

**DIVIDEND AND PERFORMANCE OF SAVINGS AND CREDIT
CO-OPERATIVE SOCIETIES IN UASIN GISHU COUNTY,
KENYA**

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DECLARATION

I declare that this Research proposal is my original work and has not been submitted to any University for an award of a degree.

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This Research project has been submitted for examination with my approval as the university supervisor for the purpose of examination.

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DEDICATION

This research is devoted to my family members for their care especially my dear wife Gladys Kosgei, not forgetting my sister Monica Kibor for everything they did to the success of this work.

ABSTRACT

Dividend in relation to SACCO's performance has been found to attract a lot of controversies with the rate being dismally lower in developing countries than in developed countries. The objective of this study was to determine the relationship between dividend and performance of SACCOs in Uasin Gishu County, Kenya. Primary data was sought from the SACCO's audited financial reports. The population of interest was the 120 registered SACCOs operating within Uasin Gishu County that was purposively sampled at 10% for dividend paying SACCOs to arrive at the workable sample size of 12 SACCOs. The study adopted quantitative research design to give the desired information relevant for this study. Statistical package for social science (SPSS) and STATA Version 12 of computer software were used to run multiple regression analysis in order to arrive at the relevant statistical tests for inference. The study findings were found that the calculated T values on net income and dividend payout ratio showed that there is a positive relationship between dividend and performance of SACCOs while that for the amount of dividend paid, the total value of and the percentage of dividend paid showed an inverse relationship at 5% level of significance. The recommendations drawn after this study was that the decision on whether to payout dividends or not should not only be vested on the SACCOs management but be a subject to be debated among all SACCO members. As they strive to achieve growth, SACCOs are advised to develop an investment policy that would guide them on how much is to be retained as well as dividend payout policy that would guide how much to be paid and when to be paid. The conclusions was drawn based on the coefficient of determination (R^2) that was significantly too small (35%). This means that there are other factors apart from net income, amount of dividends paid, total values of Assets and dividend payout ratio that affects the performance of SACCOs.

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ABBREVIATIONS&ACRONYMS

FOSA-Front Office Saving Activities

GDP-Gross Domestic Products

KUSCCO -Kenya Union of Savings & Credit Co-operative Ltd

M&M -Miller and Modigliani

MFI's –Microfinance institutions'

DTSS- Deposit-taking Sacco Societies

NDTs- Non-deposit taking SACCOS

ROA-Return on Assets

SACCO-Savings & credit cooperative society

SASRA-SACCO society regulatory authority

SPSS -Statistical package for social science

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

SACCOs like any other financial institution must strive to ensure that they keep its members and business operations to run effectively. Despite the effort put by SACCOs to strengthen their overall strategy, currently services available to assist their members are not addressing their concern. Unless the sector reconsiders dividend decision putting into consideration the fact that contributions by members are not only the main source but also a direct income to the SACCOs and the aspect of common bond principle that no longer exist in SACCOs like before where member was not allowed to join SACCO without having a tied characteristic which include: Employment or geographical location. As a result of increase of SACCOs and other related businesses for instance establishment of microfinance's (MFI's), led to a natural erosion of the principle of common bond which led to liberal movement of SACCO member from one society to another causing a serious financial performance implication since dividend is one and key measure of performance in SACCOs. Therefore, without a clear dividend policy put in place, SACCOs will not endeavor its objective triggering them to go against the principle of cooperation of promoting economic and social well-being of their members.

It was until 2009 in Kenya; SACCOs had been giving dividends up to 6% which was higher than that of commercial banks (Wahome, 2009). With the introduction of SACCO Act 2008, SACCOs were required to give lower dividends on savings due to the separation of share accounts and deposit accounts, which will result in dividends paid to members decreasing. Before the introduction of SACCO Act 2008, dividends were calculated on deposits (share contribution) but with the change imposed by the Act, dividend paid considers the share account and not the total deposit. These measures are intended to introduce prudent management similar to those of commercial banks, therefore dividend has sparked a lot of argument in SACCO sector and has remained unresolved for decades.

There are various theories that have been put forth by academicians to explain dividend and how it affects the SACCOs performance, but there has not been a universal agreement. Signaling theory explains that SACCOs pay dividends to existing members to give confident information to the other potential members about the SACCO reputation. The irrelevance theory of dividends by Miller and Modigliani (M&M) (1961) argue that given perfect capital markets, the dividend decision does not affect a co-operative's value and is therefore, irrelevant. The bird in hand theory claims that SACCO members prefer dividends over possible gain from capital due to risks related to capital.

1.1.1 Dividend

Dividend refers to the portion to which managers decide to distribute part of their earnings to the stakeholders of the SACCOs (Matendechere, 2015). Dividend decision is among the four key areas of decision making in finance which imply that the dividend plays a vital

role as far as performance of SACCOs is concern. This is due to dual implications affecting the organization and the respective member. There are many SACCOS in the country and worldwide whose major aim is to create wealth for the members by paying stable dividends to them (Chumari, 2014). Decisions in regard to dividend payment have not been made clear by the financial scholars in this particular area since there are no clear guidelines on deciding how much to pay and what is to be retained by firms. SACCOs have three channels for allocating benefits to their members: High interest rates on deposit, low interest rates on loans and dividends which the current study is reviewing. Co-operatives societies like any other business entity are faced by problem of acquiring equity. Most of their equity capital are contributed by members through deposits or acquired by retaining part of the income.

Dividend decisions are left to the managers of SACCOs to decide whether to pay or to re-invest back in the institution. Njiru (2003) on a study ascertained that few SACCOs in Kenya do not have dividend policies and hence dividend payments are left to the members of the committee to decide based on previous year's rate of dividend payout. The Payment of dividend involves the use of cash payment and bonus issue. In most cases, SACCOs pays cash dividends when they have high liquidity but they may prefer to issue bonus if there is low liquidity.

Dividend is measured by the Society Net income; this is because it dictates the amount to be distributed. If the net income is high, the dividend to be paid out would be high and low payout if in contrast. Also the number of shareholders matters a lot while distributing the surpluses made, if the numbers are many and may be the surpluses are not really not

outstanding; the ratio would probably be low. Liquidity position of the society is another determinant of dividends payment and in this instance if the society is more liquid, they can probably pay more dividends and vice versa. This means that liquidity is the main factor to be considered when making dividend payment.

1.1.2 Performance of SACCOs

Performance refers to the work/assignment that an organization employee want to do, and do well (Campbell, Oppler, McCloy & Sager1993).SACCO sector in Kenya is part of co-operative movement which has wedged on Kenya's economy for many years and are offering services that are similar to what banks are offering. However, performances of most SACCOs are not outstanding in comparison to commercial banks and other financial institutions (Gathurithu, 2011).

Performances of SACCOs are measured in terms of financial or non- financial. Financial measures illustrates the effect of the SACCO's policies and procedures on their present-day financial situation and the existing yield to members .On other hand, non-financial aspects indicate the present and prospective viability of SACCOs. Non-financial performance has to be measured alongside other performance indicators and must clearly state in financial statements. The practice and effectiveness of non-financial and subjective measure of performance affects firms operations differently (Chow & Stede 2006). The financial growth indicators of firms are Internal financing of investments (return on equity) and effective and efficient capital structure. Also, financial measures may include sales growth (loans), earnings growth (surpluses), Dividend growth and cash flow.

The study used return on Asset (ROA) to measure the relationship between dividend and performance of SACCOs. This would help in formulating effective strategy necessary to improve the performance and in curbing anomalies that would bring the SACCOS sector down putting into account the level in which SACCOs stimulate and promote economy development and achievement of the vision 2013.

1.1.3 Relationship between dividend and Performance

Dividends are considered important since they will show the earnings a firm generates. For Sacco's to pay dividend they must perform well financially and no viable investments expected by shareholders since management decisions and the SACCO condition are the determining factors for dividend payment. Dividend paid to members of SACCO involves a reduction in retained earnings and in most cases if the society is not a financially sound, amounts to be given out as loans will consequently reduce. A study done by Michaely and Womack (1995) showed that there is existence of positive excess returns on the firms after the initiation of dividends. Dividend payment depends on how the organization has performed in terms of net income since it is out of the surplus that the payment is made as losses negate the payment. Ghosh and Sirmans (2006) noted that companies paying high dividends attract investors, suppliers, customers, employees and hosts of other stakeholders, therefore performance in SACCO is critical as it determines the ratio of dividend to be distributed. The payment of dividends by firms has different impact according to the various performance indicators and also dividend act as a yard stick that SACCOS formulate in order to identify and use as earnings distributed in form of dividend or the amount retained for investments. Also from the reviewed studies, it has been noted

that there is a causal effect that would result to either positive or negative impact to the firm when dividends are paid or not. Dividend in SACCOs has an influence on the general performance and with that regard that SACCOs should pay dividends to enhance confident outlook in the future. Net income after tax has been proved by various financial economists to be providing co-operatives with good source of internal funds used for investment and dividend distribution (Li & Lie, 2006).

1.1.4 Saving & credit co-operative society in Uasin Gishu County

Savings and Credit Co-operative Societies (SACCOs) are associations formed voluntarily or Co-operative Societies that promote savings and provide credit facility at fair interest rate as they are owned and controlled by members themselves to provide additional financial services to its members (Waweru, 2011). The first SACCOs in Kenya were registered in 1964 just a year after the country attained its independence. SACCOs that were registered were strictly based on common bonds related to residence, occupation and churches. In the year 1969, the government required that SACCOs be strictly founded on a safe farming or employment and introduced a check -off system as a reform strategy to help SACCOs to receive payments directly from employers. The check -off system was to automatically deduct part of members' income to repay their loans, as a result promoted a significant growth of SACCOs.

The modern history of co-operatives originated from Rochdale Society was founded in 1844 by 28 members in England by equitable pioneers. This was the first consumer co-operative to pay dividends, making the beginning of the modern cooperative movement

.Kenya's Sacco Movement is a member of group 10 of the most developed Sacco movement in the world. Kenya is represented in the group 10 by Kenya Union of Savings & Credit Co-operative Ltd (KUSCCO), the umbrella body of all SACCOs in Kenya.

SACCOS are categorized into deposit-taking Sacco Societies (DTSs) and non-deposit taking SACCOS (NDTS). Deposit taking SACCOs are those operating front office savings activity (FOSA) where quasi-banking activities are carried out and are licensed and regulated by the SACCO Society Regulatory Authority (SASRA) to receive deposits from members either by cash or check-off system. The non-deposit taking are type of SACCO that can only mobilize deposits and use the mobilized deposits for their members to access credit facility at a fair rate than other financial providers. NDTS SACCOs are regulated under the ministry of industrialization and enterprise development.

All SACCOs are based on principles of individualism, democratic control, and political neutrality. In essence it adheres to the Rochdale Principles which have proved to be the basis of the Co-operative movement. Consequently, the same Principles has been promoted by the International Co-operative Alliance which is the Apex body of all SACCOs in the world. The principles guiding the operations of cooperatives are the principle of open and voluntary membership, democratic member control, economic participation of members, independence and autonomy of SACCOs, education, training and information, cooperation among co-operatives and concern for community in general. Co-operatives as business is designed strategically to benefit member rather than the management and it have made it hard to apply predictable financial performance measures. As a result, the financial

attention and philosophy of the co-operative as a business model has been under review for thirty years ago (Hogeland, 2006).

1.2 Research problem

Dividend in relation to SACCO's performance has remained one of the controversial issues. With such impending argument, the dividend in SACCOs is in question, particularly in developing countries where the average GDP for citizen living on less than a dollar a day. Similarly, the rate of dividends in developing countries are normally lesser in comparison with what developed countries are paying, thus dividends policy should be a priority for Sacco's in developing countries (Mwangi, 2008). The irrelevance theory of dividends by Miller and Modigliani (M&M) (1961) argue that given perfect capital markets, the dividend decision does not affect a co-operative's value and is therefore, irrelevant. The Bird -In -Hand theory claims that SACCO members prefer dividends over possible gain from capital due to risks related to capital.

There are various explanations that exist why co-operatives should pay or not to pay dividends. In the process of thinking why co-operatives pay dividends and on other hand why investors are responsive to dividend is creating a dividend puzzle. Co-operative business may decide to retain their incomes, or issue part or whole to their members as dividends. Dividend distribution to members is based on proportion of savings/deposits contributed by a member, rather than on the value share capital of members making SACCO dividends as a pre-tax. Wahome (2009) found that until 2009, SACCOS in Kenya had been giving dividends up to 6% which is higher than that of commercial banks. With the introduction of SACCO Act 2008, SACCOS are expected to give lower dividends on

savings. This will be made possible with the separation of share accounts and deposit accounts, which will result in dividends paid to members decreasing. Currently, dividends are calculated on deposits which are also deemed as share contribution. But with the change imposed by the Act, dividend paid will consider the share account and not the total deposit. The measures are intended to introduce prudent management similar to those of commercial banks, thus result to an increase of performance due to adequacy of equity capital that has proved to be cheap source. In Kenya, only one study that has been done on a study of the relationship between dividend and performance of SACCOs which was done in Nairobi County by (Matendechere (2015). The study found a strong correlation between growth of profitability before tax and growth rate of dividend payout. Also findings indicate that with dividend payout, growth rates and asset growth rates, a high and strong correlation between the performances of SACCOs is realized. Other studies concentrated on determinants of dividend payout in SACCOs while other on effect of dividend and financial performance of SACCOs operating front office savings activities regulated by SASRA. It has also been observed that, even though cooperative societies in Kenya pay dividend, there is no consistency and most of them pay less than the expectation of the members. The inconsistency in the payment of dividends has raised concern among the members creating a knowledge gap. However scanty and incomprehensive conclusion has been made on dividend and performance of SACCOs to conclusively solve the dividend puzzle, thus, the study is seeking to answer the question; is there any relationship between dividend and performance of SACCOs in Uasin Gishu?

1.3 Research objective

The objective of the study was to determine the relationship between dividend and performance of savings and credit Co-operative societies in Uasin Gishu County, Kenya.

1.4 Value of the study.

SACCO management will be able to understand how the two variables relate to each other and the consequences arising as a result of holding the philosophy or not. In doing so, they will be in position to apply appropriate strategies if for instance small percentage in payment of dividend has been contributing to a decline in growth of membership or an increase of deficits.

Academia will be able to identify research gap from the study and try to carry out further investigations to bridge the gap. By doing so, they will be in position to make a comparative study to either compliment or supplement the results of the study and as a result, addition of knowledge to the existing bodies reviewed will be enhanced.

Policy makers (Government) will be in position to come up with standard dividend guideline on dividends in particular minimum dividend payout to all SACCOs which is not currently experienced. This will stimulate growth of all SACCOs and avoids unfair competitions that are hindering the spirit of cooperation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explores previous literatures, theories and empirical evidence that have been deliberated and examined at past, conceptual relationship between the two variables, the summary of the reviewed literatures and the gap identified.

2.2 Theoretical literature review

The two opposing and controversial theories of dividend include the relevance and irrelevance theories. Lease *et al* (2000) supported the idea that dividend policy has a controversy due to the opposing theories on dividend and has widely contributed to the divided debates.

2.2.1 Dividend irrelevance theory

The theory was advocated by Franco Modigliani and Merton Miller (1961). It postulates that shareholders have an option of selling a portion of their portfolio of equities for cash. This nature of the opportunity of having an option increases liberation of shareholders giving them an additional option exposing the other. The theory have an attribute like that of a substitute goods whose absence cannot guarantee a complete failure because of the other option, thus dividend payment is worthless and inconsequential in practice.

Pilotte (1992) also opposed the idea of paying dividend since the revelations that firms offering a substantial amount of dividends attract less number of investors. As a result, the investor becomes indifferent. The theory anticipate dividend payment would convey wrong information to the public for lack of investment prospects resulting to a negative perception that would injure the firm's financial profile.

2.2.2 Bird-in-hand theory

Lintner(1956) and Gordon (1959) advocated this theory by asserting that investors are always risk averse. The theory claims that shareholders prefer dividends over possible gain from capital due to risks related to capital. This implies that investors desire to obtain dividend now rather than to receive future capital gains.

Additionally, Kapoor (2009) in a study supported the same by postulating that taking dividends now is wise decision than investing for capital gain which is uncertain. The theory is relevant to this study because the theory require dividends to be paid immediately rather than postponing and as a result, the level of financial performance will reduce due to the nature of inverse relationship the two variables possess.

2.2.3 Information signaling theory

It was proposed by Michael Spence (1978) by explaining that as firms pay dividends to the stakeholders to give positive indication to the public about the firms' value and the firms that do not pay dividends, has a negative effect to the stakeholder's Fairchild (2010) anticipated that dividend payment increases the perception on a positive note and ultimately increases firm's profits.

According to Hobbs (2006), any reduction or abolition in paying dividend is probably regarded as a negative move by financial markets. The theory stresses on the impact caused by the dividend payment to the other shareholders and in the process led to the attraction of shareholders to those firms paying high dividends and consequently improves the performance.

2.3 Determinants of performance

2.3.1 Dividends

Before issuing dividends in SACCOs, it is advisable that all related concerns be addressed. Members are expecting dividends as a return on their investment, but dividend payment should not destabilize SACCO investment plan. Investment policy should be developed and implemented alongside dividend policy to guide them in establishing and guiding them in surplus distributions. This will guide them on when to pay dividends, how to pay dividends and when to retain surpluses. A negative dividend payout ratio that may be experienced in SACCOs may be due to failure in achieving surplus or poor growth opportunities. In other circumstance, SACCOS may defer payments of dividends in order to enhance growth of surplus and have a good dividend payout ratio in future.

2.3.2 Employee satisfaction

Employee satisfaction is an indicator of non-performance to any business entity and these can be identified by seeing the level of commitment of the employees and efficiency at work place. When employees get satisfied, they tend work hard and in process results to

high productivity, thus SACCOS would be able to realize their absolute goal in the long run. Employee contentment enables SACCOS in understanding its culture, addressing the benefits of employees, improving teamwork in order to achieve improved productivity.

2.3.3 Size of Sacco

The concept of size of Sacco is attributed by economies of scale resulting from large volume of production. Big SACCOS can acquire large amount of debt capital than small SACCOS and in turn the big SACCOS enjoys the benefits of economies of scale than the small ones through the reduction of interest rate. The size of the Sacco will determine its financial performance since larger SACCOS tend to have a bigger asset base compared to small one, this give big SACCOS an opportunity to invest in big ventures though they may be risky but they have high returns which improve their financial performance.

2.4 Empirical literature review

Many studies have tried to unearth the issues regarding the continuous controversy but to date; there is lack of conformity on justification, thus long perplexity in the field of finance in establishing the answer on the two conflicting theories on which one side of the theories argue that dividends are irrelevant while the other side view that dividend are relevant. Miller and Modigliani (M&M) (1961) claim that dividend decision does not affect a co-operative performance under perfect condition, and therefore irrelevant but this came with a lot of surprise by many academics and financial practitioners who ought to think differently over the same conclusion.

Kariuki (2014) studied dividend payout and financial performance of SACCO's registered by SASRA in Nairobi County and concluded that financial performance are influenced positively by such factors as dividends, leverage and growth. The three variables contribute to 76.1% of financial performance of SACCOS registered by SASRA in Nairobi County, while other factors not studied under that research contributed 23.9% of financial performance of SACCOs registered by SASRA in Nairobi County. However, the study failed to clarify exactly percentage contributed by each variable. The study also imply that it was not comprehensive as it entails only those SACCOS registered under SASRA and left out those registered under the ministry of industrialization and enterprise development. Also the study dealt with financial performance but failed to incorporate non-financial performance which the two form the basis of SACCO'S general performance.

Ongore (2001) found that capitalization of dividends is a more preferable option especially for SACCOs which are faced with liquidity problems therefore further giving support to the theory that change in dividend in SACCOs are positively related with subsequent period performance. Malombe (2011) found a positive but insignificant relationship between dividend policy and profitability SACCOs with FOSAs in Kenya. The findings however contradicts with Benartzi et al. (1997) whose their finding revealed that dividend changes are more strongly associated with present and past earnings, while there is no significant relationship between dividend changes and changes in future earnings. The study therefore deduces that a dividend is one of the major determinants of financial performance of SACCOS. Njoroge (2001), in his study on the relationship between dividend payouts and financial ratios in Kenya came up with the inference that the most important variable is the

return on the asset when making dividend decisions. A study done by Maina (2002), who sought to establish whether there is any relationship between dividend payments and investment decisions concluded that indeed there existed a relationship.

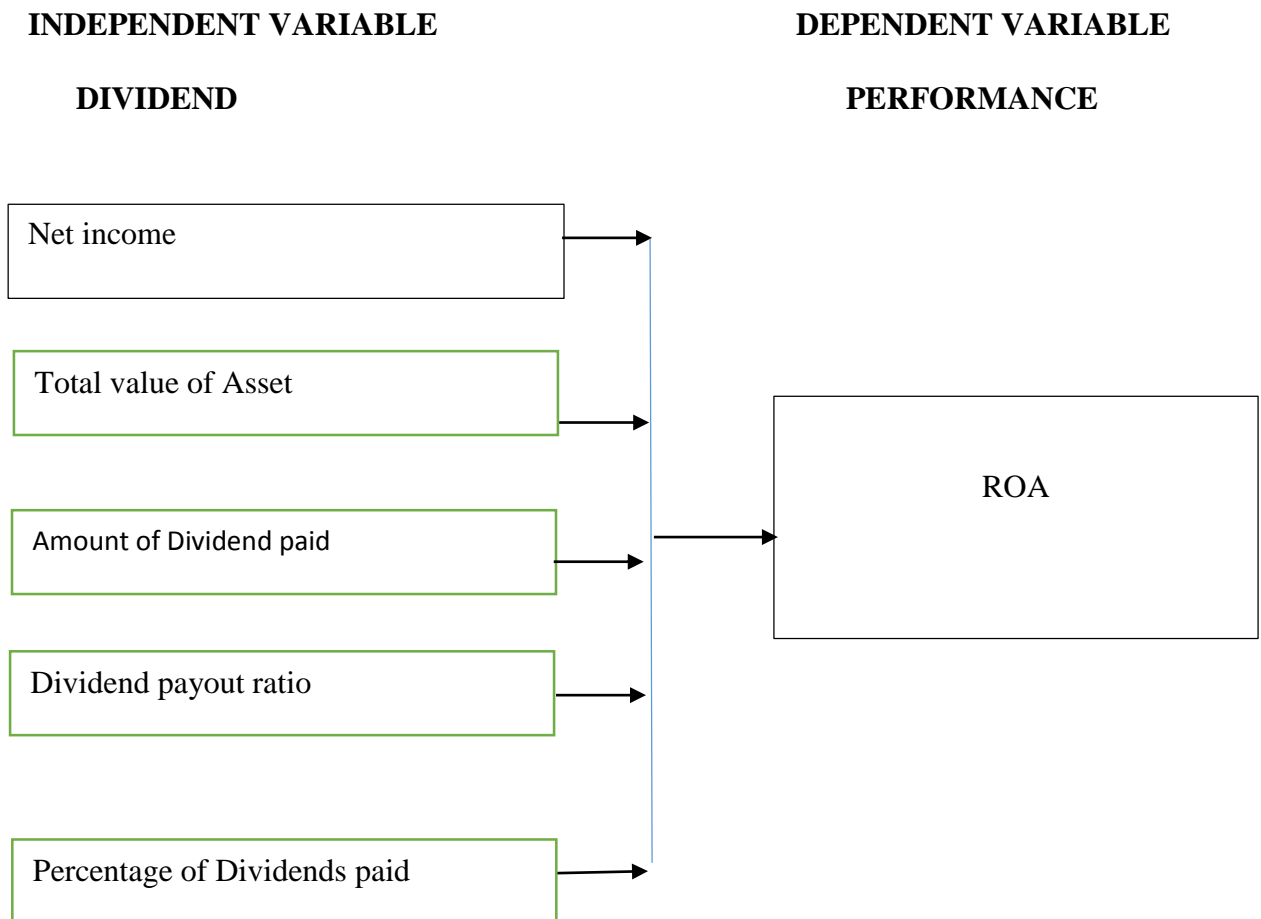
Koduk (2015) on a study affirm that financial performance is critical for SACCOs to be capable of paying dividends. After examining the possible relationship existing concerning the variables using return on equity, the results exhibited a confident link. Firms with large sizes displayed a substantial effect on the payout ratio due to the benefit derived from large economies of scale which will consequently result to lower cost of production. SACCOS with high leverage revealed a progressive influence on financial performance because of the ability of engaging in gainful activities. A higher growth rate in SACCOS influence dividend payout in a negative way due to high capital requirement associated with the growth.

Chege (2016) found that most SACCOs do not retain earning but distributes them as dividends and therefore SACCOs should be encouraged to retain earning in order to reinvest and increase the growth of the SACCOs which will enable them earn good surplus in the future. The study also found that payment of dividends only slightly reflects good subsequent periods earning prospect and that there are many other factors apart from dividend that influence future earnings including Sacco's investment policy, operating environment and taxes. Thus they also need to pay attention to these factors when analyzing performance

2.5 Conceptual framework

Conceptual framework is the theoretical representation in a graphical or illustration that clearly describes the variables being studied shows the conceptual framework. Dividend payout ratio is the independent variable; financial performance represents dependent variable while capital reserve requirement serves as the moderating variable.

Figure 2.1: Conceptual Framework



Source: Researcher 2018

2.6 Summary of the literature review and research gap

This chapter explored various theories both theoretically and empirically on dividend policy. Dividend debate and the controversy surrounding the issue of dividend payout sparked as a result of the two distinct and opposing theories of relevant and irrelevant of dividend policy which has been under debate for decades. Miller and Modigliani (M&M) (1961) claim that dividend decision does not affect a co-operative's value under perfect condition, and therefore irrelevant but this came with a lot of surprise by many academics and financial practitioners who ought to think differently over the same conclusion since conventional wisdom at the time recommended that a properly managed dividend policy had an effect on share prices and prosperity of co-operative members but this is contrary to what other scholars postulate for instance Lintner (1956) and Gordon (1959) argue differently. Even to date, dividends continue to be one of the utmost problems in modern finance. The incapability of theoretical and empirical investigations in solving fascinating enigma takes roots from several possible sources (Amihud and Li, 2006). The over-reliance on economic modeling approaches is the major reason for this ongoing debate, this was attributed by lack of comprehensive understanding on how investors and managers behave and perceive dividends. To resolve the dividend puzzle, Neal, Wood, Labrecque and Lally, (2012) made a conclusion that the cardinal drive of academic research must turn toward learning about motivation and perceptions including their basis.

Ongore (2001) suggested that capitalization of dividends is a more preferable option especially for SACCOs which are faced with liquidity problems therefore further giving support to the theory that change in dividend in SACCOs are positively related with subsequent period performance. Chege (2016) found that most SACCOs do not retain

earning but distributes them as dividends and therefore SACCOs should be encouraged to retain earning in order to reinvest and increase the growth of the SACCOs which will enable them earn good surplus in the future

Empirically and conceptually, there is no common acceptable understanding of dividend philosophies to date .Some of the studies indicated relevance and others irrelevance, others revealed significance while others insignificance posing a research gap and In order to ascertain the reality of the phenomenon, another study is desirable to examine if there is such relationship between dividend and SACCO performance in Uasin Gishu County.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter involves research methodology that was used to achieve objective of the study. These includes: Research design, target population, data collection methods, and methods used to analyze the data.

3.2 Research design

Quantitative research design was adopted in order to obtain relevant and specific information regarding the characteristics of the population. Qualitative research method was suitable for this study since it evaluated the current position of two or more variables at a given situation for a specific period of time and in so doing, it was possible to establish whether a relationship exist or not.

3.3 Population of the study

According to Burns & Burns (2008), population of a study is all observations of interest in an entire collection like people or events. The population of the study was the entire registered SACCOS under the ministry of industrialization and enterprise development, department of co-operatives in Uasin Gishu County. However, since the study intended to carry out investigations on dividend and performance of SACCOS, there were a total of 120 SACCOS that sought registration only for the purpose of compliance like those

operating public service vehicles; therefore sample design was very important as the study concentrated on dividend paying SACCOS only.

3.4 Sample design

Mugenda and Mugenda (2003) explained that population of a study that is below 10,000, a sample size of between 10%-30% serves as a good representation of the target population and hence 10% is satisfactory for this study for the purpose of analysis. The study used purposive sampling technique since it was interested in dividend paying SACCOS only. The total number of registered SACCOS in Uasin Gishu County was 120 and therefore 10% translating to 12 SACCOS was used as the representative sample of the study. The respondents of the study was be the management of respective SACCO societies.

3.5 Data Collection procedure

Purposive primary data collection method was adopted. The information was obtained by interviewing the management of the respective SACCO societies. The data was collected for a period of five years from 2013 -2017 from the audited financial reports of the respective SACCOs to aid in acquiring the relevant information. The study employed interview schedules and open-ended questionnaires administered to the management of the SACCOs with assurance of confidentiality of the information they gave.

3.6 Operationalization of variables

The variables of the study was operationalized separately; the dependent variable (performance) being operationalized using Return on Asset (ROA), while the independent

variable (Dividends) was operationalized by Net income, amount of dividend paid, Total value of Assets and dividend payout ratio. Results of regression analysis exhibited that there is a positive correlation between SACCO'S performance and the dividends paid to members.

3.7 Data Analysis

Data collected was cleaned, and fed to Microsoft Excel to ease analysis. The excel data was then subjected to SPSS and STATA Version 12 software for analysis. A Suitable descriptive statistic such as: minimum, maximum, mean, and standard deviation was used for the analysis. Tables were used to present the analyzed data for ease of understanding. Regression analysis was used to test the hypotheses to come up with the model stating the relationship between the independent (dividend) and dependent variable (performance of SACCOs).

3.7.1 Analytical Model

The link between the variables was analyzed using regression analysis. The statistical data was based on the outcome of descriptive statistical data by calculating the mean and the standard deviations. The conclusions were made using the outcome of the analysis. The effectiveness of the regression analysis was ascertained by use of multiple regression analysis.

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Explanation notes:

Y = Performance (ROA), X_1 = Net income, X_2 = Total value of Assets, X_3 = Amounts of Dividend paid, X_4 = Dividend Payout Ratio, X_5 = Percentage of Dividends Paid, ε = Stochastic error term, α_0 is the intercept, and $\beta_{i's}$ are the coefficients for $i= 1, 2, 3, 4$ and

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CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analyzed data, its findings, presentation and discussion of the findings. Data collected for the purpose of this study was purely primary and was sourced from the audited financial reports of the respective SACCOS through questionnaires administered to the SACCO managers. The panel data derived was fed to excel spread sheet and subjected to SPSS and STATA Version 12 software for analysis. Descriptive statistics, correlation and regression analysis was done to establish whether there is a significant relationship between dividends paid to members and the performance of SACCOS in Uasin Gishu County, Kenya.

4.2 Descriptive Statistics

Table 4.1 Descriptive Statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max
Id	59	6.40678	3.434704	1	12
Return on Assets	59	52.45542	31.12836	12.07	150.29
Percentage of dividend paid	59	5.476102	2.574957	1.02	12.33
Net income	59	8601119	6656182	1329777	2.77e+07
Amount of dividends paid	59	5845836	1.05e+07	778972	7.60e+07
Total value of assets	59	2.96e+07	3.55e+07	4168324	1.61e+08
Dividend payout ratio	59	62.77923	101.5485	14.21867	813.478

Source: Researcher 2018

Despite the fact that the number of SACCOS under consideration was 12, one of the SACCOS lacked one year's (2013) data on its net income and dividends resulting to zero (0) dividend payout ratio to that would result to 60 number observations. This was because the SACCO was still at its infant stage and thus the observations became 59 and not 60 as was expected.

The observed mean of return on assets based on the descriptive statistics was 52.45 while that for percentage of dividends was 5.48 and that of net income was 8601119 units. The mean value of the amount of dividends, total assets and dividend payout ratio was 5845836, 2.96 and 62.78 units respectively.

The standard deviation of return on assets, percentage of dividends paid, net income, total assets, amount of dividends paid and dividend payout ratio was 31.13, 2.60, 6656182, 3.55e +07, 1.05e +07 and 101.55 respectively. It was necessary to carry out tests on standard deviation so as to get rid of outliers that could otherwise interfere with the final results.

The minimum and maximum values were also calculated to determine the range at which the variable values lie. Range calculation was deemed relevant for the purpose of this study to estimate data spread and hence a good measure of dispersion. The minimum and the maximum values for return on assets, percentage of dividends paid, net income, total assets, amount of dividends paid and dividend payout ratio was as shown in the table above.

4.3 Correlation Analysis

Table 4.2: Correlation Analysis Table

	ROA	Net income	Total value of assets	Amount of dividends paid	Dividend payout ratio	Percentage of dividends paid
ROA	1.0000					
Net income	-0.2428	1.0000				
Total value of assets	-0.4891	0.8136	1.0000			
Amount of dividends paid	-0.0067	0.4204	0.2011	1.000		
Dividend payout ratio	0.0793	0.0671	-0.0652	0.9255	1.0000	
Percentage of dividends paid	-0.3645	0.7727	0.8333	0.0527	-0.2201	1.0000

Source: Research findings

The study used Pearson correlation coefficient to determine the relationship of the study. From the figure 4.2 above, correlation analysis depict an inverse relationship between Net income and return on assets (-0.2428). Logically, we expect to find a positive correlation between net income and return on assets. However, the results tabulated above reveal otherwise. This could be due to industry economic dynamics that are beyond management control. Similarly, the relationship between return on assets and total assets, amount of

dividend and percentage of dividends equally display the same results as that of net income and return on assets (-0.4891, -0.0067 and -0.3645 respectively). On the contrary, the relationship between dividend payout ratio and return on assets showed a direct relationship (0.0793). The small percentage of dividend payout ratio could be a sign of low returns accruing to the SACCOS under study or perhaps an indication of inefficiency in the management of assets which could yield to high dividend payout ratio if converse was true.

On the relationship between net income and total assets, amount of dividends paid, dividend payout ratio and percentage of dividends paid, there is a positive relationship (0.8136, 0.4204, 0.0671 and 0.7727 respectively). This statistic points a true picture of positive growth.

The relationship between total assets and amount of dividend paid and percentage of dividends paid was found to be positive (0.2011 and 0.8333). The positive values of the above variables indicate efficient utilization of asset resource and effective management within the organizations. Conversely, the relationship between total assets and dividend payout ratio gave a negative value (-0.0652) as shown in the table above. The resultant dividend payout ratio was adversely affected by one of the SACCOS that lacked data for both amount of dividend, percentage of dividends paid and net income for the year 2013 which contributed to the dividend payout ratio of zero (0) for that respective year.

Furthermore, the relationship between the amount of dividends paid and the dividend payout ratio as well as the percentage of dividends paid showed a positive relationship (0.9255 and 0.0527) respectively. The higher dividend payout ratio is an indication of

higher dividends paid to members. However, the percentage of dividends paid though positive was significantly small. Correlation results between dividend payout ratio and percentage of dividend paid showed a negative relationship (-0.2201). The negative relationship was as a result of zero (0) dividend payout ratio that affected Real SACCO during the year 2013.

4.4 Regression Analysis

A multiple regression analysis was conducted to ascertain the relationship between the dependent variable (SACCOS performance) as measured by ROA and the independent variable (dividend) as measured by net income, dividend payout ratio, amount of dividend, total value of assets and percentage of dividends paid. Based on the regression results, it was evident that a direct relationship exists between SACCO performance vis-a-vis net income and dividend payout ratio. However, there exists a negative relationship between the performance of SACCO and total value of assets, amount of dividends paid and the percentage of dividends paid. The regression results can be generalized as shown below.

Table 4.3: Model summary

Model	R	R square	Adjusted R	Std.Err of the estimate
1	0.590 ^a	0.349	0.287	26.284

a.Predictors :(Constant), percentage of dividend paid, Amount of dividends paid, total value of assets, Net income and dividend payout ratio.

The findings of the regression model shows the value of R square to be very far from 1(0.349 or 35%) which in regression analysis a value closer to R=1 indicate a strong relationship between the variables but for this case conversely reveals the opposite. The adjusted R square takes into consideration the estimates of the standard error which for this case stands at 26% which is quite big.

Table 4.4: ANOVAa

Model	Sum of squares	df	Mean square	F	Sig.
Regression	19586.026	5	3917.205	5.670	0.000 ^b
Residual	36614.517	53	690.840		
Total	56200.543	58			

Source: Research findings

a. Dependent variable: Return on Asset (ROA)

b. Predictors: (Constant), percentage of dividend paid, Amount of dividends paid, total value of assets, Net income and dividend payout ratio.

The table above depicts that the population parameters had insignificant correlation among predictor variables of (Net income, total value of assets, amount of dividend paid, dividend payout ratio and percentage of dividends). The F value of 5.670 shows that the model is relevant.

Table 4.5: Coefficients

Model	Unstandardized coefficients		Standardized coefficients	T	Sig
	B	Std. Error	Beta		
(Constant)	31.915	18.303		1.744	0.087
Net income	6.221E-006	0.000	1.332	2.466	0.017
Total value of Assets	-9.110E-007	0.000	-1.036	-4.147	0.000
Amount of dividend payout	-5.560E-006	0.000	-1.867	-1.724	0.091
Dividend payout ratio	0.501	0.295	1.636	1.698	0.095
Percentage of dividend paid	-0.931	2.793	-0.077	-0.033	0.740

Source: Research findings

Coefficient regression as shown in table 4.5 was used to arrive at the following model

$$ROA = 31.915\alpha_0 + 6.221E-006 (X_1) - 9.110E-007(X_2) - 5.560E-006(X_3) + 0.501(X_4) - 0.931(X_5).$$

Where ROA is the measure of dependent variable (performance), α_0 is the intercept/the constant factor while X_1 , X_2 , X_3 , X_4 and X_5 are values of net income, total value of assets, amount of dividends paid, dividend payout ratio and percentage of dividends paid respectively.

From the above regression equation on performance of SACCOS (ROA), it is evident that the SACCOS in question have the obligation to pay its members a dividend to a tune of 32% irrespective of its performance. Also it was found that net income and dividend payout ratio are positively correlated with performance measured by return on assets (ROA) regarding the SACCOS under the study in Uasin Gishu county while total value of assets, amount of dividends paid and percentage of dividends paid were found to be negatively related with performance measured by ROA on the 12 SACCOS under the study in Uasin Gishu county.

The net income and dividend payout ratio shows a higher value of standardized beta coefficient of 1.332 and 1.636 respectively showing that there is high effect on dependent variable (performance) measured by ROA. On other hand, total value of assets, amounts of dividends paid and percentage of dividends paid reveals a negative standardized beta coefficient of $-9.110E-006$, $-0.5560E-006$ and -0.931 respectively meaning that the strength of these independent variables on dependent variable (performance) measured by ROA influence performance very little.

Based on the regression analysis, the overall R^2 result was found to be 0.349 (35%). This implies that the independent variables under study only explained up to 35% of the

dependent variable (performance). This leaves out a bigger value of coefficient of non-determination of 65%.

The T Values for net income and dividend payout ratio showed a positive significant at 95% level of confidence or 5% level of significance while total value of assets, amount of dividends paid and percentage of dividends paid displayed a negative significance at 95% confident level or 5% significant level.

The results of regression analysis by Matendechere (2015) found to be positive significant relationship between SACCO performances in Nairobi County and dividend on which dividend Payout growth rates and asset growth rates were used as independent variables. The independent variables that were studied expounds 57% growth in dividend payout by of Sacco's in Nairobi as characterized by adjusted R^2 (0. 57). This implies that the independent variables contribute 57% of the performance by SACCOs in Nairobi while other factors and random deviations not studied contribute a 43 % of the performance of SACCOs in Nairobi County. By comparing the current variables of the study using values of R^2 , it is imperative that the variables under study contributed smaller percentage R^2 (0.349 or 35%) on relationship between dividends and performance of SACCOs than what found by her study, R^2 (0. 57 or 57%).

Kariuki (2014) studied on dividends and financial performance found a considerable indicator of effectiveness of independent variable on dependent variable of 76.1% influence over financial performance of SACCOs registered by SASRA in Nairobi County as represented by adjusted R^2 (0. 761). This means that other factors and random

disparities not studied contributes 23.9% of the financial performance of SACCOs registered by SASRA in Nairobi County. This however cannot bring the exactly comparison between study and the current study as the study was measuring dividend and financial performance of SACCOs unlike the current study that is measuring the relationship between dividend and general performance of SACCOs.

4.5 Discussion of findings

Regression results got point at two scenarios regarding the topic under study. While net income and total value of assets positively connote a significant relationship between the dependent and the independent variables, the amount of dividends paid, dividends payout ratio and percentage of dividends paid shows otherwise. The coefficient of determination (R^2) was found to be significantly small, 0.349 (35%). This implies that the independent variables used in this study only explained up to 35% of the relationship between dividend and performance of SACCOs in Uasin Gishu County, Kenya. This means that there are many other factors that contribute to the relationship but were not explored in the study.

Based on the T values derived from the analysis, it was concluded that the effect of net income and dividend payout ratio showed a positive significance at 95% level of confidence or 5% level of significance. Conversely, total value of assets, amount of dividends paid and percentage of dividends paid displayed a negative significance at 95% confident level or 5% significant level.

The value of the coefficient (α) also referred to as intercept or constant was found to be significantly large (31.915). This indicates that in the unlikely event that a SACCO is faced

with economic crises, it stands to lose a lot and this might result in such a SACCO closing business.

The positive relationship between net income and dividend payout ratio vis-à-vis performance of SACCOs in Uasin Gishu County implies that holding all other factors constant represented by 12 SACCOs, a unit increase in net income increases the performance of the aforementioned SACCOs by 6.221E-006 and 0.501 respectively. On the contrary, a unit increase in the amount of dividends paid, total value of assets and the percentage of dividends paid translates to decrease in performance by -5.560E-006, -9.110E-006 and -0.931 respectively.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives the summary of the research findings, conclusions drawn and the recommendations put forward on the relationship between dividend and performance of Savings and Credit Cooperative Societies in Uasin Gishu County, Kenya.

5.2 Summary

The overall objective of the study was to determine the relationship between dividend and performance of Savings and Credit Cooperative Societies in Uasin Gishu County, Kenya. The study was guided by three theories; Irrelevant Theory of Dividends by Modigliani and Miller (1961), Bird-in-Hand Theory by Lintner (1956) and Gordon (1959) and Signaling (Information Content of Dividends) by Michael Spence (1978). One part of the theories (Irrelevant one's) suggested that dividend payment are irrelevant while on other part Bird In –Hand and signaling of dividend matters to the performance of SACCOs. Primary data was collected and analyzed to get the relevant information useful for the study. Data was collected from 12 SACCOs for 5 years from 2013-2017 through primary data collection to obtain relevant data from audited financial reports which are kept by management only. Data analysis was done by use of SPPS and STATA Version 12 of computer software and SPSS from which descriptive statistics, correlation analysis and multiple regressions on which the first two analysis used STATA Version 12 while the multiple regression analysis

used SPSS to ascertain the relationship between dividend and performance of Savings and Credit Cooperative Societies in Uasin Gishu County, Kenya. From the regression results, it was evident that net income and total value of assets had a positive relationship with the SACCOs' performance. However, the amount of dividends paid, dividend payout ratio and the percentage of dividend payout showed a negative relationship.

The calculated T values on net income and dividend payout ratio at 5% level of significance led to the rejection of the null hypothesis that there is no significant relationship between dividend and performance of SACCOs. However, T values on the amount of dividend paid, total value of Assets and the percentage of dividends paid at the same level of significance resulted in the acceptance of the null hypothesis that there is no significant relationship between dividend and performance of SACCOs. To resolve the dividend puzzle, Neal, Wood, Labrecque and Lally, (2012) made a conclusion that the cardinal drive of academic research must turn toward learning about motivation and perceptions including their basis.

5.3 Conclusion

Dividend payment among SACCOs is part and parcel of their core objectives. For SACCOs to remain competitive in the ever-changing business environment, they must device and sustain a means of rewarding their members for them to remain loyal putting into consideration the mushrooming of several micro finances, chamas, table banking and the existing commercial banks that have dominated the shared financial markets. Dividend payment therefore remains the ultimate means through which members realize the returns on their investments in these SACCOs in the form of shares.

Chege (2016) on a study of the Effect of Financial Management Practices on the Performance of SACCOs in Hospitality Industry in Kenya found that most SACCOs do not retain earning but distributes them as dividends and therefore SACCOs should be encouraged to retain earning in order to reinvest and increase the growth of the SACCOs which will enable them earn good surplus in the future. The subject as to whether to pay or retain dividends has been a subject of debate for over six decades. Other proponents of dividend payment like Gordon and Lintner in Bird-in-Hand Theory suggest that payment of dividends should be affected as and when they arise as opposed to capital gains which are associated with risks and uncertainties.

On the contrary, Ongore (2001) on the study of Managerial Response to Deregulation of the Co-operative sector, asserts that capitalization of dividends is a more preferable option especially for SACCOs which are faced with liquidity problems therefore further giving support to the theory that change in dividend in SACCOs are positively related with subsequent period performance. However, based on the Signaling Theory according to Hobbs (2006), any reduction or abolition in paying dividend is probably regarded as a negative move by financial markets. The theory stresses on the impact caused by the dividend payment to the other shareholders and in the process led to the attraction of shareholders to those firms paying high dividends and consequently improves the performance. The findings of the study revealed that dividend has positive relationship with performance of SACCOs in Uasin Gishu county though not significant as demonstrated by the values of R2 (0.349 or 35%) which imply that there are other factors apart from Net income, Total value of Assets, Amount of dividends paid and dividend payout ratio that affect performance of SACCOs.

5.4 Recommendations

The policy recommendations put forward based on the findings of this study is that SACCOs must develop a dividend payout policy that are standard to all SACCOs notably to guide the distribution of dividends among the members. Initially, SACCO membership were being bound by common bond for instance employment and geographical location.

In recent past, the principle of common bond was removed by SACCOs causing unhealthy competition in SACCO sector that are against the spirit of cooperation as enshrined in the cooperative principles of Rochdale pioneers that are applicable to all cooperative societies. This will prevent exodus of members from one SACCO to another looking for higher dividend payout that are contrary to the spirit of cooperation. The removal of common bond led to free move-free exit in cooperative sector that eventually results to instability toward the growth of share capital and the overall growth of SACCO sector.

Also, SACCOs are advised to develop an investment policy that will guide them on how much is to be retained for investment as advanced by other theorists like R.H. Litzenger and K. Ramaswamy, who suggested that since dividends are heavily taxed than capital gain, therefore retained earnings are more preferred than dividend payment as supported by tax preferential theory.

Investment policy put in place would ensure that before payment of dividend is made, certain percentage of the amount be retained and in most cases retained earnings would enhance performance of SACCOs and ultimately to the percentage of dividends in the long run though most members prefer payment of dividend as supported by Bird -In –Hand

theory which stipulate that capital gain are associated with uncertainties and thus dividend must be paid as they arise contrary to investment policies.

Further, since all cooperatives are still guided by Rochdale principles formulated in the year 1884. It is recommended that the government have to revise these principles to match with the current legal framework for instance, the principle of autonomy and independence which stipulates that SACCOs should absolutely be free from any government interference. However, the current legal framework requires that all SACCOs must abide by all government regulations from registration, distribution of dividends, auditing, use of standardized accounting practices and compliance to all business permits like any other business.

Dividend policy has an effect on the performance of the SACCOs. Thus, the SACCO management should pay dividends to ensure that they have a positive outlook in the future. This is pertinent with the dividend theories of bird-in-hand theory, information signaling effect theory, tax differential theory and agency theory. These theories propose that dividend policy is relevant to the performance of the SACCO.

Finally, the study recommend to the future researchers to exclusively carry out another study on the same topic to establish the other factors and the random variations that have deemed to be very big than the actual representation of the five variables of the study which indicated only 35% as the value of R² of 0.349 displays.

5.5 Limitation of the Study

There were several challenges that came along during the data collection process. The SACCOs under study are spread among the six sub counties of Uasin Gishu County. It was

there tedious and time consuming reaching all the offices of these SACCOs. Financial constraint was also another impediment in this study. The limited time given to collect the data coupled with limitation in finances was one of the greatest challenges. There were issues of non-cooperation among the SACCO managers for fear of disclosure of confidential reports. It was therefore a bit tricky to convince them to share their financial reports relevant for this study.

5.6 Suggestions for Further Research

Since the study findings has left a big room as shown by the value of coefficient of determination (R^2) that stood at 34.5%, there is need for other researchers to undertake further research to establish other factors that could affect the relationship between dividend and performance besides the already studied variables in this study.

Most of the SACCOs that were researched on are still at infant stage financially because they were recently incepted. It is therefore imperative that a similar study be undertaken to find out if there will be varied results on the relationship between the study variables. Also, since the research only concentrated on dividend-paying SACCOs operating within Uasin Gishu County, it is prudent that a similar study be carried out in other Counties to establish whether the same results can be achieved or not.

Besides the current topic of the study, another related study on dividend payment and non-payment of dividends in relation to growth of SACCOs is recommended to establish their impact on growth. This will form the basis of justifying the theories that guided this study and especially the Information Content of Dividends (Signaling) on the growth of SACCOs.

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APPENDICES

Appendix I: Questionnaires for SACCO Management

(MANAGERS/CEOS)

Section A: Basic information

1. When was your organization started?.....

2. How many members does your organization have?.....

3. How long have you been in the management of this SACCO Society?

Less than 1 year () 2 to 3 years () 4 to 6 years () More than 6 years ()

Section B: Questions on the study

This section attempts to find the validity of the variables under study.

Year/ Question	2012	2013	2014	2015	2016	2017
What was the net income for the year?						
What were the total assets for the year?						
What was the amount of dividend paid out for the year?						
What was the Percentage of dividend paid for the year?						

**Appendix 2. List of SACCOS under the ministry of industrialization
& enterprise development in Uasin Gishu**

S/NO	SACCO SOCIETY NAME
1	SHAMIRI SACCO
2	ELDOPOLY SACCO
3	LOCHAB SACCO
4	REAL SACCO
5	ALPHAX SACCO
6	ELGON VIEW SACCO
7	UASIN GISHU ANGAZA MILELE SACCO
8	KEN -KNIT SACCO
9	PLY WOOD SACCO
10	BONDE LA KERIO SACCO
	ELDOWAS SACCO
12	MOI - NAB SACCO

Source: Uasin Gishu County Ministry of Cooperatives and Enterprise Development

Appendix 3

DATA

NAME OF SACCO	YEAR	PERCENTAGE OF DIVIDEND PAID	NET INCOME	AMOUNT OF DIVIDEND		TOTAL ASSETS	ROA	Dividend payout Ratio
				PAID	TOTAL			
THE NOBLES SACCO	2012					8,236,614		
	2013	10.64%	16,689,728	9,600,846	101,188,175		30.50	57.52548
	2014	12.33%	20,936,379	8,480,073	120,291,644		18.91	40.50401
	2015	12.00%	22,536,122	10,147,253	140,050,121		17.31	45.02662
	2016	12.05%	26,145,952	11,626,127	150,286,589		18.01	44.46626

	2017	12.00%	27,746,538	13,360,045	160,929,196	17.83	48.15031
MOI-NAB							
SACCO	2012				40,634,892		
	2013	6.20%	5,867,470	1,234,610	39,684,923	14.61	21.04161
	2014	6.30%	7,394,455	1,276,809	39,998,749	18.56	17.26711
	2015	6.52%	8,217,983	1,328,702	40,761,403	20.35	16.16823
	2016	6.74%	9,399,455	1,393,513	41,822,665	22.76	14.82547
	2017	7.00%	10,580,927	1,504,467	31,996,923	28.67	14.21867
SHAMIRI							
SACCO	2012				34,920,574		
	2013	5.95%	19,281,843	11,133,000	40,979,785	50.81	57.73826
	2014	6.02%	19,870,765	18,968,000	43,856,958	46.84	95.45682

	2015	7.63%	20,426,813	18,296,861	45,255,657	45.84	89.57276
	2016	8.00%	21,890,764	19,027,321	46,546,316	47.69	86.9194
	2017	7.87%	23,009,877	18,421,610	48,965,422	48.18	80.05958
ELGON							
VIEW							
SACCO	2012				7,423,025		
	2013	6.48%	6,004,567	5,817,012	10,673,830	66.36	96.87646
	2014	6.38%	7,013,259	5,100,098	12,739,368	59.91	72.7208
	2015	3.92%	8,027,642	4,070,103	14,480,163	58.98	50.7011
	2016	2.50%	8,505,615	4,952,705	15,492,652	56.76	58.22865
	2017	1.02%	9,346,890	76,034,897	14,396,027	62.54	813.478

BONDE LA

KERIO

SACCO	2012				13,251,227		
	2013	3.20%	5,950,607	3,702,124	16,675,733	39.77	62.21422
	2014	1.04%	4,712,768	2,280,069	17,588,995	27.51	48.38068
	2015	1.67%	4,987,662	2,517,498	18,055,755	27.99	50.47451
	2016	1.95%	5,124,896	2,907,197	18,843,361	27.78	56.72695
	2017	6.39%	9,367,522	4,896,339	22,049,379	45.82	52.26931

REAL

SACCO	2012				0		
	2013	-	1,250,436	0	1,406,408		0
	2014	4.76%	1,329,777	778,972	4,168,324	47.71	58.57915
	2015	5.08%	1,388,320	802,527	5,863,706	27.68	57.80562

	2016	5.43%	1,690,455	996,212	9,752,436	21.65	58.93159
	2017	5.60%	2,337,576	1,410,688	12,493,600	21.02	60.34833
ELDOWAS							
SACCO	2012				26,296,783		
	2013	5.00%	3,568,874	1,155,765	28,163,280	13.11	32.38458
	2014	5.32%	4,298,685	1,345,658	38,198,608	12.96	31.30395
	2015	4.87%	4,785,610	1,374,902	41,113,893	12.07	28.72992
	2016	5.40%	5,432,544	1,501,768	40,205,585	13.36	27.64392
	2017	5.30%	5,576,082	1,997,544	42,821,479	13.43	35.82343
PLYWOOD							
SACCO	2012				5,674,318		
	2013	4.23%	3,126,438	987,745	6,678,437	50.62	31.5933

	2014	4.70%	3,497,641	1,167,424	6,895,586	51.53	33.37747
	2015	5.00%	3,971,807	1,227,568	7,113,672	56.70	30.90704
	2016	4.82%	4,187,812	1,143,210	7,433,907	57.57	27.2985
	2017	5.15%	4,568,200	1,346,789	6,796,415	64.20	29.48183
ALPHAX							
SACCO	2012				4,590,671		
	2013	3.56%	3,678,506	2,416,709	4,895,302	77.56	65.69811
	2014	2.90%	3,978,245	2,123,745	5,235,753	78.54	53.38397
	2015	3.70%	4,231,863	2,454,855	4,967,062	82.95	58.00885
	2016	3.94%	4,676,501	2,311,476	5,117,865	92.74	49.42747
	2017	4.00%	4,954,884	2,553,408	5,256,783	95.52	51.53315

ELDOPOLY

SACCO	2012				5,237,409		
	2013	2.85%	3,476,917	882,555	5,307,400	65.95	25.38326
	2014	3.20%	3,958,522	1,225,412	5,335,653	74.39	30.9563
	2015	3.50%	4,218,519	1,427,110	5,221,337	79.92	33.82964
	2016	3.10%	4,419,547	1,392,819	5,545,760	82.09	31.51497
	2017	3.34%	4,972,338	1,563,432	5,728,654	88.21	31.44259

UASIN

GISHU

ANGAZA

MILELE

SACCO	2012				20,265,863		
	2013	7.23%	10,100,205	5,412,703	20,572,987	49.46	53.59003
	2014	7.30%	10,329,664	5,754,314	21,900,884	48.64	55.70669

	2015	6.90%	11,405,313	5,966,748	20,606,019	53.66	52.31551
	2016	7.44%	11,998,751	5,600,225	21,403,457	57.12	46.6734
	2017	7%	12,303,760	5,534,792	21,700,556	57.09	44.98456
LOCHAB							
SACCO	2012				15,084,435		
	2013	4.50%	5,514,721	4,436,478	15,126,312	36.51	80.44791
	2014	3.87%	5,754,893	4,326,870	15,753,521	37.27	75.18593
	2015	4.40%	5,976,468	4,857,311	15,374,984	38.40	81.27394
	2016	3.20%	6,154,657	4,914,659	15,423,701	39.97	79.85269
		4.70					
	2017	%	6,565,408	4,434,637	15,678,003	42.22	67.54549