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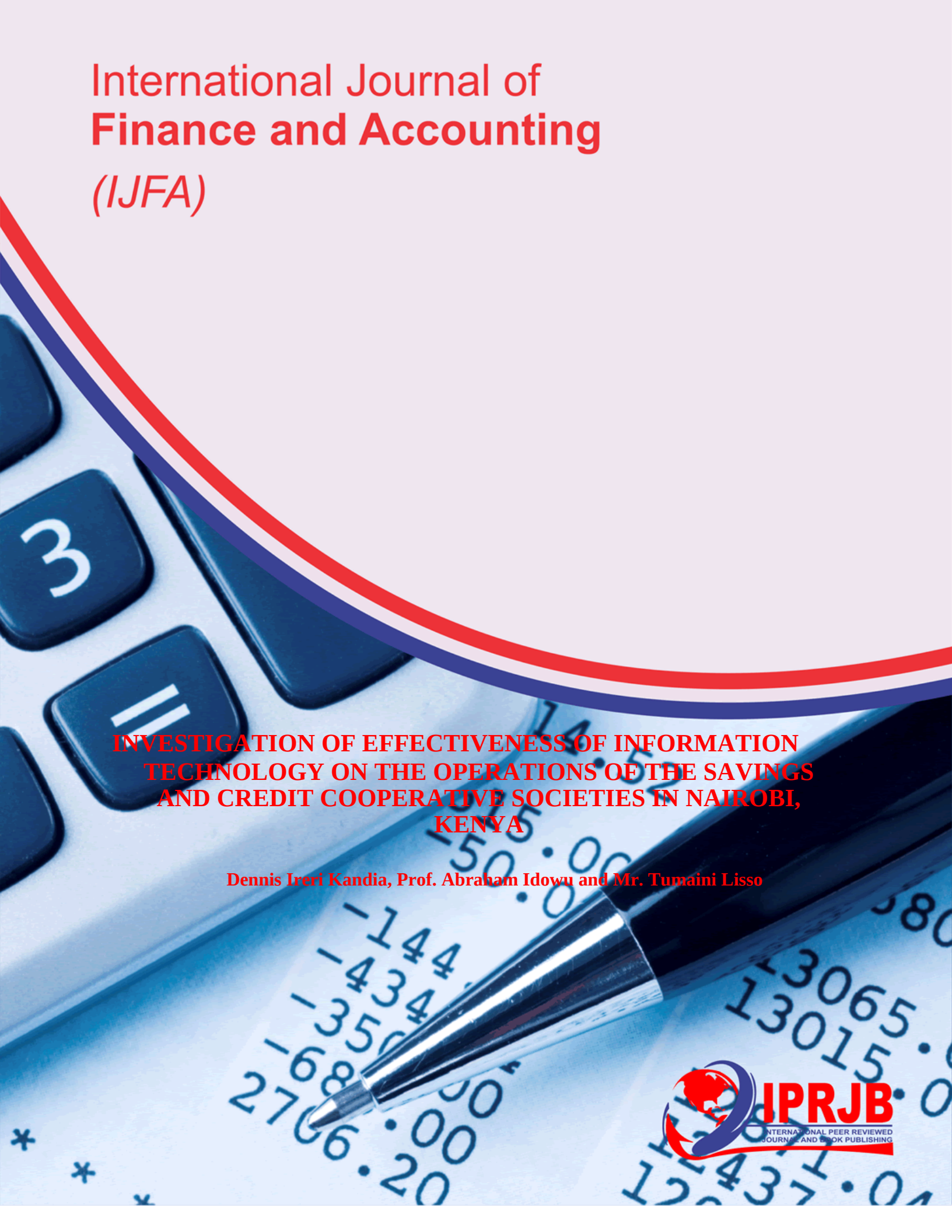

INVESTIGATION OF EFFECTIVENESS OF INFORMATION TECHNOLOGY ON THE OPERATIONS OF THE SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN NAIROBI, KENYA

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INVESTIGATION OF EFFECTIVENESS OF INFORMATION TECHNOLOGY ON THE OPERATIONS OF THE SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN NAIROBI, KENYA

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Abstract

Purpose: To investigate the effectiveness of information technology on the operations of SACCO's within Nairobi.

Methodology: The study utilized a descriptive survey research design.

Findings: Results revealed that effectiveness of ATM system influenced the operations of savings and credit cooperative societies. Results also revealed that effectiveness of asset loan management system influenced the operations of savings and credit cooperative societies. Results also revealed that effectiveness of liability/saving management system influenced the operations of savings and credit cooperative societies. Further, results revealed that effectiveness of financial management system influenced the operations of savings and credit cooperative societies.

Unique contribution to theory, practice and policy: The study will be of importance to the researchers, SACCO's, the society at large and the government in the following ways; First of all, the study will be of benefit to the management of cooperative societies in that they will be able to gain insight of the importance of IT in enhancing the effectiveness of their organizations. The study may help them address some of the challenges with regard to IT. The study will be of benefit to the government and particularly the policy makers as they will be in a position to make informed policies decisions regarding the use of IT in cooperative societies. Finally, the study will contribute to the existing body of knowledge in the area of the effectiveness of information technology on the operations of savings and credit cooperative societies in Nairobi, Kenya.

Keywords: *Information Technology, ATM System, Asset Loan Management System, Liability/Saving Management System, Financial Management System, SACCO*

INTRODUCTION

Background

The business environment in which organizations are operating today faces many threats and opportunities which have affected the productivity positively or negatively. As Ansoff (2007) puts it, ‘‘the key challenge for managers in the 1990’s was assuring competitiveness and profitability” for their companies in turbulent environments. The study observes that never in history has the pace of change in the business environment been as rapid as it is now. Recent developments such as the global market place, the opening up of Eastern Europe, the Gulf crisis, the slowdown in the world economy, the new political leadership all over the world, increasing costs of doing business and technological innovations especially in the IT sector, have posed real challenges for managers and made it increasingly difficult for companies to succeed in the turbulent environment (Ansoff, 2007).

Information Technology is the application of computers and telecommunication equipments to store, retrieve, transmit and manipulate data often in the context of a business or other enterprise (Mahr, 2010). The industry’s inception was coupled with the first giant calculators which processed and manipulated numbers digitally. Later the industry expanded to digitize other, mostly transaction-oriented activities. But until the 1980s, all computer-related activities revolved around interactions between a person and a computer. Connecting people in a vast and distributed network of computers not only increases the amount of data generated but also leads to numerous new ways of getting value out of it, unleashing many new enterprise applications and new passion for “data mining” (Perez, 2009).

There have been significant debates about the impact of new Information Communication Technologies (ICT) on economic performance and competitiveness in general, and on productivity, efficiency, and innovation in particular (Noe et al., 2006). Notably, in seeking an explanation for the acceleration in productivity and economic growth experienced in many industrialized countries in the latter half of the 1990s and early 2000, many economists have looked at the development, application, and utilization of ICT as a critical factor. It has been argued that IT represents a new General Purpose Technology, with the potential of transforming economic processes into a “New Economy,” generating a sustained increase in economic growth through processes of technological development and innovation. Hence, at firm level, the expectations are of greater efficiency, lower costs, and access to larger and new markets, while governments see the application and use of IT as generating higher national productivity, job creation, and competitiveness (Ansoff, 2007).

Castells (2008) reveals that, transactions worth billions of dollars can only take place in seconds in the electronic circuit throughout the globe by pressing a single butting. Although IT has revolutionized the way of living as well as conducting businesses, it continues to pose challenges for marketers and academic alike. According to Loonam and Loughlin (2008), ICT advancements, globalization, competition and changing social trends such as heightened customer proactiveness and increased preferences for convenience have caused intense restructuring of most organizations in the financial sector. Every organization has been trying to

keep up with the pace of technological advancement and desire to reap from the benefits that come with it. One of such sector is the savings and credit cooperative societies (SACCO's).

A savings and credit cooperative is an autonomous association of persons united voluntarily to meet their common economic, cultural needs and aspirations through a jointly owned and democratically controlled enterprise. The key idea behind a co-operative society is to pool the scarce resources, eliminate the middlemen and to achieve a common goal or interest. Cooperatives are vehicles for assisting the people to improve their socio-economic situation. They are institutions that derive their strength and validity from member cooperation and concern for each other (Maina & Murungi, 2004). SACCO's are business entities and operate on the basis of demand and supply, they are not concerned about the existence of the poor or non-poor, what matters to them is client's ability to fulfill the requirements, giving out credit/loans and members being able to repay within a given period (Sambu, 2006). SACCO's are owned by members, offering unique services that are proper compared to other micro credit institutions.

The development and implementation of IT is radically changing the platform of business transactions within and outside Africa. The profound developments have opened up new delivery channels for MFI's products and services such as automated Teller Machine (ATM) and electronic money transfer popularly known as Mpesa in Kenya. This new developments in ICT have facilitated offering services more efficiently and at lower cost. SACCO's local and global competitiveness has been propagated by the application of information technology concept, techniques and policies (Olatokum & Igbinedion, 2009).

Various Sacco's are trying to compete with other financial institutions like the banks to offer services like: current, savings account, fixed deposit accounts, personal car and motor loan, mortgages, transfer of payments, foreign exchange, corporate banking, students savings, credit facility, overdraft, SMS banking, Investment loan and cash advance. However, they still face challenges of inefficiency and ineffectiveness. They try using various systems in a bid to improve on their effectiveness and efficiency and be in line with the advancing technology which do not meet the expected results. This study seeks to investigate the effectiveness of information technology on the operations of Sacco's in Nairobi County.

Statement of the Problem

The cooperative society movement in Kenya has for a long time been credited with success especially in the mobilizations of savings from its members and providing credit at low interest rates. For instance, by the year 2010, these SACCO societies had mobilized savings of over Ksh.200billion. Specifically, Nairobi share capital stood at Kshs. 65 billion while outstanding loans were Kshs. 59 billion (Ndung'u, 2010). However, in the recent past, SACCOs have been characterized with a lot of inefficiencies and have continued to face stiff competition from the banks. According to Ndegwa (2013), ICTs are not sufficiently utilized by SACCOs and that the Ministry of Cooperatives Development and Marketing does not have structures to assist SACCOs in the adoption and utilization of ICT. Hence, SACCO's have continued to miss opportunities since majority have not fully adopted the required IT frameworks in their operations. In addition, the SACCO's have not kept the pace of adopting and effectively using the new emergent technologies. Moreover, despite the application of IT many SACCOs have continued to face a many challenges with regard to management and processes. Hence, this study

sought to investigate the effect of information technology on the operations of SACCOs in Nairobi, Kenya.

Research Objective

The main objective of the study was to investigate the perceptions of SACCO members on the effectiveness of information technology on the operations of savings and credit cooperative societies in Nairobi, Kenya.

Specific Objectives

- To find out the perceptions of SACCO members on the effectiveness of ATM system on the operations of savings and credit cooperative societies effectiveness.
- To establish perceptions of SACCO members on the effectiveness of asset loan management system on the operations of savings and credit cooperative societies effectiveness.
- To determine the perceptions of SACCO members on the effectiveness of liability/saving management system on the operations of savings and credit cooperative societies effectiveness.
- To determine perceptions of SACCO members on the effectiveness of financial management system on the operations of savings and credit cooperative societies effectiveness.

THEORETICAL REVIEW

A theoretical framework is a collection of interrelated concepts that guides a research, it determines the things that will be measured and what statistical relationships that will be looked at. The theoretical framework review in this research has been incorporated so as to formulate an empirical base study in investigating the effectiveness of information technology on the operations of SACCO's. This study is based on the resource based theory.

Resource Based Theory

This theory argues that firms possess resources enable firms to achieve competitive advantage and lead to superior long term performance. Valuable and rare resources can lead to the creation of competitive advantage. That advantage can be sustained over longer time periods to the extent that the firm is able to protect against resource limitation, transfer or substitution (Frawley & Fahy, 2006). Information technology system resources may take on many of the attributes of dynamic capabilities and may be useful to firms operating in rapidly changing environment. Information technology resources may not directly lead the firm to a position of superior sustained competitive advantage but they may be critical to the firm's long term competitiveness in unstable environments if they help it develop, add, integrate and release other key resources over time (Wade & Hulland, 2004). This theory is relevant to this study since information communication technology is a key resource that affects the performance of a firm. In the context of this study effective use of information technology can result to improved SACCOs operations.

METHODOLOGY OF THE STUDY

The study used a descriptive research design. The target population consisted of various Sacco members of Sacco's in Nairobi County. This study used a multistage sampling technique. The data collection techniques involved document analysis and questionnaires. A pilot study was conducted on 10% (15 respondents) of the study sample size. The questionnaires were self-administered. Data was gathered, coded and recorded into Statistical Package for Social Science (SPSS) program. Through descriptive statistics, the researcher summarized data in a meaningful way by making calculations to determine percentage for the response to satisfactory factors of the respondents and helped analyze profiles of the SACCO.

RESULTS OF THE STUDY

Data analyzed was summarized in line with the research objective.

Response rate

The target sample for the study was 150 respondents from the selected fully licenced FOSA SACCOs operating within Nairobi. One hundred and fifty questionnaires were circulated. Out of 150 self-administered questionnaires, 120 were duly completed and returned which represented an overall successful response rate of 80% as shown in Table 1.

Table 1: Response Rate

Response	Frequency	Percentage
Returned	120	80%
Unreturned	30	20%
Total	**150**	**100%**

Demographic Characteristics

The respondents were asked to describe their basic characteristics such their gender, marital status, age, level of education and the duration worked in the organization. Results showed that 90% of the respondents were males while 10% were females. Results revealed that the dominant age of the respondents was between 31 to 40 years who comprised 60% followed by ages 21 to 30 years (37.5%) and finally 41 to 50 years who were 2.5% of the surveyed respondents. Among the respondents surveyed the majority were married individuals comprising 94.2% which was followed by single persons who comprised 3.3% of the total proportion. The remaining 2.5% comprised the widowed. Among the respondents surveyed for the study it was established that majority of the respondents were degree holders, this comprised of 83.3% of the total respondents whereas diploma holders accounted for 15.8% and 0.8% had attained education up to secondary school level. Of the respondents surveyed it was found out that majority of the workers had worked for 0-5 years at the SACCOs. This group of respondents who had been working at the SACCOs for between 0 and 5 years accounted for 81.7% while those who had worked for 6-10 years were 17.5%. It was also found out that only 0.8% of the respondents had worked within the SACCOs for 11-15 years.

Descriptive Statistics

SACCO's Operation

The study had one dependent variable (operation of SACCOs) and four predictor variables: effectiveness of ATM system, effectiveness of Asset loan management system, effectiveness of liability/saving management system and effectiveness of financial management system. Table 2 displays results of responses regarding the effectiveness of Information technology on the operations of SACCOs. Eighty six point seven percent (86.7%) of the study participants said that the quality of services of the Sacco had improved since the adoption of IT. The respondents who amounted to 86.7% agreed that the number of loan given to members had increased since the adoption of Information Technology. On the other hand 96.25% agreed that the amount of loans given to members had increased since the adoption of IT and 97.5% of the respondents agreed that the amount of members' savings had increased since the adoption of IT. Ninety two point five percent (92.5%) of the respondents agreed that the level of corruption within the Sacco's had reduced especially with the adoption of Information Technologies while 68.3% percent agreed that by adopting Information technology the quality of financial statements had improved. This therefore implies that information technology adoption has reduced much of the manual procedures and thus increasing efficiency of workers and more quality output being produced. Seventy six point six percent (76.6%) of the respondents also agreed that with the adoption of information technology the level of integration among SACCOs had increased while another 83.3% of the respondents agreed that the managerial decision-making had improved especially with the adoption of new information technology systems. The mean of the responses indicated from the results was 4.03 which show that the most respondents agreed that the use of Information Technology enhances the SACCOs operations. The standard deviation was 0.91 which indicates that the answers received were varied as they were dispersed far from the mean. The findings agree with those in Sahadev and Islam (2005) who noted that the adoption of IT is expected to improve service quality, enhance operational efficiency and reduce costs, as well as to provide a platform for accessing the global market. The responses also revealed that daily transactions can be processed more easily and quickly due to the fact that client information can be easily accessed. It showed that clients were increasing at a promising rate since they trust and have confidence with the Sacco.

Table 2: SACCO's Operations

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
The quality of services of the Sacco has improved since the adoption of IT	0.00%	9.20%	4.20%	61.70%	25.00%	4.0	0.8
The number of loan given to members has increases since the adoption of IT	8.30%	0.00%	5.00%	32.50%	54.20%	4.2	1.1
The amount of loans given to members has increased since the adoption of IT	0.00%	2.50%	0.00%	52.50%	45.00%	4.4	0.6
The amount of members savings has increased since the adoption of IT	0.00%	0.00%	7.50%	60.80%	31.70%	4.2	0.6
The level of corruption in the Sacco has reduced since the adoption of IT	0.00%	27.50%	4.20%	47.50%	20.80%	3.6	1.1
The quality of financial statement has improved has since the adoption of IT	5.00%	11.70%	6.70%	28.30%	48.30%	4.0	1.2
The managerial decision making has improved since the adoption of IT	4.20%	12.50%	0.00%	78.30%	5.00%	3.7	0.9
Average						**4.03**	**0.91**

Effectiveness of ATM system and SACCO's Operations

The first objective of the study was to find out the perceptions of SACCO members on the effectiveness of ATM system on savings and credit cooperative societies operations. Results on Table 3 show that 67.5% of the respondents reported that their SACCOs offered ATM services to its members and as a result had improved on its effectiveness, 82.5% of the respondents agreed that they were satisfied with the ATM services offered by the Sacco, Seventy point eight percent (70.8%) of the respondents said that they were in a position to access their savings wherever they were through the use of ATM. Eighty five percent (85%) of the respondents also agreed that ATM system increased efficiency and effectiveness in their SACCO whereas 76.60% agreed that their members could access their accounts from the ATMs and 89.2% of the respondents felt that members could generate their statement from the ATMs while another 92.5% of the respondents agreed that they could access loan disbursements through the ATMs respectively. The mean of the responses indicated from the results was 3.98 which show that the respondents were agreeing on most of the statements while the standard deviation was 1.07 which indicates that the answers received were varied as they were dispersed far from the mean. These results indicate that the respondent valued the use of ATM system by savings and credit cooperative societies as this improved on their operations.

The findings concur with those in Koellinger (2005) who noted that the key to understanding the impacts of IT on performance is to view IT as an enabler of innovation. This conceptualization

of new technologies as possible enablers of innovation allows a market-based approach to study the relationship between IT and performance. It also allows investigating why different firms that invest in the same technology may exhibit different payoffs. In addition, this concept allows us to argue that IT remains of strategic relevance for firms as long as it enables innovation. Innovation is a strategic variable because it allows firms to differentiate their products, services and production processes vis-à-vis their competitors, at least in the short run. Sacco's with ATM systems have been more convenient and reliable as their members have the alternative of making regular cash withdrawals. Members have a balanced enquiry access to cash and mini-statements 24-7. Sacco's with a fund transfer module are highly preferred by many people as they can transfer money to other channels like banks.

Table 3: ATM system and SACCO's Operations

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Our SACCO offer ATM services to its members and this has led to its effectiveness	8.30%	16.70%	7.50%	31.70%	35.80%	3.7	1.3
Am satisfied with the ATM services offered by the Sacco	1.70%	10.80%	5.00%	24.20%	58.30%	4.3	1.1
I access my saving wherever I am through the use of ATM	3.30%	17.50%	8.30%	40.00%	30.80%	3.8	1.2
ATM system increases efficiency and effectiveness in our SACCO	4.20%	6.70%	4.20%	42.50%	42.50%	4.1	1.0
Members can access their accounts from the ATMs	5.00%	11.70%	6.70%	28.30%	48.30%	4.0	1.2
Members can generate their statement from the ATMs	4.20%	6.70%	0.00%	66.70%	22.50%	4.0	0.9
Members can access loan disbursements from the ATMs	2.50%	2.50%	2.50%	75.00%	17.50%	4.0	0.7
Average						**3.98**	**1.07**

Asset Loan Management System and SACCO's Operations

Table 4 presents results of responses that addressed the second objective of the study. Results indicate that 76.6% of the respondents agreed that their Sacco had loan management systems to track loans repayment and delinquency in their portfolios. Ninety percent (90%) agreed that their Sacco had a system of monitoring monthly loans, 95% agreed that their Sacco had a system of monitoring adequacy of provisions for monthly loan losses and 93.4% agreed that the loan management system had reduced the time taken in processing loans and a further 86.6 % agreed that the loan management system has reduced the cost of loan administration for the Sacco's. Finally, 81.7% of the respondents reported that the loan management system has reduced the default rate. The results show that most of the respondents were in tandem that the asset loan management systems has improved SACCOs operations as support by a mean score of 3.89. The standard deviation was 0.86 which indicates that the answers received were varied as they were dispersed far from the mean. These results allude to the fact that asset loan management systems are essential for enhancing the operations of SACCOs.

The findings are consistent with those in Buhalis and Law (2008) who found out that the increasing use of IT creates or destroys jobs remains a subject of debate. Theory suggests that the

net impact depends on the relative strength of two competing effects: On the one hand, the use of IT can lead to innovations, which can result in output growth and a concomitant growth in jobs. On the other hand, process innovation and IT-related productivity gains imply that a given output level can be produced with less labour input. In addition, there can be substitution effects if new IT-related products and services replace other, potentially more labour-intensive, products and service. The collection of overdue loans has become easier as the staff members have a daily updated overview of their dispersed loans. Still Sacco's pointed out that the system has become significantly more efficient as penalties for the overdue loans are now automatically calculated and charged by the computers. Members can also get information on their accounts and loan balances.

Table 4: Asset Loan Management System and SACCO's Operations

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Our Sacco has loan management systems to track loans repayment and delinquency in their portfolios	5.00%	11.70%	6.70%	28.30%	48.30%	4.0	1.2
Our Sacco has a system of monitoring the loans monthly	2.50%	5.80%	1.70%	79.20%	10.80%	3.9	0.8
Our Sacco has a system of monitoring adequacy of provisions for loan losses monthly	2.50%	2.50%	0.00%	85.80%	9.20%	4.0	0.6
The loan management system has reduced the time taken in processing loans	2.50%	4.20%	0.00%	89.20%	4.20%	3.9	0.7
The loan management system has reduced the cost of loan administration	2.50%	10.80%	0.00%	70.80%	15.80%	3.9	0.9
The loan management system has reduced the default rate	7.50%	5.80%	5.00%	75.00%	6.70%	3.7	1.0
Average						**3.89**	**0.86**

Liability/Saving Management System and SACCO's Operations

Table 5 presents results of responses that addressed the third objective of the study. Results indicate that 84.2% of the respondents agreed that their SACCOs had saving management information system. Seventy one point six percent (71.6%) agreed that their Sacco saving management information system had improved the administration and the management of Sacco savings, 83.3% agreed that the SACCOs' saving management information system had reduced the loss of members' saving. Seventy one point six percent (71.6%) felt that the Sacco saving management system had improved members satisfaction and 67.5% agreed that the SACCOs' saving management system had improved the production of savings reports. The findings show that most of the respondents were contented that Saving Management System improved SACCO's operations as support by a mean score of 3.64. The standard deviation was 1.05 which indicates that the answers received were varied as they were dispersed far from the mean. These results indicate that the sampled respondents valued savings management systems as a factor for that enhanced the SACCOs overall operations.

These findings are consistent with those of Mitchell (2002) who asserted that technology strategy improves competitiveness. Failure to develop and integrate technology strategy and business strategy is a major contributing factor to the decline of firm's competitiveness. The findings showed that firms with innovative experience are particularly well prepared to make productive use of IT by introducing appropriate complementary innovations. Sacco's with savings management system have an easy access to accurate and up-to-date information on their actual capital and can manage and monitor daily progress of their Sacco since they can get a full picture of portfolio performance and quality. Members could also get a quick information on their savings.

Table 5: Liability/Saving Management System and SACCO's Operations

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
The Sacco has saving management information system	4.20%	11.70%	0.00%	74.20%	10.00%	3.7	0.9
The Sacco saving management has improved the administration and the management of Sacco savings	10.00%	18.30%	0.00%	65.80%	5.80%	3.4	1.2
The Sacco saving management has reduced the loss of members saving	4.20%	12.50%	0.00%	78.30%	5.00%	3.7	0.9
The Sacco saving management system has improved members satisfaction	2.50%	15.00%	10.80%	48.30%	23.30%	3.8	1.1
The Sacco saving management system has improved the production of savings reports	5.00%	20.00%	7.50%	40.80%	26.70%	3.6	1.2
Average						**3.6**	**1.1**

Financial Management System and SACCO's Operations

The fourth objective of the study was to determine the perceptions of SACCO members on the effectiveness of financial management system on the operations of savings and credit cooperative societies. Results on Table 6 show that majority 70% agreed with the statement that due to the financial management system in place their Sacco produced accurate and timely financial statements, eighty five point eight percent (85.8%) viewed that the financial management system had improved the production of profit and loss statements. Eighty seven point five percent 87.5% felt that the financial management system had improved the production of cash flow statements, 84.1% felt that the financial management system had improved the production of balance sheet statements, 80% agreed that they felt the financial management system had improved the production of management accounts and another 76.6% had the view that the financial management system had improved the maintenance of an asset register. The

findings indicate that most respondents agreed that financial management systems enhance SACCO's operations as support by a mean score of 3.86. The standard deviation was 1.05 which indicates that the answers received were varied as they were dispersed far from the mean. These results imply that financial management systems are a core factor that determines the operations of SACCOs.

The findings concur with those in Stoneman and Kwon (2006) who conducted an analysis of the profitability of IT investments in an empirical study that explicitly considered the competitive dynamics in a market showed that the profits of non-adopters of IT are reduced as other firms adopt new IT. Furthermore, the gross profit gains of IT adoption are related to firm and industry characteristics and the number of other users of the technology. Sacco's with this system are more able to manage their cash collections, manage their accounts, payments and could also manage their liquidity.

Table 6: Financial Management System and SACCO's Operations

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Due to the financial management system in place our Sacco produce accurate and timely financial statements	7.50%	18.30%	4.20%	53.30%	16.70%	3.5	1.2
The financial management system has improved the production of profit and loss statements	5.00%	9.20%	0.00%	60.80%	25.00%	3.9	1.0
The financial management system has improved the production of cash flow statements	2.50%	8.30%	1.70%	71.70%	15.80%	3.9	0.9
The financial management system has improved the production of balance sheet statements	4.20%	11.70%	0.00%	78.30%	5.80%	3.7	0.9
The financial management system has improved the production of management accounts	4.20%	6.70%	9.20%	28.30%	51.70%	4.2	1.1
The financial management system has improved the maintenance of an asset register	6.70%	9.20%	7.50%	35.80%	40.80%	4.0	1.2
Average						**3.9**	**1.0**

CONCLUSIONS

Based on the findings of the study, the following conclusions are arrived at;

- The SACCO members perceived that the effectiveness of ATM system influenced the operations of savings and credit cooperative societies.
- The SACCO members perceived that the effectiveness of asset loan management system influenced the operations of savings and credit cooperative societies.

- The SACCO members perceived that effectiveness of liability/saving management system influenced the operations of savings and credit cooperative societies.
- The SACCO members perceived that effectiveness of financial management system influenced the operations of savings and credit cooperative societies.

RECOMMENDATIONS

Based on the findings the study made the following recommendations;

- SACCOs should commit more resources into the adoption and maintenance of information technology systems since they influence their operations positively.
- SACCOs should increase the number of ATMs since their effectiveness affect their operations positively.
- SACCOs should maintain their asset loan management systems so as to ensure that members can access loans whenever they are in need. In addition, they will be in a position to minimize the default rates and ensure that they lend money to the less risky borrowers.
- SACCOs should ensure that the liability/savings management systems are effective to increase their membership since they win the confidence of the members through proper management.
- SACCOs should ensure that the financial management systems are effective to ensure efficiency and transparency in the provision of services to members.

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