performance of deposit taking Saccos. The results revealed that financial governance had a positive and significant relationship with performance of deposit taking Saccos in Kenya. The results support the current theories related to the study. Consequently, this study provides deposit taking Saccos on how to improve performance of Saccos through the adoption of appropriate financial governance practices.**

Keywords: **Financial Governance, Firm Performance, Deposit Taking Saccos.**

1. INTRODUCTION

The financial governance includes the accuracy of financial information, issuance of regulatory reports and compatible financial disclosures, the existence of budgets, plans, and models, the swift completion of financial operations using correct procedures, and risk identification (Mutuku, 2016). The general governance pillars of independence, accountability, transparency, and integrity should complement and reinforce each other when applied to financial governance (Kiambati & Mutunga, 2018).

Good financial governance is a core objective of modern budgeting systems (Wahyudin & Solikah, 2017). It requires having in place sound institutions governing the allocation of funds, budget execution systems that operate within the rule of law, accounting systems that have integrity and audit systems that provide assurance on the quality of financial information and systems (Ajili & Bouri, 2018). Above all, it requires that public funds and financial assets and liabilities are managed transparently, accountably and with integrity in the interest of nations' welfare goals (Manurung & et al., 2019).

According to SASRA (2018) the Sacco management is expected to curtail their operations in a way that they ensure capital adequacy, liquidity and asset quality ratios are favorable. These guidelines were issued in 2010 and thus it is crucial to assess their impact on the financial performance of SACCOs. Therefore, the prudential guidelines enhance risk management

ISSN 2349-7831
International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

of the SACCOs. It is important to note that financial governance (capital adequacy, asset quality and liquidity management) are those factors that compromise the achievement of objectives of saccos (Kinyua, 2017). Without proper regulatory measures SACCOs were faced with substantial issues of finance that threatened the deposits of members, continued existence of the SACCOs and the sustainability of sector (Jacoby, 2018). These challenges included capital adequacy problems, liquidity problems, credit management, product and geographical growth.

The potential loss arising from the DT Saccos is due to interest rates and inability of their customers to service the loans either to meet its obligations or to invest fund increases in assets as they fall due without incurring unacceptable costs or losses. The volatility of lending rates in the commercial banking sector remains an important facet of the performance of the co-operative sector, and the DT-SACCOs segment in particular. This is premised on the fact that a good number of DT-SACCOs rely heavily on external financing to fund a significant portion of their core business activities. For example, the total loans to total deposits by the DT-SACCOs stood at 108.39% in 2016,against 108.74% in 2015 implying that a great proportion of DT-SACCOs' loans are still funded from the external sources, which are subject to changes in commercial banking lending rates (Sacco Supervision Report, 2022).

2. STATEMENT OF THE PROBLEM

The overall performance of Deposit Taking Sacco in Kenya has been declining drastically as measured by assets and interest margin to gross income. According to the Sacco Supervision Report (2019) Non- performing loans increased from 5.12 percent in 2018 to 5.23 percent in 2019, indicating elevated effect of poor financial governance. This was driven mainly by the increase on the non-performing loans from Kshs 13.21 Billion in 2015 to Kshs 15 and 57 Billion in 2016. Liquid assets to saving Deposits (Liquidity Ratio) reduced from 55.9 percent in 2015 to 49.95 percent in 2016, indicating the decline in liquidity thereby posing liquidity risk. Many DT Saccos are often unable to meet their short term obligations to their members, particularly the disbursement of loans. The interest spread has not been relatively stable from 2017 to 2019. Operating Expense to Total Assets Ratio increased from 5.13 percent in 2015 to 5.44 percent in 2016, indicating elevated operational challenges. These challenges faced by Saccos if not properly managed have the potentials to affect the performance of the Saccos and at extreme cases leads to their winding up.

Moreover, in Kenya, according to a report by SASRA (2017) shows that there is poor performance of deposit taking SACCOs and have shown a sharp decline in the last two decades unlike commercial banks despite adoption of corporate governance. A report by the IMF (2014), notes that despite adoption and implementation of corporate governance, the performance of deposit taking SACCOs is poor. Jacoby (2018) established that despite the implementation of corporate governance in the deposit taking SACCOs, there is poor membership growth, core capital, liquidity and credit management. Consequently, according to FSD Kenya (2016) survey which showed that Sacco performance was declining while banking sector performance was rising. In year 2015, bank and SACCOs usage by households were at 13.5% but by 2017, bank usage had risen to 17.1% while SACCOs operational performance had declined to 9.3%. This was attributed to risk governance in the deposit taking SACCOs.

Empirically, studies by Oluwafemi, Israel, Simeon and Olawale (2014); Mahmoud and Ahmed (2014); Akindele (2012); Mugenda, Momanyi and Naibei (2012); Ariffin and Kassim (2009) established that there is a positive relationship between financial governance and performance. Findings of the empirical studies revealed that limited studies have been carried out to examine influence of financial governance on performance of DT Saccos in Kenya It is on this premise the current study sought to examine the influence of finacial governance on performance in deposit taking SACCOS in Kenya.

Research Hypothesis

$H_{01:}$ There is no significant relationship between financial governance and performance of deposits taking SACCOs in Kenya

3. LITERATURE REVIEW

Theoretical Review

The stewardship theory, also known as the stakeholders' theory, adopts a different approach from the agency theory. It starts from the premise that organizations serve a broader social purpose than just maximizing the wealth of shareholders (Nwanyanu, 2013). The stakeholders' theory holds that corporations are social entities that affect the welfare of many

ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

stakeholders where stakeholders are groups or individuals that interact with a firm and that affect or are affected by the achievement of the firm's objectives (Huse, 2008). Successful organizations are judged by their ability to add value for all their stakeholders. Some scholars consider the natural environment to be a key stakeholder (Van, 2012).

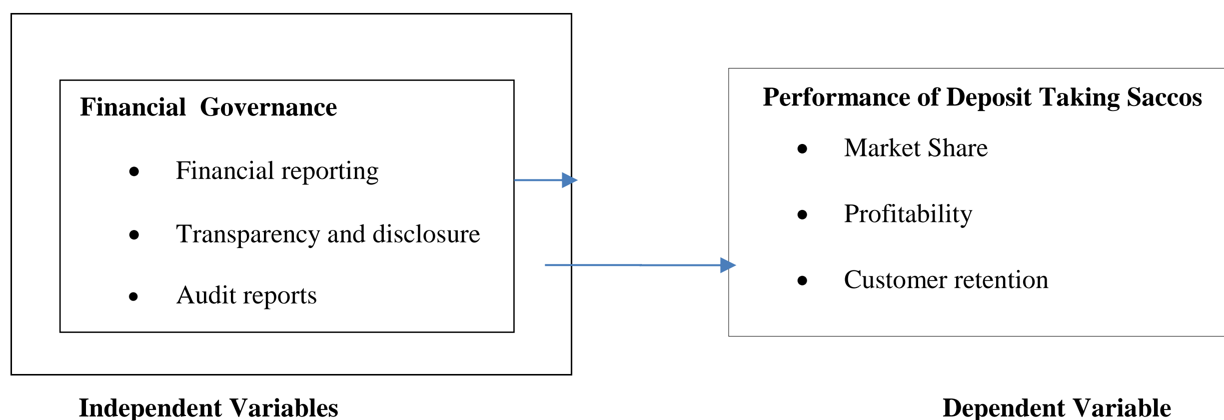
Stakeholders can be instrumental to success and have moral and legal rights (Donaldson & Preston, 1995). When stakeholders get what they want from a firm, they return to the firm for more (Freaman & McVea, 2001).Therefore, leaders have to consider the claims of stakeholders when making decisions (Blair, 1995) and conduct business responsibly towards the stakeholders (Manville & Ober, 2003; White, 2009). Participation of stakeholders in decision-making can enhance efficiency (Turnbull, 1994) and reduce conflicts (Rothman & Friedman, 2001).

According to Kaptein and Van Tulder (2003), corporations adopt reactive or proactive approaches when integrating with stakeholders' concerns in decision making. A corporation adopts a reactive approach when it does not integrate stakeholders into its decision making processes. This results into a misalignment of organizational goals and stakeholder demands (Mackenzie, 2007). Some authors attribute scandals such as those of Enron and WorldCom to the failure to consider stakeholder concerns in decision making (Curral& Epstein, 2003; Turnbull, 2002; Watkins, 2003; Zandstra, 2002).

In summary, the stewardship theory suggests that a firm's board of directors and its CEO, acting as stewards, are more motivated to act in the best interests of the firm rather than for their own selfish interests. This is because, over time, senior executives tend to view a firm as an extension of themselves (Clarke, 2004; Wheelen& Hunger, 2002). Therefore, the stewardship theory argues that, compared to shareholders, a firm's top management cares more about the firm's long term success (Mallin, 2004). This theory informs this study in that it asserts that the abilities of the stakeholders impact the performance of an organization directly. Thus, it is expected that financial reporting would translate to better organization performance.

Conceptual Model and Hypothesis

A conceptual framework is a concise description of the phenomenon under study accompanied by a graphical or visual description of the major variables of the study (Cooper & Schindler, 2008). Michelle (2017) states that a conceptual framework is a diagrammatical representation that shows the relationship between the dependent variable and independent variables. This study's conceptual framework sought to demonstrate the relationship between financial governance and performance of deposit taking Saccos in Kenya. The conceptual framework is illustrated in Figure 1.



Independent Variables **Dependent Variable**

Empirical Review

Nwanyanwu (2013) sought to identify the influence of financial reporting from the perspective of accrual and cash bases on organizational liquidity; with cashflow adopted as a measure of liquidity. Agricultural companies quoted on the Nigerian Stock Exchange were studied. Data was collected through questionnaire. Analyses were performed using descriptive statistics and Pearson's product moment coefficient of correlation. Findings indicated that accrual basis sub-domain of financial reporting has a statistically significant weak negative relationship with cashflow while cash basis had a statistically significant moderate positive association with cashflow. Similarly, Dabor, Isiavwe, Ajagbe and Oke (2015) results of the descriptive statistics indicate that the adoption of accrual basis improves cashflow by 48.5% while that of cash basis improves cashflow by 85.0%. Based on empirical findings, it was concluded that cash basis of financial reporting provides a better assessment of liquidity in the context of cashflow than accrual basis. Consequently, financial reporting should

ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

emphasis liquidity, particularly, through the incorporation of cashflow statements; this will enhance identification of organization's ability to meet obligations as they become due.

According to Custódio and Metzger (2014) also argued that as financial sophisticates, senior finance-expert directors are able to communicate more effectively with capital markets than their non-financial counterparts. In this regard, Custódio and Metzger (2014) find that financially expert Chief Executive Officers (CEOs) tend to be associated with positive NPV projects, greater (informed) risk-taking, and a lower dispersion rate in analysts' forecast earnings. Accordingly, accounting and finance expertise on the board is expected to be directly associated with 'high-quality' financial reporting and a heightened degree of investor confidence in the firm as a 'going concern' (DeFond et al., 2005).

Similarly, Ferero (2014) examined the consequences of Financial Reporting Quality (FRQ) on Corporate Performance, using three proxies of FRQ: (i) earnings quality; (ii) conservatism; and (iii) accruals quality. The purpose was to analyze the effect of a good FRQ on financial performance (FP) measured by the market to book ratio. The study proposed hypotheses which were tested on an unbalanced sample of 1, 960 international non-financial listed companies from 25 countries and the special administrative region of Hong-Kong for the period 2002-2010. The use of simultaneous equations for the panel data, via the GMM estimator proposed by Arellano and Bond (1991), highlighted the positive effect of financial reporting quality (FRQ) on financial performance. The empirical evidence showed that this relationship was moderated by the level of corruption perception in the country of origin of the company, the adoption of IFRS, the accounting system used in the country and the influence of the economic cycle.

Further, Ojeka, Mukoro and Kanu (2015) investigated empirically, the relationship between financial reporting disclosures in annual reports and the performance of listed manufacturing companies in Nigeria between 2005 and 2009. The disclosure variables include: Timeliness, Board size, type of Auditors Report and the percentage of value added retained for expansion were used as the measures of financial reporting disclosure while Return on Equity (ROE) was used as the measures of financial performance. Size and age were used as the control variables. The study used secondary data and Panel Least Square Regression for the data analysis. Similarly, Dabor, Isiavwe, Ajagbe and Oke (2015) results showed that there is a significant relationship between financial reporting disclosures and financial performance except in the case of percentage of value added retained for expansion size where there was no significant relationship found

Moreover, Osierenoya (2017) impact of financial reporting on financial performance of quoted companies in Nigeria. The essence of this research work is to determine the relationship between the quality of financial reporting and profit after tax, return on asset, and return on equity. The study adopted the survey research and cross sectional research design. The sampled companies were obtained by using the stratified sampling technique while the sample size was obtained using the proportional sampling technique. The variables considered in the study were financial reporting and financial performance, which were represented by quality of financial reporting, return on equity, return on asset and profit after tax. Fuzi, Adliana, Julizaerma (2016) also established that analytical methods were adopted for statistical analysis of the variables. They are descriptive and inferential statistics and the level of significance used to test the hypothesis was 5%. The findings show that there was a significant relationship between quality of financial reporting and profit after tax. It also establishes that quality of financial report had significant effect on return on asset. Finally, Al-Dmour (2018) results showed that that the components of the quality of financial reporting are significantly influence the non-financial business performance and the variations of the quality of financial reporting among these companies were significantly found to be related to their size and experience and not to their type of business, which they belong to.

Mutuku (2016) study focused on the effects of corporate governance on financial performance of savings and credit cooperative societies in Machakos and Athi-river sub-counties. The population of interest in this study was the savings and credit cooperative societies in Machakos and Athi-river sub-counties. Data collection involved self-administered questionnaires. The researcher dropped the questionnaires physically at the respondents' place of work. Data collected was both qualitative and quantitative and it was analyzed by descriptive analysis techniques. The study established a strong positive correlation between transparency/disclosure and SACCO's financial performance, $r(33) = 0.884$, $p < 0.05$ existed.

Mbuti (2017) sought to establish the effect Of Internal Audit Reporting Quality On Financial Performance Of Savings And Credit Cooperative Societies A Case Study In Murang'a County In Kenya. The specific objectives were to: determine the effect of objectivity of the internal audit reports, reporting channels, audit report completeness and timeliness on the financial performance of SACCOs in Kenya. The researcher employed descriptive survey design. The target population of

ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

this study was all the SACCOs in Murang'a County which are estimated to be 400. Stratified sampling was utilized to select a sample of 120 SACCOs. A questionnaire was used to collect data. The study findings reveal that objectivity of financial reporting in SACCOs, internal audit report completeness and timeliness of internal audit reporting all had significant effect on financial performance of SACCOs.

4. RESEARCH METHODOLOGY

The study adopted a descriptive research design. This was based on the hypothesis that was put forth by the researcher tested through statistical outcomes, and the choice of statistical tests was based upon the level of measurement of the data. Predictions can be made on the basis of the previously observed and explained realities and their inter-relationships. There were 175 deposit taking Saccos Kenya according to SASRA (2018) report. The managers and chairpersons of the board of the deposit taking Saccos were regarded as a suitable unit of observation. Therefore, the study population was 350 (CEOs and Chairpersons) of the deposit taking SACCOs in Kenya. The study adopted a census method and analysis was carried out to test the significance of the model by the use of Analysis of variance (ANOVA) and R^2 was used to measure the extent of the goodness of fit of the regression model. The statistical significance of the hypothesized relationship was interpreted based on F and t-test values at a 95% confidence level.

5. RESULTS AND DISCUSSION

Regression analysis was conducted to determine the proportion of performance of deposit taking saccos (dependent variable) which could be predicted by financial governance (independent variable). A univariate analysis was conducted to establish the influence of financial governance on performance of deposit taking saccos inKenya . The results of the regression are presented in Table 1 displays R (the correlation between the observed and predicted values of the dependent variable), which is 0.528. This is a fairly moderate relationship between the observed and predicted values of the dependent variable. It also shows that there is positive correlation between financial governance and performance of DTs Saccos in Kenya. Table 1 also displays R squared which is the proportion of variation in the dependent variable explained by the regression model, in this case, it is 0.279. This means that financial governance can explain 27.90% of performance of DTs Saccos in Kenya. The remaining percentage (72.10%) can be explained by other factors excluded from the model. The adjusted R-square of 0.268 indicates that financial governance in exclusion of the constant variable explained the change in performance of DTs Saccos in Kenya by 26.80%. The value of the standard error of the estimate is shown in the output as 0.14327. It shows the average deviation of the dependent variable (performance of DTs Saccos in Kenya) from the line of best fit.

Table 1 summarizes the results of an analysis of variance, with the sum of squares, degrees of freedom, and mean square being displayed for two sources of variation, regression and residual. For the accounted for values, the mean square (the sum of squares divided by the degrees of freedom), is 497.162, the F statistic (the regression mean square divided by the residual mean square) is 106.687 and the degree of freedom (df) is 1 whereas the output for residual which displays information about the variation that is not accounted for by the model has the following values: sum of squares as 1783.325 d.f as 276 and a mean square of 4.660. The overall relationship was statistically significant ($F_{1,276} = 106.687$, $p<0.05$) It has a significance level of 0.000 this means that the chances are zero that the result of regression model are due to random events instead of a true relationship, which implies that the linear regression model is a good fit for the data and hence can be used to predict the influence of financial governance on performance of DTs Saccos in Kenya.

Table 1 represents coefficients of the independent variable (financial governance) and the dependent variable (performance of DTs Saccos in Kenya). These findings show that the performance of DTs Saccos in Kenya will be having an index of 3.879 when financial governance is held constant. In addition, the Beta coefficient was 0.598 for the relationship between financial governance and the performance of DTs Saccos in Kenya. This shows that a unit improvement in financial governance would lead to a 0.598 improvement in the performance of DTs Saccos in Kenya. The t – value (5.387) of more than +1.96 indicates that the change in performance of DTs Saccos in Kenya by financial governance is not by chance. The relationship is significant as the P-value (0.000) was less than the significance level (0.05). Thus yielding a regression model where $Y= \beta_0 + \beta_1 X_1 + \varepsilon$. The general form of the equation was to predict performance of DTs Saccos in Kenya; X_4= Financial Governance; $Y= 3.879+0.598X_4$. This indicates that performance of DTs Saccos in Kenya = 3.879 + 0.598* Financial Governance. Therefore we can conclude that financial governance positively and significantly influence performance of DTs Saccos in Kenya.

ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

Table 1: Regression Statistics (Financial Governance and Performance of DTs Saccos in Kenya)

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.528	.279	.268	.14327

ANOVA Statistics

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	497.162	1	497.162	106.687	.000
	Residual	1286.163	276	4.660		
	Total	1783.325	277			

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.879	.982		3.949	.000
	Risk Governance	.598	.111	.528	5.387	.000

Hypothesis Testing

The study hypothesized **H_0:** *There is no significant relationship between financial governance and performance of DTs Saccos in Kenya.*

The study results of the survey in Table 1 revealed that there was positive and significant relationship between risk governance and performance of DTs Saccos in Kenya (β_1=0.598, t_{cal}= 5.387> $t_{critical}$ =1.96, p-value < 0.05). To test the relationship the Regression Model fitted was $Y= \beta_0 + \beta_1 X_1 + \varepsilon$, that is $Y= 3.879+0.598X_4$. The alternate hypothesis (H_0): financial governance has no significant relationship with performance of DTs Saccos in Kenya or (H_{a1}: $\beta_j \neq 0$) is rejected (β_1=0.598, t_{cal}= 5.387> $t_{critical}$ =1.96, p-value < 0.05) and concluded that financial governance positively and significantly influences performance of DTs Saccos in Kenya (Y).

6. CONCLUSION AND RECOMMENDATIONS

The study concluded that there exists a positive significant relationship between financial governance and performance of deposit taking Saccos in Kenya. The results reveal that financial governance is statistically significant in explaining performance of deposit taking Saccos in Kenya.

The study recommends that there is need to improve finacial governance in the deposit taking saccos in Kenya. Improving the regulation and supervision of deposit taking Saccos financing system is critical on many levels. It will enable the re-establishment of correspondent banking relationships with other financial institutions, thus safeguarding the flow of remittances into deposit taking Saccos, which amount to almost 30% of GDP. It will also improve the DTS prospects for accessing external financing and support economic development by enabling businesses to access credit through the banking system, rather than relying on informal credit networks

Research limitations/implications

This study has some limitations that can form leads for future research. One of these limitations is the sample size. The authors have represented the Kenyan context that certainly constitute great financial institutions, but have regulations different from others. The Sacco size is also a possible research element. Indeed, financial governance varies between large, small and medium-sized Saccos, so it is important to study each type of financial institution well.

Originality/value

This study identifies the financial governance committee as a mechanism of control that is highly important in the deposit taking Saccos, and it proposes a national and an international framework that comparatively and empirically evaluates how the finacial governance used in Kenyan deposit taking Saccoscan improve their performance.

ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

Funding: This research received no external funding

Acknowledgements: This paper and the research behind it would not have been possible without the exceptional support of managers of the Deposit taking Saccos in Kenya

Conflicts of Interest: The authors declare no conflict of interest.

REFERENCES

[1] Ahmed, E., & Hamdan, A. (2015). The impact of corporate governance on firm performance: Evidence from Bahrain Bourse. *International Management Review*, *11*(2), 21.

[2] Al-Matari, E. M., Al-Swidi, A. K., & Fadzil, F. H. B. (2014). The measurements of firm performance's dimensions. *Asian Journal of Finance & Accounting*, *6*(1), 24.

[3] Amenya, L. M., & Ombui, K. A. (2016). Determinants of financial performance of savings and credit cooperative societies in Kiambu County, Kenya. *International Journal of Social science and information Technology*, *2*(9), 78-99.

[4] Barus, J. J., Muturi, W., Kibati, P., & Koima, J. (2017). Effect Of Liquidity On Financial Performance Of Savings And Credit Societies In Kenya. *International Journal of Finance*, *2*(7), 34-47.

[5] Bryman, A. (2016). *Social research methods*. Oxford university press.

[6] Buallay, A., Hamdan, A., & Zureigat, Q. (2017). Corporate governance and firm performance: evidence from Saudi Arabia. *Australasian Accounting, Business and Finance Journal*, *11*(1), 78-98.

[7] Coltman, T., Devinney, T. M., & Midgley, D. F. (2011). Customer relationship management and firm performance. *Journal of Information Technology*, *26*(3), 205-219.

[8] Dickerson, D., Baldwin, J. A., Belcourt, A., Belone, L., Gittelsohn, J., Kaholokula, J. K. A., ... & Wallerstein, N. (2020). Encompassing cultural contexts within scientific research methodologies in the development of health promotion interventions. *Prevention Science*, *21*(1), 33-42.

[9] Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of corporate sustainability on organizational processes and performance. *Management Science*, *60*(11), 2835-2857.

[10] Esokomi, E., & Mutua, M. (2018). Determinants Of Financial Performance Among Savings And Credit Co-Operative Societies In Kakamega County Kenya. *International Journal of Finance and Accounting*, *3*(1), 1-19.

[11] Ferrero, J. (2014). Consequences of financial reporting quality on corporate performance: Evidence at the international level. *Estudios de Economía*, *41*(1), 49-88.

[12] Ghauri, P., Grønhaug, K., & Strange, R. (2020). *Research methods in business studies*. Cambridge University Press.

[13] Hendren, K., Luo, Q. E., & Pandey, S. K. (2018). The state of mixed methods research in public administration and public policy. *Public Administration Review*, *78*(6), 904-916.

[14] Hennink, M., Hutter, I., & Bailey, A. (2020). *Qualitative research methods*. SAGE Publications Limited.

[15] Herdjiono, I., & Sari, I. M. (2017). The effect of corporate governance on the performance of a company. Some empirical findings from Indonesia. *Journal of Management and Business Administration*, *25*(1), 33-52.

[16] Hassan, R. S., Nawaz, A., Lashari, M. N., & Zafar, F. (2015). Effect of customer relationship management on customer satisfaction. *Procedia economics and finance*, *23*(1), 563-567.

[17] Jaccard, J., & Jacoby, J. (2019). *Theory construction and model-building skills: A practical guide for social scientists*. Guilford Publications.

[18] Jacoby, S. M. (2018). *The embedded corporation: Corporate governance and employment relations in Japan and the United States*. Princeton University Press.

[19] Kawamura, Y. (2020). *Doing research in fashion and dress: An introduction to qualitative methods*. Bloomsbury Publishing.

ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

[20] Karagu, M. J., & Okibo, B. (2014). Factors Affecting Financial Performance of SACCOs in Kenya. *Financial Management Journal*, *4*(2), 291-30.

[21] Kariuki, N. W. (2017). Effect of credit risk management practices on financial performance of deposit taking savings and credit cooperatives in Kenya. *IOSR Journal of Business and Management*, *19*(04), 63-69.

[22] Kamau, M., & Baweti, A. (2013). Relationship between corporate governance and working capital efficiency of firms listed at Nairobi securities exchange. *Journal of Finance and Accounting*, *4*(19), 2222-2847.

[23] Kebede, A. M., & Tegegne, Z. L. (2018). The effect of customer relationship management on bank performance: In context of commercial banks in Amhara Region, Ethiopia. *Cogent Business & Management*, *5*(1), 1499183.

[24] Kiambati, M. P., & Mutunga, D. O. (2018). *The Relationship Between Core Capital, Liquidity, And Profitability Of Deposit-Taking Micro-Finance Institutions In Kenya* (Doctoral dissertation, Doctoral dissertation, University Of Nairobi).

[25] Kiaritha, H. W. (2015). *Determinants of the financial performance of savings and credit co-operatives in the banking sector in Kenya* (Doctoral dissertation).

[26] Kilonzi, B. K. (2012). The impact of SASRA regulations on the financial performance of SACCOs in Kenya. *Unpublished MBA project, Nairobi: University of Nairobi*.

[27] Kimunguyi, S., Memba, F., & Njeru, A. (2015). Effect Of Corporate Governance on Financial Performance of NGOs in Health Sector in Kenya. *International Journal of Economics, Commerce & Management, III*, *12*, 390-407.

[28] Kiunyu, W. G. (2017). *Effect Of Enterprise Risk Management Practices On Performance Of Savings And Credit Cooperatives In Kenya: A Case Of Savings And Credit Cooperative Societies Regulatory Authority Guidelines* (Doctoral dissertation, KCA University).

[29] Mackey, A., & Gass, S. M. (2015). *Second language research: Methodology and design*. Routledge.

[30] Madziwa, S. (2016). *Influence of customer relationship management on customer retention in Sacco industry* (Doctoral dissertation, United States International University-Africa).

[31] Mathuva, D. (2016). Revenue diversification and financial performance of savings and credit co-operatives in Kenya. *Journal of Co-operative Organization and Management*, *4*(1), 1-12.

[32] Mbui, J. K. (2010). Business opportunities for Stima Sacco Society Limited in a new regulatory environment. *Unpublished MBA Project, University of Nairobi*.

[33] Melkamu, E. (2016). *Effects of Corporate Governance on the financial performance of Micro-Finance Institutions in Ethiopia* (Doctoral dissertation, Addis Ababa University).

[34] Moon, K., Brewer, T. D., Januchowski-Hartley, S. R., Adams, V. M., & Blackman, D. A. (2016). A guideline to improve qualitative social science publishing in ecology and conservation journals. *Ecology and Society*, *21*(3).

[35] Mutuku, D. M. (2016). *Effects of corporate governance on financial performance of savings and credit cooperative societies in Machakos and Athi-river sub-counties* (Doctoral dissertation).

[36] Ndungo, J. M., Tobias, O., & Florence, M. (2017). Effect of information sharing function on financial performance of savings and credit co-operative societies. *American Journal of Finance*, *1*(5), 49-62.

[37] Ndung'u, S. K., & Kinyua, G. M. (2019). Financial innovation strategy and financial performance of deposit taking SACCO's in Nairobi City County. *International Academic Journal of Economics and Finance*, *3*(3), 398-417.

[38] Ngugi, W., Njuguna, A., & Wambalaba, F. (2018). The Influence of Pension Scheme Maturity on Investment Strategies of Pension Funds in Kenya. *International Journal of Business and Management*, *13*(10).

[39] Njenga, R., & Jagongo, A. (2019). Effect of financial management decisions on financial performance of selected non-deposit taking SACCOs in Kiambu County, Kenya: Theoretical Review. *International Academic Journal of Economics and Finance*, *3*(3), 204-217.

ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

[40] Njenga, M. K., & Mwangi, M. (2012). The relationship between agency costs and financial performance of SACCOs with FOSA in Githunguri District. *Unpublished MBA project, Nairobi: University of Nairobi*.

[41] Njeru, M. D. (2016). *Effect of Liquidity Management on financial performance of Deposit Taking Saving and credit co-operative society in Kenya* (Doctoral dissertation, Business Administration (Finance), JKUAT).

[42] Nyamongo, E. M., & Temesgen, K. (2013). The effect of governance on performance of commercial banks in Kenya: a panel study. *Corporate Governance: The international journal of business in society*.

[43] Nwanyanwu, L. A. (2015). Cash flow and Organizational performance in Nigeria: Hospitality and Print media industries perspectives. *European Journal of Business, Economics and Accountancy*, *3*(3), 66-72.

[44] O'Hare, T. (2020). *Evidence-based practices for social workers: An interdisciplinary approach*. Oxford University Press, USA.

[45] Ojeka, S. A., Mukoro, D. O., & Kanu, C. (2015). Does Financial Reporting Disclosures Enhance Firm Financial Performance in the Nigerian Manufacturing Companies?. *Mediterranean Journal of Social Sciences*, *6*(6), 332-332.

[46] Okwemba, E. M., Chitiavi, M. S., Egessa, R., Douglas, M., & Musiega, M. G. (2014). Effect of corporate social responsibility on organization performance; Banking industry Kenya, Kakamega County. *International Journal of Business and Management Invention*, *3*(4), 37-51.

[47] Omino, P. A. (2014). Liquidity risk mitigation measures and financial performance of savings and credit co-operative societies (SACCO's) in Kisumu County-Kenya (Doctoral dissertation, University of Nairobi). *Unpublished Research project. University of Nairobi*.

[48] Ondari I., Gesimba P.P., & Njau, M.J.(2019). Effect of Staff Autonomy on Strategy Implementation in Private Security Firms in Nakuru County, Kenya. *OSR Journal of Business and Management (IOSR-JBM),* 21(1), *29-37*

[49] Osiorenoya, S. P. *Impact of financial reporting on financial performance of quoted companies in Nigeria* (Doctoral dissertation, M. Sc Thesis of Redeemed University, Ede, Nigeria).

[50] Osoro, E. M., & Muturi, W. (2015). Effects of liquidity-risk management practices on the financial performance of savings and credit co-operative societies in Kisii County, Kenya. *International Academic Journal of Information Sciences and Project Management*, *1*(4), 68-85.

[51] Oteros-Rozas, E., Martín-López, B., Daw, T. M., Bohensky, E. L., Butler, J. R., Hill, R., ... & Thyresson, M. (2015). Participatory scenario planning in place-based social-ecological research: insights and experiences from 23 case studies. *Ecology and Society*, *20*(4).

[52] Oyerogba, E. O., Alade, M. E., Idode, P. E., & Oluyinka, I. O. (2017). The impact of board oversight functions on the performance of listed companies in Nigeria. *Accounting and Management Information Systems*, *16*(3), 268-296.

[53] Portney, L. G. (2020). *Foundations of Clinical Research: Applications to Evidence-Based Practice*. FA Davis.

[54] Ravitch, S. M., & Carl, N. M. (2020). *Qualitative research: Bridging the conceptual, theoretical, and methodological*. SAGE Publications, Incorporated.

[55] Repko, A. F., & Szostak, R. (2020). *Interdisciplinary research: Process and theory*. SAGE Publications, Incorporated.

[56] Robson, C., & McCartan, K. (2016). *Real world research*. John Wiley & Sons.

[57] Rumrill Jr, P. D., Cook, B. G., & Stevenson, N. A. (2020). *Research in special education: Designs, methods, and applications*. Charles C Thomas Publisher.

[58] Quinlan, K. M., Male, S., Baillie, C., Stamboulis, A., Fill, J., & Jaffer, Z. (2013). Methodological challenges in researching threshold concepts: a comparative analysis of three projects. *Higher Education*, *66*(5), 585-601.

[59] Shani, F., Awino, Z., Ogutu M., & Iraki, X., (2019). Managerial Autonomy and Performance of Project Based Non-Governmental Organizations in Kenya. *International Journal of Business Management, Entrpreneurship Innovation, 1*(10), 28-33.

ISSN 2349-7831

International Journal of Recent Research in Social Sciences and Humanities (IJRRSSH)
Vol. 10, Issue 3, pp: (44-53), Month: July - September 2023, Available at: www.paperpublications.org

[60] Siyad, B. M., & Sasaka, P.S**.** Effect Of Corporate Governance Practices On Organizational Performance: A Case Studyof Hormuud Telecommunication Company. *The Strategic Journal of Business & Change Management.* 5(1), 849-871

[61] Tight, M. (2016). Phenomenography: The development and application of an innovative research design in higher education research. *International Journal of Social Research Methodology*, *19*(3), 319-338.

[62] Vo, D., & Phan, T. (2013). Corporate governance and firm performance: Empirical evidence from Vietnam. *Journal of Economic Development*, *7*(1), 62-78.

[63] Wagana, D., & Kabare, K. (2015). The influence of corporate governance on corporate performance among manufacturing firms in Kenya: A theoretical model. *International Journal of Academic Research in Business and Social Sciences*, *5*(4), 2222-6990.

[64] Weiss, D. F., Tilin, F. J., & Morgan, M. J. (2014). *The interprofessional health care team: Leadership and development*. Jones & Bartlett Publishers.

[65] Yaghoubi, M., Asgari, H., & Javadi, M. (2017). The impact of the customer relationship management on organizational productivity, customer trust and satisfaction by using the structural equation model: A study in the Iranian hospitals. *Journal of education and health promotion*, *6*.

[66] Zhu, Y., Tian, G. G., & Ma, S. (2009, August). Executive compensation, board characteristics and firm performance in China: the impact of compensation committee. In *22nd Australasian finance and banking conference*.,