
**ROLE OF INSTITUTIONAL FACTORS ON THE GROWTH OF SACCOS IN NAIROBI
COUNTY, KENYA**

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ABSTRACT

Cooperatives have long been renowned to play relevant social roles and economic roles in societies in turn translating into the enhancement of standards of living of their members. Companies are owned by the members who encourage credit access since they pull their resources together in form of savings, and the SACCOs then use these savings to give out small credit facilities to them. In Kenya, the Sacco industry has experienced massive growth over the years. The current research established the role of institutional factors on SACCOs growth in the County of Nairobi using resources, policies, culture and structure as the independent variables. Agency theory, resource based view as well as the Institutional theory was used. A descriptive research design was used to gather information using a questionnaire from the management of the 40 firms and analyzed using SPSS version 20.0 program. Analysis of data was done using both inferential and descriptive statistics as well as diagnostic tests and presented using charts, graphs and tables. Furthermore, the data was interpreted and a conclusion and recommendations drawn from the findings of this study. The findings showed that there was an association that was positive at $p < 0.05$ between the resources, culture, policies and structure of the corporations on the Nairobi County's SACCOs growth and the SACCOs' growth. The recommendations of this study indicate that there is a necessity for management of the firms to come up and implement policies that will aid in improving and efficiently aiding in the SACCOs growth. In addition, the managers of the SACCOs should involve all employees on all levels in the making of decisions. Furthermore, management training is crucial as it helps the management to understand the corporation's policies and culture thus improving the service delivery to the shareholders. The structures of the firms should be empowering to ensure that the employees participate in the affairs of the SACCOs as a clearly structured structure of the company helps in conflict resolution and maintenance of order.

Keywords: *Organizational Resources, Organizational Culture, Organizational Policies, Organizational Structure, Growth*

INTRODUCTION

Cooperatives have long been renowned to play relevant social roles and economic roles in societies in turn translating into the enhancement of standards of living of their member (Barasa, 2014). A cooperative is defined by International Cooperative Alliance (ICA, 2005) as a big and diverse association of people coming together in a volunteering manner to meet their needs and duties for a common social, economic and cultural needs and desires through a joint company that is owned and controlled by the company. Furthermore, the cooperatives societies contribute and bring together over q billion people globally with United Nations (UN) giving an estimate of about 3 billion people who have benefitted from the cooperatives (Byrne et al., 2012). According to ICA (2002), every one person in five Kenyans is a cooperative society member and additionally, almost 5.9 million Kenyans are directly or indirectly living from their cooperatives movement.

According to Mwangi (2015), at the global economy, the impact of the SACCOs is very broad. Well developed nations have cooperatives that are known to be the key contributors of GDP and economic growth as well as poverty alleviation. In Europe, there are about 58,000 SACCOs having about 13.8 million members while in United States (US), the estimation is of about 72,000 cooperatives serving over 140 million members and about 90 million cooperative members. Kobia (2011) noted that cooperatives are more stable than other institutions and they have a good track record of survival and growth. Mwangi (2015) further shows that cooperatives in less developed countries are experiencing problems, for example, in Uganda, there were about 554 registered cooperatives entities but recently there are about 7500.

Barasa (2014) highlighted that, regionally in Nigeria, for instance, there are both traditional and modern SACCOs. According to Nweze (2012) cited in Barasa (2014), SACCOs in Nigeria, like their counterparts globally are formed to meet the needs of their people, even though they have been failing due to lack of trained managers, inability to understand the principles and approaches of cooperatives, lack of sufficient financing, too much government control, mistrust from members, as well as the lack of cooperative members to cope with the modern techniques of production (Borgens, 2011; Nweze, 2012).

In Kenya, recently, SACCOs sub-sector has witnessed fast growth of approximately 25 percent annually as well as having a mobilization of 180 billion savings and over Ksh 200 billion asset base (Ngaira, 2011). With about 31 percent of the national savings coming from SACCOs, they have been very significant on the realization of Kenya's Vision 2030 as it occupies a strategic position (Kairu, 2009; Kamau, 2010; Ngaira, 2011; Tumaini, 2010).

Statement of the Problem

SACCOs play an integral part on financial inclusion and it is attributed that 28 million Kenyans which is about 63% of the population depend on cooperative related activities either directly or indirectly for their livelihoods. Globally, Kenya is in the group 10 (G10) largest Cooperative movements' member countries in the world. According to SASRA 2017 report, the SACCO movement controls KES 442.28 billion and KES 305.31 billion in form of assets and deposits respectively. Therefore, in appreciation of contribution of SACCOs on economic, environmental and social well-being of majority of the population in Kenya, this research established the institutional factors role in Nairobi County's SACCOs growth.

Kiprono (2012) noted that SACCOs face very many challenges thus not realising their full capabilities. Mwangi (2011) further noted that the type of leadership is a challenge since

majority of those elected may not have the required knowledge to run a Sacco; loan defaulting my members; little or no dividends to their members; and loans are limited vis-à-vis the needs of their members. Kagonia (2017) noted that long queues have been caused by no digitization of technology and this leads to increase in complaints from the members who are then answered rudely by their staff due to very poor customer services. SASRA (2020) indicated that there are about 25.09% dormant members in SACCOs which is an increase from 16.9% in 2019 which may be attributed by the effects of Covid-19 pandemic on the overall Kenyan economy. This leads to slow advancement of these firms.

Numerous and extensive authors have researched on the advancement of SACCOs including Cheruiyot (2012); Ademba (2016), Muteke (2015); Kiama (2014); Mwangi (2015); Motompa (2016) as well as Kiprono (2012) amongst others. These studies achieved their goals but they didn't focus on institutional factors role on the advancement of SACCOs mainly in the County of Nairobi. Lack of research in this aforementioned area more especially in the African region and more specifically locally led to this research in an attempt bridge a information research gap that is existent.

Objectives

- i. Determining the organizational resources role on Nairobi County's SACCOs growth.
- ii. Ascertaining the organizational culture role on Nairobi County's SACCOs growth.
- iii. Finding out organizational policies role on Nairobi County's SACCOs growth.
- iv. Determining the organizational structure role on Nairobi County's SACCOs growth.

LITERATURE REVIEW

Empirical Review

Hezron and Muturi (2015) noted that the agency theory looks at the correlation between agents (managers) and principals (members). The theory notes that the agents have been delegated by the shareholders in decision making on behalf of them for principal's interests (Jensen & Mechling, 1976). Nevertheless, according to Odhiambo (2012), the agent can violate the contract between the interests of the two parties by conducting by having opportunistic behaviours for their own interests since they may have their own interests which differ from those of the principals. The factors that influence them may be greed, opportunities in the labor markets and other parties relationships with them that are indirectly related to the principals. This leads to them focusing more on the performance of the SACCOs than the actual reality. They are also deal with risk unfavourably as compared to other companies thus having a different communication view and interests which affects the principals.

Michuki and Aosa (2011) stated that the right quantity and quality of resources are very important for any organizational growth. RBV theory assumes that abilities and resources are uniform in organizations, thus firms will more superior resources are able to gain sustainable competitive advantage (SCA). The RBV contends that to gain SCA, firms must own several important resources that have features including limitations to being duplicated, being relevant and of value. RBV insists on strategic choices, giving the leaders of the company crucial roles including identification, development and deployment of crucial resources so as to maximize profits (Harmancioglu, 2009).

North (1990) noted that this theory emphasizes that modern firms are dependent upon environments that may affect the growth of the structures of a formal organization strongly. The theory recognizes the crucial role played by the forces of economics and society that end up

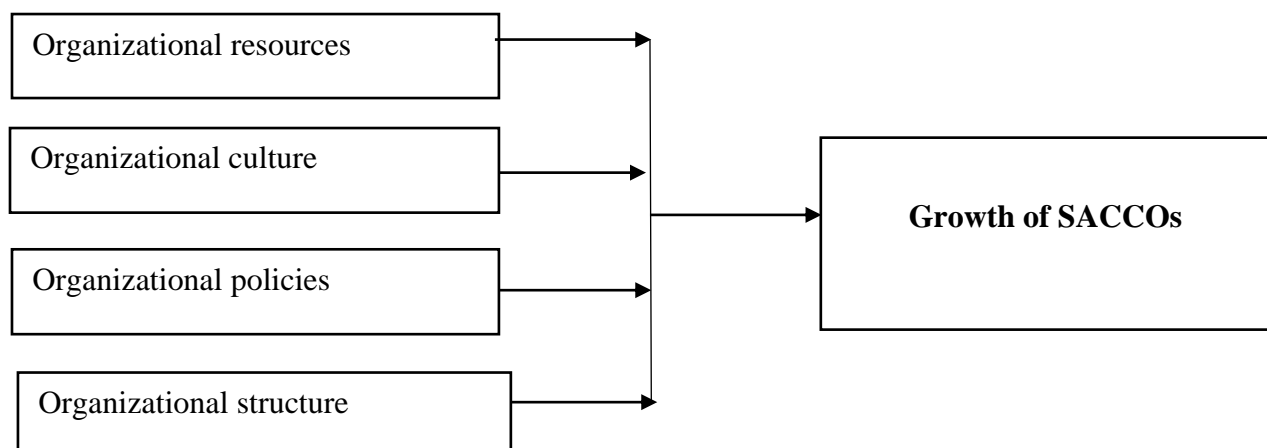
shaping the firms' systems and structures (DiMaggio, 1983). Firms may improve or hinder their performance. This theory proposes that the structures of an organization and its processes become institutionalized over time and they affect the employees' behaviours and their growth.

According to Meyer and Rowan (1991), this theory focuses on robust characteristics of social structure as it looks at the schemes, norms, rules, and routines which are a powerful guideline to social structure. It looks at how the social structures are made, diffused into the company, adopted by the firm and adapted over time and space, and how they are declined and disused. Environment of a firm is denoted as a field that represents the companies, and includes structures for regulation, agencies of government, courts, professional norms, professionals, groups of interest, opinions of the public, rules, laws and social values.

Scott (2004) contends that the institutional values has an assumption that the company conforms to the environment around it, even though there are aspects of this environment that have not been fully addressed by the theory that make it a bit challenging to understand. These include the firm and its environment, the dependability of the company on external resources and the adaptability of the company to the changes in the environment. Oliver (1997) stated that the main notion of this theory is that the firm's structures and its processes are important as opposed to the basis of whether they are efficient and effective.

The overall organizational performance is affected by many factors, not limited to policies, strategy, structure, resources, practices, technology and culture (Galbraith, 2002). Furthermore, Meyer and Rowan (1991) contend that the institutional system should be viewed as a class of elements because the loci of rules, norms and standards in the systems. These shifts together with other agents of change like culture, diverse resources, competitors, markets, customers and strategies. Therefore, this theory supports all the study objectives (organizational resources, culture, policies and structure) related to the institutional factors.

Conceptual Framework



Independent Variables

Dependent Variable

RESEARCH METHODOLOGY

A descriptive research design was used to gather information using a questionnaire from the management of the 40 firms and analyzed using SPSS version 20.0 program. Analysis of data was done using both inferential and descriptive statistics as well as diagnostic tests and presented

using charts, graphs and tables. Furthermore, the data was interpreted and a conclusion and recommendations drawn from the findings of this study.

FINDINGS AND DISCUSSIONS

Response rate

The study distributed 40 questionnaires to the Saco management and only 35 were answered and returned for analysis thus translating to 87.5percent rate of response which is very high and considered sufficient for commencement of data analysis. The results are tabulated in Table 1.

Descriptive Analysis

Growth of the Sacco

The extent to which the management agreed with the following statements regarding growth of the SACCOs is tabulated below. A large proportion of the managers agreed to: “there has been an increase in members since 2015 in the company” (57.1%), “there has been a rise in shares number in the company” (54.3%), “there has been an upsurge in employees in the company” (51.4%) and “the company has increased and improved the assets they own” (48.6%) as statements regarding growth of the SACCOs. The table further reveals that “There has been an upsurge in members since 2015 in the company” had the highest mean of 4.57 (SD=0.502) while “The company has had a surge and improved the assets they own” had the lowest mean of 4.40 (SD=0.651). The findings are corroborate Motompa (2016) who found that the foundation of growth in any organization is set on setting of goals, firm’s development, approach of systems and having an overall approach to the performance help. Thus, a SACCOs’ overall growth depends on the interactions between the company and external environment that includes customers’ interactions and issues relating to clients’ retention and competition within the market.

Table 1: Growth of the Sacco

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD
There has been an upsurge in employees in the company	0.0	0.0	5.7	42.9	51.4	4.46	.611
There has been an surge in members since 2015 in the company	0.0	0.0	0.0	42.9	57.1	4.57	.502
The company has increased and improved the assets they own	0.0	0.0	8.6	42.9	48.6	4.40	.651
There has been a rise in shares number in the company	0.0	0.0	5.7	40.0	54.3	4.49	.612

Organizational Resources Role and Growth of SACCOs

Organizational Resources Role and Growth of SACCOs 3 symbolized moderate extent, 4 symbolized great extent and 5 symbolized very great extent. The results were as presented in Table 2.

A big percentage of the managers agreed strongly to the following statements: “Financial resources have helped the Sacco in its growth” (71.4%), “There is an ICT policy to guide ICT use in the company” (71.4%), “New products are introduced by the management to help with the changing environment” (62.9%), “The Sacco often offers training to both its management and staff” (60.0%), “There is motivation and rewards for the employees by the HR department” (60.0%) and “The SACCOs physical resources are enough to ensure growth of the company” (51.4%) as statements regarding Role of organizational resources on the growth of SACCOs. The table further reveals that “Financial resources have helped the Sacco in its growth” and “There is an ICT policy to guide ICT use in the company” had the highest mean of 4.71 (SD = 0.458) while “The SACCOs physical resources are enough to ensure growth of the company” had the lowest mean of 4.11 (SD = 1.157).

The findings are in line with Bouguesri, Benabou and Tabeti (2013) who found a positive correlation between behaviour of HR and development of SCA while in 2011; Anton confirmed an association that is positive between tangible resources and corporation’s performance. In 2014, Aslizadeh researched on utilization of IT to gain competitive advantage in companies dealing with food and established an association that is positive amongst innovation employment in companies while in 2013, Orlando et al established that finances affect development and advancement of SACCOs in the country.

Table 2: Organizational Resources Role and Growth of SACCOs

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD
The SACCOs physical resources are enough to ensure growth of the company	2.9	11.4	8.6	25.7	51.4	4.11	1.157
There is motivation and rewards for the employees by the HR department	0.0	0.0	0.0	40.0	60.0	4.60	.497
There is an ICT policy to guide ICT use in the company	0.0	0.0	0.0	28.6	71.4	4.71	.458
Financial resources have helped the Sacco in its growth	0.0	0.0	0.0	28.6	71.4	4.71	.458
The HR department conducts performance	0.0	0.0	5.7	45.7	48.6	4.43	.608

appraisals regularly								
The Sacco often offers training to both its management and staff	0.0	0.0	2.9	37.1	60.0	4.57	.558	
New products are introduced by the management to help with the changing environment	0.0	0.0	5.7	31.4	62.9	4.57	.608	

Organizational Culture Role and Growth of SACCOs

A large proportion of the managers strongly agreed to: “Inadequate management skills training often leads to Sacco mismanagement” (88.6%), and “There is higher growth when there is a common bond among the members and management of the Sacco” (74.3%) as statements regarding Role of organizational culture on the growth of SACCOs. The table also highlighted that a number of managers were in disagreement with: “There is an increase in fraud cases as the members from other companies join the Sacco” (51.4%), and “There is an increase in loan defaults when other organizations join the Sacco” (41.7%) as statements regarding Role of organizational culture on the growth of SACCOs. The table further reveals that “Inadequate management skills training often leads to Sacco mismanagement” had the highest mean of 4.89 (SD = 0.323) while “There is an increase in fraud cases as the members from other companies join the Sacco” had the lowest mean 1.91 (SD = 0.702).

The findings support Wahjudi et al., (2016) and Pavitt (2016) who concluded that the culture of companies affects their performance. Agwu (2014) and Nikpour (2017) indicated an association that is strong and significant between performance of firms and the culture of the company based on norms, values and beliefs. A study carried out by Naranjo et al., (2016) on the relationship between culture of organizations, innovations and the Spanish firms performance revealed that the culture of companies has an effect on the firm’s performance and innovation of companies based on culture of the clan and adhocracy culture. Obura and Mise (2018) researched on firm’s culture and its influence on organizational performance in public universities in Kenya and found that there is a relationship between culture of companies and their performance. The culture of the companies can be cited as a crucial factor that contributes to the failure or success of a firm.

Table 3 Organizational Culture Role and Growth of SACCOs

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD
Inadequate management skills training often leads to Sacco mismanagement	0.0	0.0	0.0	11.4	88.6	4.89	.323
When more members	40.0	20.0	25.7	8.6	5.7	2.20	1.232

from other companies join the Sacco, there is bound to be an increase in Management issues

There is an increase in loan defaults when other organizations join the Sacco	31.4	45.7	17.1	2.9	2.9	2.00	.939
There is an increase in fraud cases as the members from other companies join the Sacco	28.6	51.4	20.0	0.0	0.0	1.91	.702
There is higher growth when there is a common bond among the members and management of the Sacco	0.0	0.0	0.0	25.7	74.3	4.74	.443

Organizational Policies Role and Growth of SACCOs

A big percentage of the managers agreed strongly to the following statements: “Rewards offer Competitive advantage that promote firm growth” (97.1%), “Rewards satisfy employee needs leading to employee satisfaction” (88.6%), “The company offers employees both financial and non-financial rewards” (88.6%), “Group rewards leads to higher firm growth than individual rewards” (80.0%), “The company offers the employees commissions for reaching their targets” (74.3%) and “Salary payment to the employees is equivalent of the employee skills and the duties assigned to them” (68.6%) as statements regarding Role of organizational policies on the growth of SACCOs. The table further reveals that “Rewards offer Competitive advantage that promote firm growth” had the highest mean of 4.97 (SD = 0.169) while “Salaries are reviewed regularly as per the company’s policy” had the lowest mean of 4.17 (SD = 0.891).

The results corroborate Randy et al. (2012) in China and Hong Kong who revealed that rewards the strategies of the company could be attained if the rewards and compensations are strengthened. In 2011, Roya et al., found that practices of rewards and compensations lead to achievement and accomplishment thus the teachers are motivated to work. A research done by Chelimo (2017) focusing on HR policies and how they affect performance among staff at Cooperative Bank concluded that recruitment, appraisal and compensation as well as transparent and fair compensation packages influence the performance of employees.

Table 4 Organizational Policies Role and Growth of SACCOs

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD

		(%)	(%)	(%)				
Salary payment to the employees is equivalent of the employee skills and the duties assigned to them	0.0	0.0	0.0	31.4	68.6	4.69	.471	
Rewards offer Competitive advantage that promote firm growth	0.0	0.0	0.0	2.9	97.1	4.97	.169	
Group rewards leads to higher firm growth than individual rewards	0.0	0.0	0.0	20.0	80.0	4.80	.406	
Reward facilitate organizational strategic goals and employee goals	0.0	0.0	0.0	34.3	65.7	4.66	.482	
Rewards satisfy employee needs leading to employee satisfaction	0.0	0.0	0.0	11.4	88.6	4.89	.323	
The company offers employees both financial and non-financial rewards	0.0	0.0	2.9	8.6	88.6	4.86	.430	
The company offers the employees commissions for reaching their targets	0.0	0.0	2.9	22.9	74.3	4.71	.519	
Salaries are reviewed regularly as per the company's policy	0.0	5.7	14.3	37.1	42.9	4.17	.891	

Organizational Structure Role and Growth of SACCOs

A large proportion of the managers strongly agreed to: “The employees have easy access to the policies and procedures manuals” (80.0%), “The Sacco has standardized behaviour through formal training and associated mechanisms” (68.6%), “The CEO and BoD must approve all investment and operational decisions before they are implemented” (57.1%), “Departmental meetings are held regularly” (54.3%), and “Few hierarchy levels are important before decision making” (54.3%) as statements regarding Role of organizational structure on the growth of SACCOs. The table further reveals that “Financial resources have helped the Sacco in its growth” and “The employees have easy access to the policies and procedures manuals” had the highest mean of 4.77 (SD = 0.490) while “The decision making process involves all employees including the sub-ordinate staff” had the lowest mean of 3.31 (SD = 1.307).

The findings support Hao, Kasper and Muehlbacher (2012) who found that organizational structure has an influence on performance both indirectly and directly. In 2015, Maduenyi, Oluremi and Fadeyi researched on structure of the organization and its influence on firm's performance and found a corporation's structure gives a positive influence on the financial and non-financial aspects of performance within a company while Jens, Khalid and Hassan (2014) concluded that structure type used by a company may help the company to stay alert to any changes in the environment of their business they are operating in. Njiru (2014) and Onono (2018) revealed that there exists a correlation between the structure of the companies and financial performance.

Table 5 Organizational Structure Role and Growth of SACCOs

	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	SD
Departmental meetings are held regularly	0.0	0.0	20.0	25.7	54.3	4.34	.802
The employees have easy access to the policies and procedures manuals	0.0	0.0	2.9	17.1	80.0	4.77	.490
Few hierarchy levels are important before decision making	0.0	0.0	0.0	45.7	54.3	4.54	.505
Before any engagement is undertaken, the Sacco offers written and formal communication	0.0	2.9	14.3	54.3	28.6	4.09	.742
The decision making process involves all employees including the sub-ordinate staff	8.6	17.1	25.7	31.4	17.1	3.31	1.207
The CEO and BoD must approve all investment and operational decisions before they are implemented	0.0	0.0	0.0	42.9	57.1	4.57	.502
The Sacco has standardized behaviour through formal training and associated mechanisms	0.0	0.0	0.0	31.4	68.6	4.69	.471

Correlation Analysis

The table highlights an association that is positive between the resources (0.757), policies (0.651), culture (0.693) and structure (0.597) of the firms and the growth of SACCOs. This implies that the relationship between the institutional factors (organizational resources,

organizational culture, organizational policies and organizational structure) and SACCOs growth across the nation ($P < 0.05$). These results are supported by other studies such as Idua (2014), Saif and Saleh (2013), Kanooni (2015) among others

Table 6 Correlation Coefficients

		Growth	Organization Resources	Organization Culture	Organization Policies	Organization Structure
Growth	Pearson Correlation	1	.757*	.693	.651	.597
	Sig. (2-tailed)		.035	.002	.000	.018
	N	35	35	35	35	35
Organization Resources	Pearson Correlation	.757*	1	.207	.197	.261
	Sig. (2-tailed)	.035		.000	.057	.131
	N	35	35	35	35	35
Organization Culture	Pearson Correlation	.693	.207	1	.088	.154
	Sig. (2-tailed)	.002	.000		.116	.376
	N	35	35	35	35	35
Organization Policies	Pearson Correlation	.651	.197	.088	1	.636**
	Sig. (2-tailed)	.000	.057	.116		.000
	N	35	35	35	35	35
Organization Structure	Pearson Correlation	.597	.261	.154	.636**	1
	Sig. (2-tailed)	.018	.131	.376	.000	
	N	35	35	35	35	35

*. Correlation is significant at the 0.05 level (2-tailed).

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

Regression Analysis

Table 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722 ^a	.546	.453	.032888

Table 8 Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.878	4	2.720	7.242	.000 ^b
	Residual	67.865	30	2.262		
	Total	78.743	34			

Table 9 Regression of Beta Coefficient and Significance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	6.463	0.984		1.749	.000
	Organization Resources	.220	.107	.360	.049	.042
1	Organization Culture	.581	.236	.102	.596	.016
	Organization Policies	.824	.379	.530	1.137	.002
	Organization Structure	.604	.444	.107	1.030	.007

a. Dependent Variable: Growth

The results in Table 9 reveal that institutional factors gave a value of 0.546 for the r-square revealing that resources, structure, policies and culture explain 52.6% of the Kenyan SACCOs' growth variations.

For the relationship between institutional factors (resources, culture, policies and structure) and how they influence the SACCOs growth, the table showed an F-statistic of 7.242 (4, 30), $p < 0.05$ which meant that the factors of the institution affect the SACCOs growth in a positive manner.

The regression analysis yielded regression coefficients of 0.220 ($p\text{-value} = 0.042 < 0.05$) for organizational resources, 0.581 ($p\text{-value} = 0.016 < 0.05$) for organizational culture, Policies had a value of 0.824 ($P\text{-value of } 0.002 < 0.05$), structure had a value of 0.604 ($p\text{ value of } 0.007 < 0.05$). The findings showed an existence of a correlation between factors of the institution and the SACCOs advancement and growth at a value of $p < 0.05$.

Conclusion

Most of the SACCOs management noted that resources play a role in the Kenya's SACCOs growth. Thus, a SACCOs' overall growth depends on the interactions between the company and external environment that includes customers' interactions and issues relating to clients' retention and competition within the market. Most of the SACCOs management noted that culture plays a role in the Kenya's SACCOs growth. The findings support Wahjudi et al., (2016) and Pavitt (2016) who concluded that the culture of companies affects their performance. Agwu (2014) and Nikpour (2017) indicated an association that is strong and significant between performance of firms and the culture of the company based on norms, values and beliefs. Obura and Mise (2018) researched on firm's culture and its influence on organizational performance in public universities in Kenya and found that there is a relationship between culture of companies and their performance. The culture of the companies can be cited as a crucial factor that

contributes to the failure or success of a firm. The findings thus, have a conclusion that resources, policies, structure and culture of a firm has a positive influence on the County of Nairobi's SACCOs growth.

Recommendations

There is a necessity for leadership that is good and incorporated in all levels so as to come up with policies to aid in empowerment of employees that leads to growth of the SACCOs. Decision making should be amongst all the levels of the company, from top management to the lowest level. This helps the employees not to be left out on important matters that involve them. The companies should offer continuous training to all its employees as this aids them to cope with any changes and challenges within the organization. The management should also be trained in the policies of management for SACCOs so as to enhance delivery of services to its stakeholders.

Sacco's structure should provide empowerment as a way of ensuring the employees participate in the affairs of the SACCOs as a clearly structured structure of the company helps in conflict resolution and maintenance of order. Since the culture of a company aids in internalization of joint associations that are supportive to the leaders, the SACCOs should be able to avail resources to the employees that will help them work effectively and efficiently. The strengthening of governance that is good is important in building a strong foundation for the SACCOs as well as sustaining the legacy of the SACCOs. Creation of Sacco members' ownership is vital as it assists the members to understand and implement the savings for prosperity concept.

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