

**FACTORS INFLUENCING PERFORMANCE OF CO-OPERATIVES; A CASE OF
MBEERE NORTH SUB-COUNTY, KENYA**

BY:

NJIRU MICHAEL NJAGI

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DECLARATION

This research project report is my original work and has not been submitted to any other institution for any award.

.....

NJIRU MICHAEL NJAGI

L50/75016/2012

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DATE

This research project report has been submitted for examination with my approval as University Supervisor.

.....

PROF. NATHAN GICHUKI
SCHOOL OF BIOLOGICAL SCIENCES
UNIVERSITY OF NAIROBI.

.....

DATE

DEDICATION

This research work is dedicated to my wife Naomi Wanyaga, my son Maxwell Mutugi and my parents Joseph Njiru and Flora Njiru, who have continuously given me moral support.

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ABBREVIATIONS/ACRONYMS

ACCOSCA	African Confederation of Cooperative Savings and Credit Associations
CAK	Cooperative Alliance of Kenya
DCO	District (Sub-County) Cooperatives Officer
GDSRC	Governance and Social Development Resource Centre.
GOK	Government of Kenya
ICA	International Cooperative Alliance
ILO	International Labour Organization
IYC	International Year of Cooperatives
KACCU	Kenya Agricultural Commodities Cooperatives Union
KCC	Kenya Cooperative Creameries
KFA	Kenya Farmers Association
KNFC	Kenya National Federation of Cooperatives
KPCU	Kenya Planters Cooperative Union
KUSCCO	Kenya Union of Savings and Credit Cooperatives
MIED	Ministry of Industrialization and Enterprise Development
MoCD	Ministry of Cooperative Development
MoCD&M	Ministry of Cooperative Development and Marketing
NACHU	National Cooperative Housing Union
SACCO	Savings and Credit Cooperatives
UNDP	United Nations Development Programme
WFP	World Food Programme

ABSTRACT

Cooperatives have largely been considered a community development tool by the international community due to their efficient resource mobilization, utilization and enhanced economies of scale. Cooperatives in Mbeere North Sub-County have a record of poor performancesuch as low capital growth. The purpose of the study is to establish the factors that influence the performance of cooperatives in Mbeere North Sub-County. Four objectives were formulated to guide the study which bears delimitation to membership size, education level and training, level of income and quality of management. The literature reviewed revealed that the variables under investigation are relevant. These variables are consistent with the principles of cooperatives as a vital basis on which cooperatives are built and designed to ensure success. Large membership sizes in organizations like cooperatives lead to economies of scale while on the other hand it may lead to interaction problems such as free-riding .The level of education and training is crucial on issues of management of organizations since it depicts personal productivity. The level of income for members has been found to have significant impact on performance of cooperatives since it influences member participation especially contributions as required. The study employed a descriptive research design. Systematic random sampling was used in data collection to identify respondents for data collection from active cooperatives in the study area. The population was 1526 members of the active cooperatives. The formula suggested by Mugenda was used in sampling frame to identify 400 members as the representative sample. The DCO and at least one leader in each cooperative were engaged in data collection purposively. Data collection was carried out using semi-structured questionnaire and unstructured interview schedule for DCO. Data analysis was mainly descriptive in nature. Descriptive statistics formed the main basis of data analysis and presentation to enable easy interpretation. The study indicated that membership size influence the performance of cooperatives and Membership size is therefore a substantial consideration for cooperative development. Large membership size is desirable for continuity of cooperatives; however policy framework should be put in place to guide the limits on cooperative membership which may be expected to yield relatively higher returns. Education level and training of cooperative leaders influence cooperative performance. Cooperative leaders should be well educated as indicated by 381 respondents (97.2%).Members level of income influence performance of cooperatives. Reliable income influences continuity of cooperative, contribution ability, leads to higher resource base and member participation in activities of cooperatives. The study indicated that source of income influences the performance of cooperative as shown by 242 respondents (61.7%). Therefore, a reliable level of income for members leads to improved support for the activities of cooperatives. Cooperative management should be geared towards achieving members' expectations and goals. Cooperative members should be involved in election of their leaders since the results indicate that successful cooperatives have higher extent of achieving set objectives, high level of member participation and higher management capacity. It was recommended that membership size, education level and training, level of income and quality of management be considered as vital factors to improve the performance of cooperatives.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

A cooperative has been defined in various ways and terms according to the diversities of cooperative societies, different understanding, location, the level of engagement in the line of production and function of each type of cooperative at the global perspective. There is no universal definition of a cooperative society. However a cooperative can be defined as an autonomous association of persons who voluntarily cooperate for their mutual, social, economic, and cultural benefits (Najamuddeen *et al.*, 2012).

According to the International Cooperative Alliance (ICA, 1995), a cooperative can be defined as an autonomous association of persons united voluntarily to meet their common economic, social, cultural needs and aspirations through a jointly owned and democratically controlled enterprise. This definition very closely relates to the essential principles of cooperatives. Formal cooperatives are originally believed to have started in the Rochdale society in England in the 1844 (Kimberly & Cropp, 2004; Kobia, 2011, King and Ortmann, 2007). They were formed to serve the multipurpose interest of members such storage and housing. The developed countries has the highest number of cooperatives compared to those in Africa. ICA (2012) shows that African cooperatives are very few compared to those in Europe.

Cooperatives can be broadly divided into Primary, Secondary and Tertiary cooperatives. This is based on the level of engagement in the line of production in an economy. Primary Cooperatives are engaged in the initial production stages of a particular good. Secondary cooperatives are engaged in the transformation of the primary goods into a different form to meet a specified utility in an economy. Finally Tertiary cooperatives utilize the secondary products or their by-products to meet particular needs in an economy. Cooperatives can further or differently be grouped into; Producer, Consumer, worker, purchasing and housing cooperatives (Maini, 1972). Producer cooperatives are engaged in the primary production of goods. Consumer cooperatives are established with the aim of acquiring essential products that a group of consumers want

collectively at affordable prices (Kimberly and Cropp, 2004). He also argues that the consumer members are primarily interested in improving their purchasing power and the quantity of goods they can buy with their income. Worker cooperatives are formed by members or employees of the same organization. Housing cooperatives are formed by people who want to solve the problem of shelter. Subsequently Purchasing cooperatives are formed by members sharing a common utility of a specified product. They come together so as to benefit from economies of large scale purchasing. Cooperatives are very crucial in community development as well national development (ICA 1995).

Cooperatives generate valuable benefits to members. To start with it is easy to pool limited resources together for common investment. Secondly is that, members enjoy economies of scale on production, purchasing or marketing. This is as a result of the large scale aspect of the cooperatives. Thirdly is the improved practice and shared responsibility in cooperatives. This means that members who have different capacities and skills participate in the decision making or running of the cooperative societies. Fourthly is the access to credits and other services. The issue of collateral when securing loans in many countries in the twenty first century applicable to cooperative societies is minimal unlike to the individuals. Finally is the maximization of returns. This is the main benefit in cooperative societies (IYC, 2012). Co-operatives are therefore an important vessel for community development. The socio-economic development of the UN is consistent with the Kenyan vision 2030 which supports the millennium development goals as well (GOK, 2007).

In Some countries in Africa such as Ethiopia and Liberia, cooperatives have similar history. Schwettmann (2011) indicates that cooperatives in Africa have a bearing on the traditional systems economically and socially. He says that communities cooperated for mutual, reciprocity and solidarity reasons. This implies that cooperatives in Africa began from the informal state, which Schwettmann (2011) noted that were still in force in the rural communities in the informal economy by the time of his study in 2011. He continues to show that modern cooperatives in Africa were introduced by the colonial governments. Moreover, he says that after the independence of African countries in the 1960s, modern cooperative development was very vital and that they were supported as a priority in the African economies. This implies that cooperatives were viewed as viable way to achieve economic growth and development. From the

same research it is clear that despite the withdrawal of state over cooperatives in 1990s, there is evidence of increased and sustained cooperative movements and membership in Africa. Pollet (2009) in his research also indicates that cooperatives in Africa are expanding and increasing. In his findings, he states that SACCOs was seen to taken the lead in the cooperative sector in Africa. Indeed SACCOs have led to the formation of the Co-operative Savings and Credit Associations (ACCOSCA) to represent the interests of SACCOs in Africa of which KUSCCO in Kenya is a member. Cooperatives in Africa are diversified in the various economic activities that different people undertake. It is clear that countries in Africa uphold the spirit of cooperation up to date.

This follows that cooperatives in Kenya are not different in engagements by the people and the government. Cooperatives in Kenya can be traced to a period before and after independence where agriculture was the main focus. Kobia (2011) says that the history of cooperatives in Kenya dates back to the beginning of 20th century. According to the MoCD (1987), Cooperatives in Kenya are engaged in all sectors of the national economy and are diversified across many activities. It further indicates that cooperatives are categorized into sectors including both Formal and Informal types. Formal cooperatives are involved in sectors such as Agriculture, Industry, Housing, SACCO Societies and Insurance among others. On the other hand Informal cooperatives include Jua Kali and Handicraft among others. Cooperatives also play an important role in social responsibility which is an aspect considered important in the Kenyan vision 2030 (GOK, 2007& Kobia, 2011). Therefore cooperatives in Kenya and other countries are viewed and considered to be a developmental tool that assists in promoting socio-economic goals in development (Najamuddeen *et al* 2012). It is therefore necessary for a group of people to pool together their resources to attain community development.

In Mbeere North Sub-County specifically, cooperatives are formed to meet diversified needs of the community. They mainly take the form of SACCOs and multipurpose cooperatives (MoCDM, 2012) .There is a total of thirteen cooperatives in the Sub-County, seven of which are active and six are dormant. Of the dormant cooperatives, three have no known membership and contacts. The cooperative societies in Mbeere North Sub-County face many challenges, some of which have led to their failure and eventually collapse (MoCDM, 2012).

1.2 Statement of the Problem

Cooperatives are formed to solve felt and common needs of the members. Cooperative movements have been in the forefront of helping communities to achieve socio-economic development in Kenya. Cooperatives are seen and used as the best vehicle for fighting poverty and reducing inequality in the society. It is a national concern for the formation of cooperatives in different economic sectors in Kenya. There are many examples that demonstrate the benefits that accrue to members of a well organized and managed cooperative society. In Mbeere North Sub-County, SACCOs and Multipurpose cooperatives promote production and marketing of cereals, tobacco, cotton, mirraa and services, such as transport and supply of farm inputs. Therefore, they have played an important role in the socio-economic development for communities in Mbeere North Sub-County (MoCDM, 2012). However some cooperatives have been found not to achieve the intended goal of the members. Cooperatives in Mbeere North Sub-County have a record of poor performance. According to a reports released by the District Cooperatives Officer (DCO), it is evident that six of the thirteen cooperatives in the Sub-County are dormant (MoCDM, 2012). It is observed that most the cooperatives in the study area have few activities that they carry out collectively. SACCOs and Multipurpose cooperatives do not operate to reach a level of maximum returns and benefits to the members. Poor performance has led to Members' withdrawal from some cooperatives. Failure to save and repay loans is also an indicator of poorly performing cooperatives in the Sub-County. This can be attributed to organizational and leadership challenges, difficult operating environment and inability to adapt to changing socio-economic environment, including markets of products and services offered. These challenges could lead to poor performance and eventually collapse of a cooperative society if not addressed. Six dormant cooperatives out of the thirteen cooperatives in Mbeere North Sub-County is relatively a higher number as compared to seven which are active. This is a clear evidence of poor performance of cooperatives in the Sub-County. Therefore this background created a need to study on the factors influencing the performance of cooperatives in Mbeere North Sub-County. This study therefore sought to investigate into the factors that influence the performance of cooperative societies in Mbeere North Sub-County and generate possible solutions or recommendations for addressing the problems hindering the success of existing cooperatives.

1.3 Purpose of the Study

The purpose of the study was to assess the factors that influence the performance of cooperatives in Mbeere North Sub-County.

1.4 Objectives of the Study

The study was based on four specific objectives .These were:

- i) To establish how membership size influences the performance of cooperatives in Mbeere North Sub-County.
- ii) To assess how education level and training of leaders influences the performance of cooperatives in Mbeere North Sub-County.
- iii) To examine how the level of income of members influence the performance of cooperatives in Mbeere North Sub-County.
- iv) To assess how the quality of management influences the performance of cooperatives in Mbeere North Sub-County.

1.5 Research Questions

The following were the research questions addressed by the study:

- i) How does the membership size influence the performance of cooperatives in Mbeere North Sub-County?
- ii) How does the education level and training of leaders influence the performance of cooperatives in Mbeere North Sub-County?
- iii) How does the level of income of members influence the performance of cooperatives in Mbeere North Sub-County?
- iv) How does the quality of management influence the performance of cooperatives in Mbeere North Sub-County?

1.6 Significance of the Study

There is little information on studies that have been conducted regarding Cooperatives in Mbeere North Sub-County. Therefore this study is important in various ways.

This research work will provide a basis upon which the cooperative stakeholders can use to restructure and effect changes effectively to ensure success.

The findings will also be useful to the Ministry of Industrialization and Enterprise Development (MIED) in strengthening the cooperative advocacy in marginalized areas and formation of effective policy framework for different cooperatives.

To the donors interested in community development through cooperative approach, the study will be valuable to inform on actual situation on the ground.

1.7 Delimitation of the Study

The study was carried out in Mbeere North Sub-County. It covered only active cooperatives with known contacts. There are many factors that influence the performance of cooperatives either positively or negatively. This study considered and narrowed down to only four factors which influence performance of cooperatives. These include membership size, education level and training of leaders, level of income of members and the quality of management of cooperatives.

1.8 Limitations of the Study

This study faced some challenges emerging from the choice of the design and scope of the study. Some of the potential respondents were inaccessible due to the vast area of coverage and poor terrain of Mbeere North Sub-County. High expectation from the respondents arose in the process of data collection. Some respondents saw researcher as the mediator between cooperatives and the MIED. Some of the respondents also saw the researcher as a stranger and an intruder with hidden agenda. Time and financial constraints also posed a challenge to the study which led to narrow variables of study against what the respondents may feel to have been considered in the study. These challenges were mitigated by use of introduction letter from MIED. Briefing of the

leaders at first served to strengthen the rapport with the respondents. Objectives and the need for the study was continuously made explicit to the respondents.

1.9 Assumptions of the Study

The study assumed that the respondents to be involved in the study would be willing to answer the questions raised in the questionnaire. Secondly it was assumed that the respondents would tell the truth. It also assumed that the Cooperatives in Mbeere North Sub-County are similar to those that are formed elsewhere.

1.10 Definition of the Significant Terms used in the Study

Cooperative: It is an autonomous association of persons united voluntarily to meet their common economic, social, cultural needs and aspirations through a jointly owned and democratically controlled enterprise (ICA, 1995).

Factors: These are elements that bring about certain effects or results.

Performance of cooperatives: It is the accomplishment or the achievement of stated goals under some prescribed standards and indicators in a particular activity or undertaking. In this study performance will be indicated by the number of meetings, resource base, level of member participation, management capacity and socio economic benefits.

Membership size: This refers to the registered number of members in a particular cooperative. In this study the higher the membership size means higher resource base and vice versa.

Education level: The highest level of education or literacy attained in a formal education system. It is the primary, secondary or post secondary level of education.

Training: In this study training is the process by which cooperative leaders acquire specific skills to enable them perform their duties and specific tasks effectively.

Level of income: It is the range of earning within which a particular person earns per annum.

Quality of Management: It refers to the acceptable level of management capacity of leaders in respect to laid down procedures. Level of member participation, flow of information and frequency of meetings will be used to measure quality of management.

Influence: To produce an effect by one variable on another variable either positively or negatively

Active cooperatives: Cooperatives that are still in existence and carrying out their functions.

1.11 Organization of the Study

The study is organized into five chapters. Chapter One gives the introduction to the study. This contains the background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, delimitation of the study, limitations of the study, assumptions of the study and definition of significant terms. Chapter two contains the reviewed literature based on the objectives of the study. It also gives a description of the theoretical framework. Moreover it the conceptual framework of the variables under the study. Chapter three covers the research methodology. It gives a highlight on the research design, target population, sample size and sampling procedure, research instruments, pilot testing, methods of data collection, methods of establishing validity and reliability of data collection instruments, operational definition of variables, methods of data analysis and ethical considerations. Chapter Four consist of data analysis, interpretation and presentation. Finally is Chapter Five which comprises of the summary of findings, recommendations and conclusions of the research findings. It also gives a brief description of the findings, conclusions and recommendation for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains the themes that formed the background to the study. These themes include performance of cooperatives, membership size, education level and training, level of income and quality of management. This chapter also contains theoretical framework and conceptual framework.

2.2 Performance of Cooperatives

According to the international cooperative alliance (ICA, 1995), a cooperative can be defined as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through jointly owned and democratically controlled enterprise. Cooperatives have been recommended by many agencies of development. These include FAO WFP, UNDP, and ILO (ILO, 2012). Moreover the United Nations (UN) declared the year 2012 to be the International Year of Cooperatives (IYC) (UN, 2012).

Globally the origin of formal cooperative movements is believed to be the Rochdale society in England in 1844 (Kimberly & Cropp, 2004 and Andreou, 1977). They were formed to serve a multipurpose interest of the members including storage provision and acquisition of houses. The cooperative movements in Kenya have been in existence from time immemorial. The history of cooperatives among the Kenyan people can be traced to the traditional society before the colonial period where people cooperated in social and economic ways including hunting, farming, caring for livestock, building houses and in many other important social activities during that early period. It is evident that the cooperatives in the traditional societies were not based on the financial gains but were carried out for mutual benefits. This can be seen as an informal type of cooperatives since no publication indicates presence of by-laws or any strict guideline to such form of cooperation. People are also endowed differently and with different resources and skills. In fact the term *Harambee* as used today by many communities in Kenya bears its origin from

the early traditional cooperatives. According to Widstrand (1970), cooperatives have their roots and origin in the traditional indigenous society for reciprocity and mutual benefits. He argues that the traditional cooperatives developed gradually to the modern cooperatives. Hyden (1973, p.3) says that cooperatives were considered in history as a tool to realize African socialism. Chepkwony (2008) in his research indicates that this term *Harambee* was used to mean ‘let us pull together’’. He also says that different communities in Kenya have a different word which means the same as *Harambee*. In essence communities cooperated in some way during difficult times. The term Harambee therefore calls Kenyans to form cooperatives for their economic and social gains. Indeed this term is used widely in political arena and forms a basis for social economic pillar in the Kenyan vision 2030 (GOK, 2007).

Hyden (1973) indicates that the first cooperative ordinance in Kenya was in 1931. He states that in 1946 Africans were allowed to form their own cooperatives. Moreover he shows that during the period of independence in 1963-64 there were many cooperatives formed by smallholder peasant farmers. According to Kobia (2011) the history of the modern cooperatives in Kenya begins in the 20th century. He states that the first cooperative was established by the white in 1908 during the era when Africans were not allowed to form cooperative movements. The first cooperative ordinance was enacted in 1931 to govern the registration of cooperatives. A second cooperative ordinance was enacted in the year 1945 which allowed Africans to form their own cooperatives. After the Kenyan independence in 1963, the government gave emphasis and supported cooperative development as development strategy. There is a record of a tremendous increase in cooperative membership by 1980s.

The first cooperatives including KCC, KFA and KPCU served the interests of the white settlers. The same have been adopted and supported by the Kenyan government up to date. The Kenyan government gradually established and developed departments and ministries to cater for the affairs of the cooperative movements. Sessional papers and acts have continuously been prepared and passed to cater for rising needs of the cooperatives. For instance the Cooperatives Society Act No 12 of 1997 which led to the formation Kenya Rural Savings and Credit Cooperatives Societies Unions (KERUSSU) was registered to respond to the needs of rural SACCOs. Today these SACCOs take a larger portion of cooperatives in Mbeere north district (GOK, 2012). Over time there has been the Ministry of cooperatives followed by incorporation of cooperative

department in the Ministry of Agriculture and rural development. In the year 2003 the MoCDM was formed to revive the MoCD.

In 2007, the Vision 2030 that was published gave emphasis and recognized the importance of the cooperative sector in the reduction of social exclusion and in strengthening of the agriculture sector and so the reduction of poverty. Cooperatives were seen as a community development tool. In the year 2008, SACCO Societies Act was enacted and provided for the formation of SACCO Societies Regulatory Authority (SASRA) which was geared towards to strengthen the formation and survival of cooperatives (MoCDM, 2012). In the year 2013, the MoCDM was converted to and incorporated Cooperative development under the Ministry of Industrialization and Enterprise Development (MIED). There has been a constant evolution of cooperatives in Kenya before independence and after independence. Cooperatives have been transformed from rather simple to complex and highly commercialized cooperatives. The traditional cooperation gave way into the spirit of *Harambee* that has been considered one of the pillars of Kenya's socio – economic development and the politics. It is important to note that this traditional cooperation contributed strongly to the later embracing of the cooperative movement.

Cooperatives can be categorized in many ways depending on ownership structure, activities undertaken, and the level of engagement among other distinguishing features and factors considered in the formation of each type of cooperative (GOK, 1986). The objective of the people in the formation of any cooperative society mainly defines the type of cooperative that they form. Therefore there can be as many types of cooperatives as the diversity of the needs of different groups of people may be. However all types of cooperative societies are bound by almost common rules and principles set by the members. Widstrand (1973, p.18) categorizes cooperatives broadly into primary, secondary and tertiary cooperatives based on the level of engagement in the line of production of a particular good.

The main types of cooperatives in Kenya include Agricultural and marketing, Consumer cooperatives, Housing cooperatives, SACCOs, Artisan and handicraft, Service cooperatives and Multipurpose cooperatives. (GOK, 2010). Globally the common types of cooperatives are categorized as the following. To start with are the Producer Cooperatives. According to Miami (1972, p.10-18), these are the types of cooperatives engaged mainly in the primary level of

production. Members in these types of cooperatives in many instances are engaged in agricultural activities. However other enterprises such as crafts, artists, fishing and mining are also forms of primary level of production (GOK, 1986). The members of this type of cooperative may join hands in several ways as need be or may arise. For instance, farmers may buy farm inputs together in large scale so as to benefit from the economies of scale. They may also process some products, access extension services or market their produce together in a cooperative among other needs. Other forms of production may require similar services and inputs which warrants member cooperation. In Kenya such cooperatives as KACCU represents producer cooperatives in the agricultural sector.

Secondly are the Worker Cooperatives. These are cooperatives formed by members drawn from mainly the same working organization or from the same region. A worker cooperative can also be defined as a business entity that is owned and controlled by the people who work in it (Artz and Kim, 2011) These have featured mainly where workers come together for a particular investment. Initial capital outlay is designed and members acquire shares based on some agreed conditions and the members ability to buy shares in the company. This dictates member's ownership in the business and the extent of decision making in the same organization. The methods of sharing profits and losses are also designed at the initial stages. They can lead to the formation of SACCOs if engaged in saving and loaning to the members. Moreover worker cooperatives are formed by working people to improve their working conditions and welfare (Thornly, 1981)

Thirdly are the Consumer Cooperatives. These are cooperatives formed by people who want save on some common items purchased. Members would also want to cooperate so as to acquire and access some basic items easily. These cooperatives therefore stock the identified items for purchase by the members at the agreed price per unit. Management committee may be selected to run the consumer cooperative for the members. (Kimberly and Cropp, 2004). Fourthly are the Marketing Cooperatives. This is a category of cooperatives generally formed by producers usually small-scale producers with the aim of marketing their products. The main objective in these cooperatives is that producers can sell their products at good or competitive prices. Usually they empower the producers especially farmers to cut on the long supply chain of market players that has been proved to exploited such producers. This is merged as one type of cooperative with

production especially agricultural. According to Kimberly (2002) agricultural cooperatives link to marketing cooperatives.

The Fifth category of cooperatives is the Credits Cooperative Societies .These are cooperatives formed by people who have the objective of financial assistance to the members. This takes the form of SACCOs in Kenya (MoCDM, 2012). They are usually formed by members from the same organization who agree to save some money to common pool from which members apply for loans at generally lower interest rates. Members may also expand their cooperative by taking deposits and issuing out shares and other accruing benefits. Some of them provide loans in kind such as inputs to the members. Finally are the Housing Cooperative Societies. In Kenya such cooperatives are geared towards providing affordable and modest housing facilities. Organizations such as NACHU and KUSSCO in Kenya are involved in assisting members to build their own residential houses. Members are either allowed to save for a given period of time or are given loans to construct their houses (UN-Habitat, 2010).

Performance of Cooperative Societies is guided by certain rules generated by the ICA, generally referred to as the Principles of Cooperatives. These are the universally accepted as essential cooperative guidelines by which cooperative societies and movements work towards achieving their objectives .According to ICA(1995) ,ICA (2013) and MoCDM (2008); the following are the essential cooperatives principles adopted by ICA and CAK. To start with is the Voluntary and Open Membership. In this case membership is free and open to all kinds of people without any aspect of discrimination either of gender, social, political or in any other way. Miami (1972) adds that there should be no desegregation on race, clan or tribe. There is free entry and exit to any member in the cooperative society. Secondly is the Democratic Member Control of the cooperative societies. This follows that cooperatives are democratic organizations run and controlled by the members through policy formulation and active participation in its running. Some members may be elected in management positions to run the cooperative on behalf of the members. However all members have equal voting rights, usually on one member one vote basis.

Thirdly is the Member Economic Participation in the development activities of the cooperatives. Members contribute to the capital base of the cooperative society. Members equitably pool their resources together for a common goal. They also share losses and benefits if any equitably. This

reinforces the democratic member control. Fourthly is the Autonomy and Independence nature of the cooperatives in practice. Cooperatives are autonomous in leadership and” self-help” organizations run and controlled by the members of the same cooperative. There is no interference whatsoever from other bodies of the government. Cooperatives can sign agreements with other organizations without diluting their control. The fifth principle is Education, Training and Information provision to its members particularly the managerial team. Cooperatives provide education and training to the members on the specified need, elected management team and employees so that all can contribute towards the achievement of the goals and the entire development of the cooperatives. They provide relevant information to the public and the interested parties.

Sixthly is the cooperatives Concern for Community in terms of development. In this case cooperatives strive towards sustaining activities of the members and the communities at large. Finally is the Co-operation among Co-operatives principle. Cooperatives are at free will to cooperate with other cooperatives at the local, regional and international levels. Networking and membership to apex and umbrella cooperatives is free to cooperatives. This is done to improve efficiency of service delivery to the members. For instance some cooperatives in Kenya are members of KNFC.

All of these principles are consistent with cooperative principle requirement for the registration of cooperatives in Kenya in the cooperative societies act (GOK, 2005).King and Ortomann (2007) strengthens the application of the ICA principles of cooperatives as an important set of guidelines to improve performance of cooperatives. A cooperative movement succeeds depends on the degree to which the principles of cooperatives are adopted and implemented (Widstrand 1970, p.122).Apart from cooperatives principles, Cooperatives are built on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. Members also belief in some code of conduct in ethical bases and values of honesty, openness, social responsibility and caring for others ICA (2013).If well applied cooperative principles and values have a positive effect to the performance of cooperatives.

Cooperatives have many benefits economically and socially. The ILO (2012) has sited some of the benefits of cooperatives including starting with keeping economic benefits within the

community. In this case cooperatives are owned by the members within the community and run the cooperative to an identified need of the community. Secondly is the transfer of knowledge to the members through these cooperatives. Members learn leadership and managerial skills which is essential to the community. Promotion of democracy is also a benefit that accrues to cooperatives. In this case voting rights of members is democratically exercised. Fourthly cooperatives enable members to access and maintain markets which may otherwise prove difficult when accessed individually. Moreover, pooling of resources together enhances the competitive edge of the cooperatives. Cooperatives are found to network at the local, regional and international levels. As such cooperatives are seen as systems for development.

ILO (2009) and Kobia (2011) highlights the benefits of entrepreneur cooperatives including diversification of production or increased volumes of production followed by improved labor and capital productivity. Secondly is the higher incomes and employment effects derived from cooperatives. The third is improved company sizes in the informal and formal small micro-enterprise sector. Fourthly is better access to and mobilization of local resources. Next benefit is the diffusion of innovation among members. Sixthly is increased knowledge-transfers, resulting in human resource development. Seventhly is the increased efficiency and savings on transaction costs and credit worthiness, and therefore introduce new investment possibilities to the cooperatives. The eighth point is the enhanced risk management. The ninth is the possibility to invest in infrastructure development as part of community development. Finally is the complementary to democratization efforts of local government with regard to allocation and distribution of resources. These are economic and socio-economic benefits.

According to Warren and Preston (1990), Miami (1972) and Andreou (1997), cooperatives have many benefits with respect to agricultural sector as well. These include increased farm income derived from the general economies of scale. They also cited that farmers benefit in the improved service from the service providers since it is easy to access them as a cooperative. Expansion of markets and improved management are also benefits that farmers derive from acting collectively. Finally cooperatives attract social benefits such as creation of employment and strengthened public distribution system (Anbumani, 2007). According to Widstrand (1970, p.134) cooperatives have the benefits of accessing credits, achieving competition, realizing higher incomes and for

the purpose of learning. This is clear evidence that there are many benefits of cooperatives in realizing community development.

According to Clarke, 1991 and Harrington *et al*, 1991; Performance of cooperatives is seen as improved product quality, productivity, technical efficiency, service capabilities of an organization and sustained returns. This indicates that the performance indicators of different cooperatives are varied, and best describes the performance of different cooperatives. Dess and Robinson (1984), show that economic indicators of performance such as return on capital and growth on sales can be used to measure performance. Performance is therefore intertwined within the goals of a cooperative.

2.3 Membership Size and Performance of Cooperatives

Membership size in cooperatives refers to the number of people that enroll, join or register as member in any cooperative. The reviewed literature does not indicate the number of membership size that can be termed as large or small (Vorlaufer *et al*, 2012). However cooperatives can be compared on the basis of membership size and their attributable competitive edge.

Higher membership size has been said to be essential by many development agencies. This is because capital accumulation in higher membership size cooperatives is easier and distribution of risks is also mild. However Cazzuffi and Moradi(2010), argues that higher membership size is good because it creates economies of scale while on the other hand it brings about group interaction problems. They argue that it leads to the free-rider problem that affects capital accumulation and member participation in terms of time spent in cooperative activities. In this case the principle on open and voluntary membership may have a devastating effect on cooperatives.

According to Vorlaufer *et al* (2012), with respect to group theory supports that with increasing group size, collective action becomes more difficult due to social problems emanating from group interactions such as free-riding. He however shows that increased group size positively affects economies of scale but on the other hand leads to increased transaction costs as a result of added group monitoring. Chibanda *et al* (2009), support that poor member participation lead to failure of cooperatives. Member involvement in the affairs of and activities of the cooperative is

vital for the success of any cooperative society. He also suggests that member roles should be made clear.

Membership size is therefore a substantial consideration for cooperative development. The principle of open and voluntary membership enhances free entry and exit from cooperative movements. Large membership size is desirable for continuity of cooperatives. However policy framework should be put in place to guide the limits on cooperative membership which may be expected to yield relatively higher returns.

2.4 Education Level and Training of Leaders and Performance of Cooperatives

Education has been and is an important prerequisite in organizational leadership and management. Education level refers to academic credentials or degree an individual has obtained (Thomas and Daniel, 2009). In their discussion they attest to the fact that most organizations use education as an indicator of a person's skill or level of productivity. Education level is used as a prerequisite in hiring criteria in organizations. Higher education level is therefore associated with higher performance and vice versa is also true.

This is variable, "level of education" have been investigated by many studies. This is because the level of education has an implication to the basic management capacity of an organization. Miami (1972, p.29-32) argues that education is vital to bring awareness of the problems of rural areas and business outlook development. He states that there is a correlation between education and economic growth.

Training also depends on the education level of the workforce. According to Hyden (1973) training of leaders is essential in improving the capacity to perform well. Chibanda *et al* (2009) point out that the performance of cooperatives depends on education and training of cooperative members and enhancing their knowledge of cooperative principles and member's rights. Education and training in this case is geared towards improving member participation and understanding of cooperative management activities even if managed by a separate body. Andreou (1977) points out that the main constraint to cooperative expansion in the developing countries is the lack of trained personnel at all levels. Cooperative education and training should therefore be emphasized to improve on their performance.

According to MoCD (1987, P.38) many of the problems facing cooperatives in Kenya is lack of the required and necessary management skills and knowledge among the members and the employees of the cooperative societies. This lowers the management capacity in cooperatives leading to losses of funds through various ways as one of the constraints that hinder the good performance of cooperative societies. The Kenyan government therefore saw the need to initiate training programmes for the members and the employees of the cooperatives (MoCD, 1987, p.38).

2.5 Level of Income and Performance of Cooperatives

Income is an important factor on cooperatives. Members' income is very important since it strengthens the supply chain of producer cooperatives and accumulation of resources for SACCOs. Members' income is reflected in the Financing of any organization. For cooperatives to succeed, the strategies to finance it must be well laid down.

According to Kimberly and Radel (2005) enough funds and other capital assets are necessary to run a cooperative. They attest to the fact that community support for cooperatives is essential to their viability and success. Kimberly and Cropp (2011) states two types of financing. These are Equity and Debt financing as the main source of finance. Equity finance is from owner contributions or sale of shares. Debt finance is acquired from loans from banks to be paid with an interest. Consideration to the effective source of funds must be made since every source of funds has its own advantages and disadvantages. Equity in the form of members' contributions is the main source finance to a cooperative.

Therefore a reliable level of income for members leads to improved support for the activities of cooperatives. On the other hand unreliable level of income leads to poor performance of cooperatives due to lack of the required support from member contributions. According to a research conducted by Agrawalet *al* (2002), member funds were found to be significantly associated with member-control and member-usage. This implies good performance of cooperatives.

2.6 Quality of Management and Performance of Cooperatives

The performance of cooperatives solely rest on management. Management involves human activities to put other factors of production into use in order to produce the desired ends. According to Rafael (2010), management of cooperatives can be discussed into three main levels. To start with are the members who are the shareholders and the founders of the cooperative society (Caroline, 2009). Secondly is the board of directors which is the democratically elected body by the members, through their voting rights (Radel and Zeuli, 2005). Finally is the hired management body which runs the activities of the organization towards achieving the set goals.

According to Hyden (1973) management processes should be geared towards achievement of the organizational goals. From his point of view it is evident that the management in place should follow and understand the member requirements. Moreover he states that poor management leads to apathy among members and that the issue of integrity in cooperative management is vital for performance. Andreou (1977) contends that the standards of cooperative management are taken to be low.

Widstrand (1970) argues that the cause of effective or ineffective performance is to a greater extent assumed to be good or bad management. Kobia (2011, p.27) points out that weak ethics are a challenge that leads to poor corporate governance. Management also has to do with control. King and Ortmann (2007, p.58) argue that control problems may arise when ownership and control is separate between members and board of directors due to divergence of interests. This conflict of interests in cooperatives management may lead to poor performance. According to Goff (2006), the quality of management is based on the quality of elected board. This is because the board is normally tasked by the members to appoint the hired staff to manage and run the organization. The general characteristics of people in management are very crucial since it influences the process of management. The quality of management would therefore go along way into activity and the process management for the entire achievement of the set goals. Mude (2006), points out that collective organization has failed to meet their stated goals and even at times leaving their members worse off. In his study Mude (2006), found out that lack of credible enforcement mechanism in the coffee cooperatives paved way for the corrupt and incompetent

members to capture cooperative management positions for their personal gains hence leading to poor performance. This makes it clear that management is very crucial for the performance of cooperative societies for the achievement of the set goals. GSDRC (2011) supports that capable management and governance of cooperatives should have the ability to adapt to prevailing business conditions and show professionalism and virtues of good leadership.

Van der Walt's (2005), in his study found out that poor management, lack of training, conflict and lack of funds contributed to failure or poor performance of cooperatives. Good management therefore should carry out the basic functions of the organization. According to Weihrich et al (2010), these functions of management include planning, organizing, staffing, leading and controlling.

2.7 Theoretical Framework

There are many challenges that affect the successful functions of cooperative movements that they are unable to achieve their objectives. The main challenges are found within the organizational design of an organization or cooperative as regards management and resource availability. The study will therefore be based on the theory of strategic management (Child *et al*, 2005). It describes a cooperative strategy as an attempt by organizations to realize their objectives through cooperation with other organizations rather than competing with them. This basis is true for individuals who pull their resources together for a competitive edge. The same has been described and discussed by Henry (2008). In his book he states that the purpose of a strategy is to enable an organization to achieve a sustainable competitive advantage. He derives a framework that bears a clear analysis of organizations external and internal resource capabilities. This is an indication that source of organizations resources and its managerial capacities are crucial.

It is in this respect that a strategy can be seen as vital in the achievement of an organization's goals based on the best managerial practices. A strategy should be made in such a way that allows an organization to efficiently match its resources and capabilities to the needs of the external environment in order to achieve a competitive advantage (Kay, 1993). External factors in this case are very important and should be considered in cooperative management for its

survival. A strategy cannot be formulated or achieved by one person in any organization (David *et al*, 1999). In his discussion the Mintzberg's 5Ps strategy (a plan, a ploy, a pattern of behavior, a position of respect to others and a perspective) suggests some aspect of member participation in the strategy formulation and management.

In this theory of strategic management internal and external analysis has been found to be of paramount importance for the success of any organization. Resources, competencies, products, human resources and culture are very vital in the internal environment. External environmental factors such as competition, demand and supply, substitutes among which pose a threat to the cooperative or organization should be considered in management. The study will therefore seek to establish and support how this theory brings out the underlying challenges and variables and how they relate to cooperative performance in the study area.

2.8 Conceptual Framework

The conceptual framework for the study on factors influencing performance of Cooperatives is as shown in figure 1. The factors considered in the study includes membership size, education level and training, level of income and the quality of management. These are the independent variables. Performance is the dependent variable

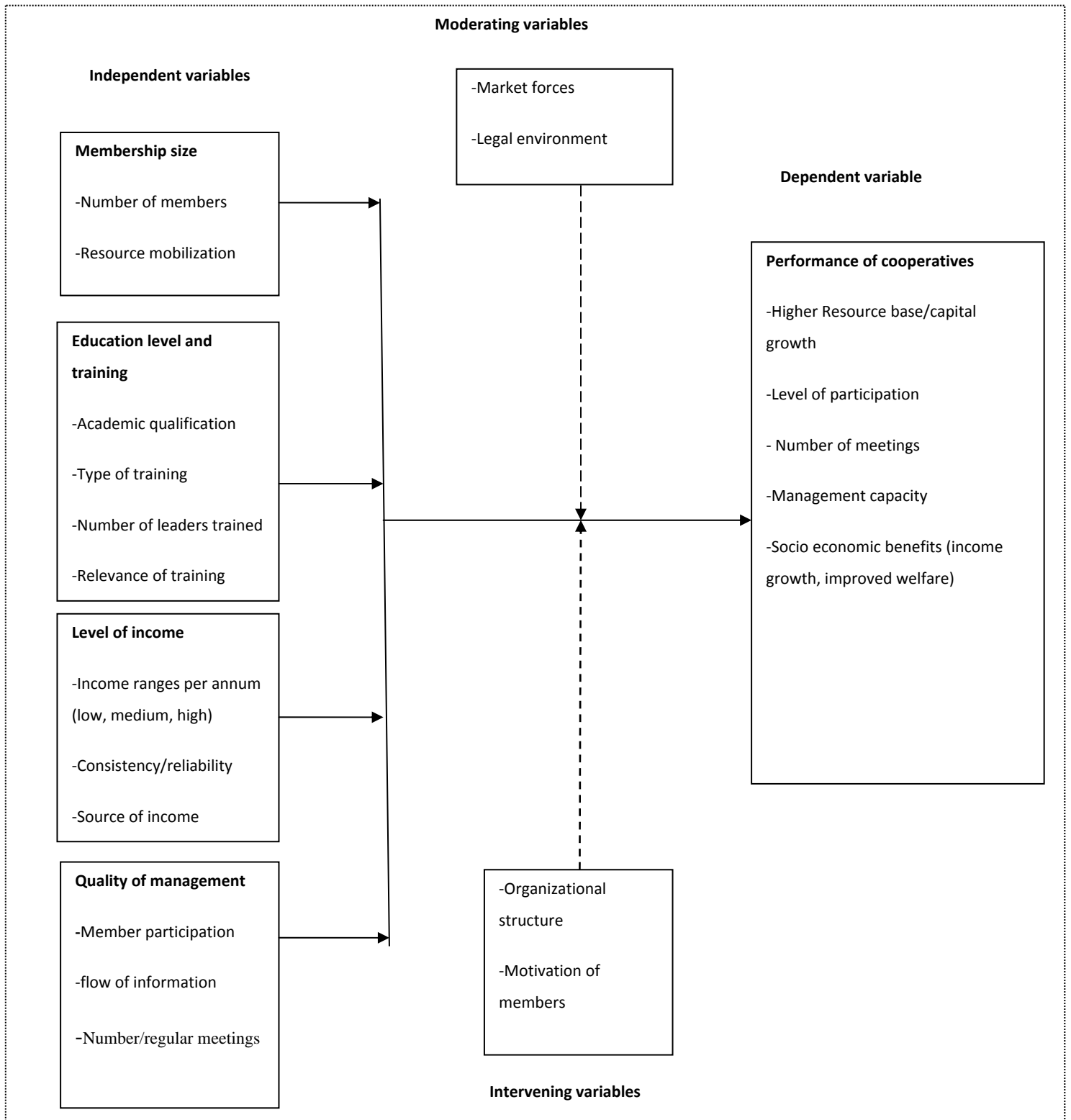


Figure 1: Conceptual framework

The study sought to establish the relationship between the identified variables and performance of cooperative societies in the study area. The variables of concern in this study was Membership size of cooperatives, Education level and training of leaders, level of income of members and the quality of management and their influence to performance of cooperatives in the study area. The Figure.1 shows the conceptualized relationship as these variables being the independent variables and performance as the dependent variable. Membership size of cooperatives was measured against the number of members and level of resource mobilization. Education level and training was measured as primary, secondary or post-secondary, type of training attained, number of leaders trained and its relevance. Income levels were established on average income ranges per annum, consistency/reliability of income and the source of income. Quality of management was measured on the member participation, flow of information and number of meetings. Performance was measured on the indicators such as number of meetings since it is a way of sharing information, level of member participation, resource base, management capacity and socio economic benefits. Performance was described as poor, good, better or best. According to Hansen *et al* (2002) performance can be assessed based on financial and non-financial indicators such as increased profits and achieved expectations. This follows that achieving the goal that is member derived is the main indicator of performance for cooperative movements.

2.9 Summary of Literature

The literature reviewed sheds light on the performance and the importance of cooperatives in socio-economic development of people. Under performance of cooperatives, a brief description of the types of cooperatives is found. The essential principles and values of cooperatives as the guidelines that strengthen cooperative movements are also highlighted. The benefits and indicators of performance are discussed .The Literature reviewed support that the independent variables under investigation have some influence on the dependent variable performance. These independent variables are membership size, level of education and training for leaders, level of income and quality of management. Theoretical framework of the study was grounded on the strategic management, pointing out that quality of management was a major theme of the study. Research works reviewed do not point out anything about small scale, non- commercial and or less commercial cooperatives in Kenya and more so the vast of marginalized or rural cooperatives. Hence this leads to the research gap that the research intends to address by

including both small scale and large scale or commercial cooperatives with respect to marginalized areas of Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the relevant methodological procedures that were used in data collection and analysis. It contains and describes the research design, target population, sample size and sampling procedure, research instruments, pilot testing, validity, reliability, methods of data collection, operational definition of variables and the methods of data analysis.

3.2 Research Design

The study investigated into the factors that influence the performance of cooperatives in Mbeere North Sub-County. Therefore a descriptive research design was used in the study. This design was meant to bring out more the understanding of the cooperatives situation in the study area. Cooper and Schindler (2006) argues that a descriptive research design seeks to identify the what, how and where of a phenomenon. Quantitative and qualitative approaches were employed in the collection of relevant information, analysis and the interpretation of the same data as described by Mugenda & Mugenda (2003).

3.3 Target Population

The study focused on all active cooperatives in Mbeere north district. This was done with the intention of getting clear information of the situation of each kind of cooperative. In this case seven active cooperatives with a total of 1526 members formed the population that was under investigation. These formed the elements with observable characteristics. These are those cooperatives with known address or contact and membership, as provided by the DCO in Mbeere North Sub-County.

Table 3. 1: Active Cooperative in Mbeere North Sub-County

Name of cooperative	Status	Type	Membership
Mbenwom	Active	Multipurpose	1300
Benyouth Multipurpose	Active	Multipurpose	12
Mbeere Muguuka SACCO	Active	Rural SACCO	52
SEMO SACCO	Active	Rural SACCO	39
Kwaraga SACCO	Active	Urban SACCO	26
Ena Tobacco growers SACCO	Active	Urban SACCO	57
Evurore FCS	Active	Other	40
TOTAL			1526

Source: Mbeere North District Annual Report, 2012. (MoCD&M)

3.4 Sample Size and Sampling Procedures

This section provides the method and the procedure of identifying the number of respondents out of the population to be engaged in data collection.

3.4.1 Sample Size

Sample size is the number of respondents to be engaged in data collection, which represents the entire population. According to Borg and Gall (1998) a representative sample should be 20-30% of the population. However the study employed a formula by Mugenda (2008), to identify the sample size from the population as shown below;

$n = \frac{N}{1 + N e^2}$; Where: n = the sample size

N = the size of the population.

e = acceptable margin of error at 5 % (STD value of 0.05)

Table 3. 2: Sampling Frame for Active Cooperatives

Name of cooperative	Membership	Ratio	Sample size	Percentage
Mbenwom	1300	$1300 \div 1526 \times 400 =$	341	85.25%
Benyouth Multipurpose	12	$12 \div 1526 \times 400 =$	3	0.75%
Mbeere Muguuka SACCO	52	$52 \div 1526 \times 400 =$	14	3.5%
SEMO SACCO	39	$39 \div 1526 \times 400 =$	10	2.5%
Kwaraga SACCO	26	$26 \div 1526 \times 400 =$	7	1.75%
Ena Tobacco growers SACCO	57	$57 \div 1526 \times 400 =$	15	3.75%
Evurore FCS	40	$40 \div 1526 \times 400 =$	10	2.5%
Total	1526		400	100%

Source: Mbeere North District Annual Report, 2012. (MoCD&M)

Sample size was computed as follows;

$$n = 1526 \div [1 + 1526(0.05)^2]$$

$$n = 1526 / 3.8175$$

$$\mathbf{n = 400}$$

By the use of the formula by Mugenda (2008), with an error of 5% and with a confidence coefficient of 95% the research engaged 400 members as the sample size or number of respondents from the 1526 number of members as the population of active cooperatives. From the sample size identified from each cooperative one leader of the cooperative was selected purposively as a respondent. Similarly the DCO was be purposively engaged in the study.

3.4.2 Sampling Procedure

The study began by identifying the total number of cooperatives in the study area. Then only active cooperatives were considered. Since the active cooperatives are few, all were considered in the study. Then the researcher obtained the lists of cooperative members of each cooperative society. Systematic random sampling was used to select respective respondents from each active

cooperative. The first respondent was selected randomly, then systematic random sampling technique was applied to identify subsequent respondents from the lists based on the respective sample sizes from each cooperative as in Table 3.2.

3.5 Research Instruments

The study used semi-structured questionnaires and unstructured interview schedule to collect information. Semi-Structured questionnaire was used for data collection from the cooperative members and leaders. The questionnaires contained both closed and open ended question items. They were structured in sections to collect relevant information as limited to the objectives of the study. These sections were based on demographic factors, membership size, education level and training, level of income and quality of management. The unstructured interview schedule was used to collect information from the DCO of Mbeere North Sub-County.

3.5.1 Pilot Testing

The pre-testing of the questionnaire was carried out in one cooperative in Mbeere South Sub-County. This is a neighboring Sub-County to Mbeere North Sub-County which shares the same environmental and socio-economic characteristics. According to Mugenda and Mugenda (2003) a pre-test sample between 1% and 10% depending on the sample size is favorable. This was done to establish the suitability of the questionnaires and hence correct for errors and ambiguities to ensure useful and credible data collection.

3.5.2 Validity of Instruments

Validity is the degree by which the sample of the test elements is representative of the content that the research will be intended to establish (Borg and Gall, 1989). Validity of data collection instruments was established before engaging them in the actual process of data collection. A sample questionnaire and interview schedule were prepared and handed over to the experts to check on their suitability. My supervisor in this case scrutinized through the data collection instruments for advice. This followed corrective and adjustment measures on the data collection instruments to ensure the validity required.

3.5.3 Reliability of Instruments

According to Mugenda and Mugenda (2003), Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. The instruments were prepared and administered through pilot testing into two parts (split-half technique), with one cooperative society in Mbeere South Sub-County. This has the same socio-economic conditions and environment as Mbeere North Sub-County. To the group, one part of the questionnaire was administered and the responses were scored. Then the second part of the same questionnaire was administered to the same group and their responses scored. The questionnaire was divided into two parts based on odd and even items. The scores were based on the item clarity and the confidence to attempt answering the question by the respondent. 0 and 1 scores was assigned to closed and open questions on the questionnaire. Then finally an adjusted spearman-Brown correlation coefficient was being calculated. A correlation coefficient between 0.5 and 1.0 meant that the instrument was reliable. Mugenda and Mugenda (2003) suggest that a pre-test sample between 1% and 10% depending on the sample size is suitable. A total of 15 members of one cooperative in Mbeere South Sub-County (Emmanuel SACCO) were engaged in reliability test. The below simplified spearman brown formulae was used to compute the reliability coefficient.

$$r_{SB} = 2r_{hh} / (1 + r_{hh})$$

Where; r_{SB} = Spearman brown correlation coefficient

r_{hh} = Pearson correlation coefficient

The established spearman Brown correlation coefficient was 0.7. This is a relatively higher spearman brown correlation coefficient of reliability test. Hence the questionnaire was considered suitable to be used in data collection for the study.

3.6 Data Collection Methods

The study used semi-structured questionnaire to gather information from the identified respondents who were the members and leaders of the cooperatives. The questionnaires were researcher administered through personal visits to the respondents, by the researcher and trained data collection assistants. The researcher began by obtaining the permission to carry out research

in Mbeere North Sub-County from the DCO. The DCO provided the introductory letter and the lists of cooperative Leaders and their contacts. The leaders of each cooperative provided a list of their Members to the researcher. The first respondent was selected randomly, and then systematic random sampling technique was applied to identify subsequent respondents from the lists based on the respective sample size from each cooperative.

3.7 Data Analysis Techniques

The type of data collected was both quantitative and qualitative in nature. It was analyzed using descriptive statistical techniques. Percentages formed the main basis of data analysis for both quantitative and qualitative data. The findings were presented in tables with measures of central tendency (mean) to enable easier interpretation and understanding of the results.

3.8 Operational Definition of Variables

This section of the methodology seeks to operationalize independent variables that were measured in the process of study. These independent variables were derived from the objectives or the factors under investigation. The operational definition of variables is shown and described in Table3.3.

Table 3. 3: Operational Definition of Variables

Objectives	Types of variable	Indicator	Tools of analysis	Measurement	Level of scale	Data analysis
i) To establish how membership size influence the performance of cooperatives in Mbeere north sub-county.	Independent	-Number of members.	Questionnaire	-Resource contribution -Social interaction wellbeing -Participation -influence to performance	Interval	Descriptive
ii) To assess how education level and training of leaders influence the performance of cooperatives in Mbeere north sub-county.	Independent	-Primary -Secondary -Post secondary	Questionnaire	-Direct measure (e.g. secondary -Importance of education -Type of training/capacity attained -Relevance/importance of training attained -Number of leaders trained -Influence to performance	Nominal	Descriptive
iii) To examine how the level of income of members influence the performance of cooperatives in Mbeere north sub-county.	Independent	-Income ranges pa.	Questionnaire	-Direct measure(income range e.g. 10,000-20,000) -Contribution ability -Reliability and consistency of	Interval	Descriptive

				<p>contribution.</p> <p>-Source of income</p> <p>-Influence to performance</p>		
iv) To ascertain how the quality of management influence the performance of cooperatives in Mbeere north sub-county.	Independent	-Level of member participation	Questionnaire	<p>-Organization structure</p> <p>-Management capacity</p> <p>-Flow of information</p> <p>-Level of member participation on management</p> <p>-Influence on performance</p>	Nominal	Descriptive
Performance of cooperatives in Mbeere north sub-county	Dependent	-	Questionnaire	<p>-Resource base/capital growth</p> <p>-Level of participation</p> <p>-Frequency /Number of meetings pa.</p> <p>-Management capacity</p> <p>-Socio economic benefits (income growth, improved welfare)</p>	Nominal	Descriptive

3.9 Ethical Issues

Ethics involves considering and taking into account the best code of behavior when dealing with other people to avoid negative effects on them in the process. According to Kerridge *et al* (2005), ethics involves making a judgment about what is right and wrong behavior. This study involved collection of sensitive information. The researcher first explained to the respondent the purpose of data collection. Then the respondent was requested to voluntarily participate in data collection without coercion. The researcher treated the information collected with utmost propriety and confidentiality. The respondents' decision to disclose or not to disclose certain information was respected. Finally is that the identity of the respondent was concealed since the researcher was not expected to write the names of respondents during questionnaire administration.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter contains data analysis, presentation and interpretation of findings. The study intended to establish the factors that influence the performance of cooperatives in Mbeere North District. The chapter discusses results of the study under the following headings: questionnaire return rate, description of the study subjects, factors influencing performance of cooperatives namely how membership size, how education level and training of leaders, the level of income of members and the quality of management influences the performance of cooperatives.

4.2 Questionnaire Return Rate

The questionnaire return rate was 98%, as 400 questionnaires were prepared according to the sample size, but 392 questionnaires completed and received back. This was possible since the questionnaires were administered by trained research assistants who administered questionnaires to the identified respondents. Only 8 respondents were not available for questionnaire administration process. According to Mugenda and Mugenda (2003), a response rate of more than 70% is considered to be very good. Based on this recommendation the study concluded that a respondent's return rate of 98% was very good and hence a reliable basis for the report.

4.3 Demographic Characteristics of the Respondents

This section discusses the respondent's gender, age and level of education. These attributes were relevant to the study since they have a bearing on the respondent to provide information that is valid, reliable and relevant to the study.

4.3.1 Distribution of the Respondents by Gender

The respondents from cooperatives in Mbeere North Sub-County were asked to state their gender. The responses are shown in Table 4.1

Table 4. 1: Gender of the Respondents

Gender of respondent	Frequency	Percentage
Male	38	9.7
Female	354	90.3
Total	392	100.0

The findings show that majority of the respondents interviewed were female 392(90.3%) while male were 38(9.7%).The study shows that majority of the respondents were female.

4.3.2 Distribution of the Respondents by Age

The respondents were asked to indicate their ages from among choices of age brackets given. The use of these classes minimized the number of individual responses and allowed easy classification and analysis of the information. The age of the respondent has an influence on the ability to engage in production activities of the cooperative. The respondents responses are shown in Table 4.2.

Table 4. 2: Age of Respondents

Age of respondent in years	Frequency	Percentage
Less than18	18	4.6
18-35 years	21	5.4
36-40 years	145	37.0
41- 45	205	52.2
46 and above	3	0.8
Total	392	100.0

The findings show that most of the respondents 205 (52.2%) are in age bracket of 41-45 years and 145 respondents (37%) in 36-40 years. Therefore, the research findings show that 350respondents (89.2%) are in age bracket of 36-45 years. This indicates that majority of the

respondents are in their middle age and therefore suitable in undertaking productive work which require effective decision making.

4.3.3 Distribution of the Respondents by their Level of Education

Education level of the respondent represented the level of formal schooling completed by the respondent at the time of the study. The respondents were asked to indicate their highest level of education and Table 4.3 shows the results.

Table 4. 3: Respondent Level of Education

Level of education	Frequency	Percentage
University	3	0.8
College	83	21.2
Secondary	187	47.7
Primary	119	30.3
Total	392	100.0

The findings show that all the cooperative members attended school, though majority of members reached secondary level 187 respondents (47.7%). This indicates that majority of the respondents are literate and therefore suitable in undertaking farm and business productive activities which require technical knowhow. The respondents were asked to indicate their main activities and Table 4.4 shows the results.

Table 4. 4: Main Activity of the Member

Main activity	Frequency	Percentage
Business	197	50.3
Farming	189	48.2
Poultry keeping	4	1.0
Civil servant	2	0.5
Total	392	100.0

The findings show that majority of the respondents interviewed were business people 197 (50.3%) while those in farming were 189 (48.2%). This productive activities generate income part of which is invested in the cooperative.

4.4 How Membership Size Influences the Performance of Cooperatives.

The cooperatives have different membership. All the seven cooperatives were found to have small membership size. Cazzuffi and Moradi (2010) argue that large membership size creates economies of scale while on the other hand it brings about group interaction problems. However based on the various concerns the following were the results.

4.4.1 Types of Cooperatives

There are two main types of cooperatives in Mbeere North Sub-County. These are SACCOs and Multipurpose cooperatives. In regards to this, the respondents were asked to indicate the type of cooperative they belong to and their responses are indicated in table 4.5

Table 4. 5: Types of Cooperatives

Type of cooperative	Frequency	Percentage
SACCO	39	9.9
Multipurpose	353	90.1
Total	392	100.0

The findings show that majority of the respondents interviewed 353(90.1%) are members from multipurpose cooperatives while 39 (9.9%) are in cooperatives which are in form of SACCOs only. As SACCOs grow they develop to multipurpose cooperatives.

4.4.2 Members and Leaders of Cooperatives

The study found a need to establish the number of members and leaders in data collection process. This was vital to enable attribution of some information given meaningfully. That is there was information expected to be given by leaders only. The respondents were therefore asked to indicate whether they are a member or a leader and their responses are indicated in table 4.6.

Table 4. 6: Members and Leaders of Cooperatives

Type of cooperative	Frequency	Percentage
Members	328	83.7
Leaders	64	16.3
Total	392	100.0

The study shows that majority of the respondents interviewed 328(83.7%) are members while 64 (16.3%) are leaders of the cooperatives.

4.4.3 Period of Membership

The period within which members have been in cooperative action was necessary to enable the study conclude on some issues affecting the cooperatives and as well as the best way to treat information from various categories of membership. The respondents were therefore asked to indicate the period they have been a member and their responses are indicated in table 4.7

Table 4. 7: Period of Membership

Period of membership	Frequency	Percentage
less than 1 year	25	6.4
1-3 years	251	64.0
4-6 years	95	24.2
more than 7 years	21	5.4
Total	392	100.0

The study shows that majority of the respondents interviewed 251(64%) have been a member of the cooperative for 1-3 years while only 21 respondents(5.4%) have been a member for more than seven years. 25 respondents(6.4%) have held these positions for less than one year.95(24.2%) of the respondents have been a member for 4-6 years.

4.4.4 Active and Dormant Cooperatives

Cooperatives could be active or dormant. The study dealt with active cooperatives only. However it was in the interest of the study to establish the perceived status of the cooperative that members belonged so as to clearly understand the cooperative situation in the study area. In respect to this, the respondents were asked to indicate whether their cooperative is active or dormant and their answers are indicated in table 4.8

Table 4. 8: Whether Cooperative is Active or Dormant

Active or dormant	Frequency	Percentage
Active	369	94.1
Dormant	23	5.9
Total	392	100.0

The study shows that most of the respondents 369(94.1%) perceived that their cooperatives are active while 23 respondents (5.9%) indicated that their cooperatives are dormant.

4.4.5 Length of Time for Active Cooperatives in Operation

It was also important to establish the length of time that the active cooperatives have operated in the study area. This was important in comparing the current performance of cooperatives and whether the operation period may influence performance in any way. The respondents were therefore asked to indicate the length of time that their cooperative has been active and their answers are as indicated in table 4.9.

Table 4. 9: How Long the Active Cooperatives have been in Operation

Active cooperatives	Frequency	Percentage
below 5 years	37	9.4
5-10 years	353	90.1
10-20 years	2	0.5
Total	392	100.0

The study shows that most of the respondents 353 (90.1%) indicated the active cooperatives have been active for 5-10 years.

4.4.6 Stage of Joining Cooperatives

This sub-theme was intended to bring out the level of the cooperative development that most members joined the cooperative societies. Members join the cooperative societies at different stages from inception period to a time when it is mature and fully operational. In this case, the respondents were asked to indicate the stage at which they joined their cooperative and their answers are indicated in table 4.10.

Table 4. 10: Stage of Joining Cooperative for Cooperative Members

Time of joining	Frequency	Percentage
At inception	40	10.2
At roll out phase	249	63.5
When operational	103	26.3
Total	392	100.0

The findings indicated that most of the respondents 249 (63.5%) joined the cooperatives at the roll out phase while only 40 (10.2%) joined at inception.

4.4.7 Reason for Joining Cooperatives

Members of cooperatives have different reason for joining their cooperatives. Different members may have different aims of joining for instance, a Multipurpose. In the instances where the goal of the cooperative is not made explicit to the potential members, the purpose for which the cooperative was formed is vague and leads to collapse of cooperatives. To ascertain this, the respondents were asked to indicate the reason of joining cooperatives and their answers are indicated in table 4.11.

Table 4. 11: Reason of Joining the Cooperatives

Reason of joining	Frequency	Percentage
Benefit in collective production	57	14.5
To market produce collectively	18	4.6
To save my earnings easily	82	20.9
To access storage services	86	21.9
To access loans	141	36.0
any other	8	2.0
Total	392	100.0

The findings indicated that most of the respondents 141 (36.0%) indicated that they joined the cooperatives to access loans, 86 (21.9%) joined the cooperatives to access storage services while only 18 respondents (4.6%) joined the cooperative to market their produce collectively.

4.4.8 Membership Size of Cooperatives

Membership size refers to the number of shareholders in a cooperative society. It was in the interest of the study to establish the exact membership size as in the knowledge of members themselves. The results based on the respondents answer are as indicated in table 4.12.

Table 4. 12: Number of Members in the Cooperatives

Number of members	Frequency	Percentage
Less than 100	38	9.7
101-500	14	3.6
501-1000	321	81.9
Over 1000	19	4.8
Total	392	100.0

The findings indicated that most of the respondents 321 (81.9%) indicated that their cooperatives have 501-1000 members with only 38(9.7%) indicating to have less than 100 members.

4.4.9 Size of Cooperatives Based on Membership

A cooperative can either be Small or Large based on the membership size. There is no known number of members which qualifies a cooperative society as small or large. However the study sought to determine the perceived status of cooperatives based on membership. This was vital in attributing some indicators of performance to the perceived size and level of interaction thereof. The respondents were therefore asked to indicate whether the membership of their cooperative can be considered to be small or large number and their answers are indicated in table 4.13.

Table 4. 13: Whether the Cooperative is Small or Large Based on membership size

Whether cooperative is		
large or small	Frequency	Percentage
Small	350	89.3
Large	42	10.7
Total	392	100.0

The findings indicated that most of the respondents 350 (89.3%) indicated that the membership size of their cooperative is small as compared to others they know. Only 42 respondents (10.7%) indicated that their cooperatives have large numbers.

4.4.10 Influence of Small Membership Size on Performance of Cooperatives

Small membership size is desirable since it promotes effective member interactions. There are other benefits of small membership size. On the other hand small membership size limits maximized economies of scale. In respect to this consideration, the respondents were asked to indicate the effects that small membership size had in their cooperative and their answers are indicated in table 4.14.

Table 4. 14: Influence of Small membership Size on Performance of Cooperatives

Statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Small number leads to good management.	6	1.5	8	2	9	2.3	254	64.8	115	29.3
Small number leads to poor management.	18	4.6	19	4.8	18	4.6	223	56.9	114	29.1
Small number leads to low resource	3	0.8	10	2.6	26	6.6	230	58.7	123	31.4

mobilization.										
Small number	1	0.3	5	1.3	26	6.6	221	56.4	139	35.5
promotes member										
social interaction.										
Small number	6	1.5	21	5.4	22	5.6	286	73	57	14.5
leads to continuity										
of cooperative.										
Mean	6	1.5	12	3	20	5.0	242	61.7	109	27.8

The findings indicated that most of the respondents 242 (61.7%) on average agreed that small number of members leads to good member participation, good management, low resource mobilization ,promotes member social interaction and affects continuity of cooperatives while only 6 respondents(1.5%) strongly disagreed on these aspects.

4.4.11 Influence of Large Membership Size on Performance of Cooperatives

Cazzuffi and Moradi (2010), points out that higher membership size is good to achieve economies of scale, while on the other hand large groups brings about group interaction problems. Based on opinion, the respondents were asked to indicate the influence that large membership had in their cooperatives and their answers are indicated in table 4.15

Table 4. 15: Influence of Large Membership Size on Performance of Cooperatives

Statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Large group leads to good member participation	178	45.4	114	29.1	34	8.7	50	12.8	16	4.1
large group leads to	3	0.8	178	45.4	150	38.3	44	11.2	17	4.3

good management										
large group leads to economies of scale	1	0.3	4	1	69	17.6	246	62.8	72	18.4
large promotes continuity of cooperative	5	1.3	7	1.8	9	2.3	248	63.3	123	3.4
Mean	46	11.7	75	77.3	65	16.5	147	37.5	57	14.5

The findings indicated that most of the respondents 178 (45.4%), strongly disagree that large number leads to good member participation, 178 respondents (45.4%) disagree that large groups leads to good management while 150 respondents (38.3) remained neutral that large groups lead to good management.246 respondents (62.8%) indicated that large group leads to economies of scale while 248 respondents (63.3%) agrees that large numbers promote continuity of cooperative.

4.4.12 Performance of Cooperative

The performance of cooperatives can be described differently using different indicators. According to Clarke, (1991) and Harrington *et al*, (1991); performance of cooperative is viewed as improved product quality, productivity, technical efficiency, service capabilities and sustained returns. However based on best indicators known to respondents, they were asked to describe their cooperative performance and their answers are indicated in table 4.16.

Table 4. 16: Description of Cooperative Performance

Number of members	Frequency	Percentage
Good performance	346	88.3
Better performance	44	11.2
Best performance	1	0.3
Poor performance	1	0.3
Total	392	100.0

The findings indicated that majority of respondents 346(88.3%) indicated that their cooperatives have good performance, 44 (11.2%) respondents indicated that their cooperatives have better performance. Only one person (0.3%) indicated that their cooperative is operating at best performance.

4.4.13 Conditions of Membership

Different cooperatives have different conditions spelt out to any potential member. This may be encouraging or discouraging to the potential members. The study found it necessary to establish the conditions set at the inception of the cooperative and their effect on membership. Hence the respondents were asked to indicate the conditions to be a member of a cooperative and their responses indicated in table 4.17.

Table 4. 17: Conditions of Membership

Number of members	Frequency	Percentage
One must be from the same region.	4	1.0
One must be from same ethnic group.	4	1.0
One must be engaged in the same activity.	15	3.8
One must pay some fees initially.	116	29.6
One must pay some fees periodically.	178	45.4
One must adhere to rules and regulations	75	19.1

Number of members	Frequency	Percentage
One must be from the same region.	4	1.0
One must be from same ethnic group.	4	1.0
Total	392	100.0

The findings indicated that most respondents 178(45.4%) indicated that they pay some fees periodically to the cooperative while 116(29.6%) pay some fees initially.

4.4.14 Indicators of a Good-Performing Cooperative

Different indicators are used to describe performance of cooperative societies. They are based on the goals and objectives and more so the deliverables of each type of a cooperative. Dess and Robinson (1984) show that economic indicators of performance such as return on capital and growth on sales can be used to measure performance. In this regard the respondents were asked indicate their opinions about indicators of a successful or good performing cooperative, as they apply in their own cooperatives and their answers indicated in table 4.18.

Table 4. 18: Indicators of a Successful or Good Performing Cooperative

Performanc e indicator	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
my cooperative has higher resource base	0	0	18	4.6	39	9.9	251	64.0	84	21.4
my cooperative involve high level of member	0	0	8	2.0	27	6.9	215	54.8	142	36.2

participation										
my cooperative has good management capacity	0	0	9	2.3	19	4.8	239	61.0	125	31.9
my cooperative organize for meetings regularly	0	0	9	2.3	15	3.8	236	60.2	132	33.7
my coop has social economic benefits	2	.5	8	2.0	17	4.3	218	55.6	147	37.5
Mean	0.4	0.1	8	2.1	20	5.2	184	47.1	99	25.4

The findings indicated that most of the respondents 239 (61%) agree that their cooperative had a good management, 236 (60.2%) agree that their cooperative organize meetings regularly while 218(55.6%) agree that their cooperative has social economic benefits.

4.4.15 Whether the Cooperative is Successful

The study found interest to establish the perceived performance of their cooperative societies based on indicators they know well and their responses recorded in table 4.19.

Table 4. 19: Whether the Cooperative is Successful

Whether cooperative is successful	Frequency	Percentage
Yes	385	98.2
No	7	1.8
Total	392	100.0

The study show that the cooperatives are successful according to 385 respondents (98.2%) while only 7 respondents indicated that the cooperatives are not successful.

4.4.16 Challenges Facing the Cooperatives

There are many challenges that affect the performance of cooperative societies. Warren and Preston (1990), Kobia (2011), and Anbumani (2007), highlight some of the challenges as weak economic base. This translates into weak financial status of cooperatives. Dishonesty, corruption and fraudulent vices are also challenges facing cooperatives (Anangisye, 1977, p.7).UN-Habitat, (2010), cite insufficient managerial skills to be a challenge to cooperative performance. Widstrand (1970, p.130) shows that political interference as challenge to cooperative. This background prompted the study to investigate into challenges facing cooperatives in the study area and the responses indicated in table 4.20.

Table 4. 20: Challenges Facing the Cooperatives

challenges	Frequency	Percentage
Financial problems	311	79.3
Lack of market for produce	61	15.6
Some members don't participate fully	20	5.1
Total	392	100.0

The findings indicated that majority of cooperatives have financial challenges as indicated by 311 respondents (79.3%) while 61 respondents (15.6%) indicated lack of market as a challenge. 20 respondents (5.1%) indicated that some members do not participate fully in the cooperative obligations.

4.5 How Education Level and Training of Leaders Influence Performance of Cooperatives.

Education level and training influence performance of cooperative societies. Education level refers to academic credentials or degree an individual has obtained (Thomas and Daniel, 2009). According to Hyden (1973), training of leaders is essential in improving the capacity to perform well.

4.5.1 Qualities of Good Cooperative Leader

A leader of a cooperative society unites members to achieve a common goal. Qualities of a good leader range from personal characteristics to education level and training. The study sought to establish what the members felt could best describe a good cooperative leader and results indicated in Table 4.21.

Table 4. 21: Qualities of a Good Leader

Qualities	Frequency	Percentage
well educated person	381	97.2
prominent person in the area	11	2.8
Total	392	100.0

The findings show that majority of the respondents 381 (97.2%) felt that cooperative leaders should be well educated, however, 11 respondents (2.8%) felt that the leader should be a prominent person.

4.5.2 Whether the Level of Education is Necessary for a Cooperative Leader

The study identified this sub-theme to be important. Members were expected to state their opinion about education level and the influence to cooperative performance. The respondents were therefore requested to indicate whether the level of education is necessary for a cooperative leader or not. Table 4.22 shows the responses.

Table 4. 22: Whether the Level of Education is Necessary for a Cooperative Leader

Response	Frequency	Percentage
Yes	387	98.7
No	5	1.3
Total	392	100.0

The findings show that 387 respondents (98.7%) felt that the level of education of a cooperative leader is necessary while 5 respondents felt that the level of education is not necessary.

4.5.3 Influence of Educated and Trained Leaders on Performance of Cooperative

Education and training has been recommended by cooperative development agencies. This would improve the management ability of leaders. Lack of trained personnel has been cited to be a constraint to cooperative development in developing countries (Andreou, 1977).It was therefore necessary for the study to determine the influence that education and training of leaders had on cooperative performance and the results indicated in Table 4.23.

Table 4. 23: Influence of Educated and Trained Leaders on Performance of Cooperative

Statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	Freq	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Educated	0	0	0	0	8	2.0	244	62.2	140	35.7

/trained leaders have good governance skills										
Educated /trained leaders have good management skills	0	0	0	0	3	.8	233	59.4	156	39.8
Educated/trained leaders are visionary	1	.3	2	.5	9	2.3	250	63.8	130	33.2
Educated/trained leaders can be relied on	0	0	28	7.1	106	27.0	211	53.8	47	12.0

The findings indicated that most of the respondents 244 (62.2%) felt that educated and trained leaders have good governance skills ,233 respondents (59.4%) felt that educated and trained leaders have good management skills,250respondents (63.8%) felt that educated and trained leaders are visionary while 211 respondents (53.8%) felt that educated and trained leaders can be relied on. However 1 respondent (0.3%) strongly disagreed that educated leaders are visionary.

4.5.4 Level of Education Recommended for a Cooperative Leader

It was not clear what level of education is good for effective leader performance. This was established based on the experience that members had on their leaders by then. Hence the

respondents were further asked to indicate the lowest level of education recommended for a cooperative leader. Table 4.24 shows the responses.

Table 4. 24: Level of Education Recommended for a Cooperative Leader

Level of education	Frequency	Percentage
Primary	17	4.3
Secondary	182	46.4
post-secondary	193	49.3
Total	392	100

The findings show that 193 respondents (49.3%) felt that cooperative leaders should be educated upto post secondary while 182 respondents (46.4%) felt that leaders should be educated up to secondary level. Only 17 respondents (4.3%) felt that leaders should achieve primary education.

4.5.5 Influence of Educated and Trained Members on Performance of Cooperative

Members of a cooperative society should also be educated and trained either formal or informal. The performance of cooperatives also depends on education and training of cooperative members. This improves and enhances their knowledge of cooperative principles and their own rights in cooperative activities (Chibanda et al, 2009).The respondents were asked to indicate their feelings about various aspects of cooperative members on being educated and trained, and their answers are indicated in table 4.25.

Table 4. 25: Influence of Educated and Trained Members on Performance of Cooperative

Statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Educated members clearly understand coop goals	0	0	2.8	.5	7	1.8	244	62.2	139	35.5

Educated members participate fully in coop	0	0	3.6	.5	7	1.8	219	55.9	164	41.8
Educated members understand their rights in coop	0	0	3.6	.5	7	1.8	219	55.9	164	41.8
Educated members exert control of their coop	0	0	31.1	1.5	12	3.1	225	57.4	149	38.0
Educated members own their coop	0	0	11	2.8	14	3.6	245	62.5	122	31.1
Mean	0	0	10	0.2	9	2	230	58	147	37

The findings indicated that most of the respondents 244 (62.2%) felt that educated and trained members clearly understand cooperative goals, 219(55.9%) shows that educated and trained members participate fully in the cooperative, 219 respondents (55.9%) understands their rights in the cooperative, 225(57.4%) exert control over their cooperative and 122(31.1%) own their cooperative.

4.5.6 How Current Performance is Influenced by Education Level and Training of Leaders

The study sought to establish the opinion that cooperative members had on the current performance of their cooperatives in relation to education level and training of their leaders. In

this case the respondents were asked to indicate whether education level and training of leaders influence the current performance of their cooperatives. Table 4.26 shows the responses.

Table 4. 26: How Current Performance is Influenced by Education Level and Training of Leaders

Influence	Frequency	Percentage
Educated leader manage coop well	385	98.2
Educated leader follow rules and regulations	4	1.0
Untrained leaders have inferiority complex	3	.8
Total	392	100.0

The findings show that 385 respondents (98.2%) said **yes**, and further indicated that educated and trained leaders manage the cooperative well. Only a few 4 respondents (1%) indicated that educated leader follow rules and regulations and 3 respondents (0.8%) Indicated that untrained leaders have an inferiority complex. They agreed that the current performance is influenced by education level and training. The respondents were further asked whether they have received any training on cooperative. Table 4.27 shows the responses.

Table 4. 27: Whether Received Cooperative Training

Whether received training	Frequency	Percentage
Yes	46	11.7
No	346	88.3
Total	392	100

The findings show that 346 respondents (88.3%) did not receive any form of cooperative training while 46 respondents (11.7%) received cooperative training that represents number of the leaders trained.

4.5.7 Type of Training Received by Cooperative Leaders

The type of training received by different leaders of different cooperatives is relevant to the different cooperatives. There are many types of training done on cooperative leaders, which were found to have different influences on performance. With regards to this, the respondents (leaders) were asked to indicate the type of training received by cooperative leaders. The results are indicated in Tables 4.28.

Table 4. 28: Type of Training

Type of training	Frequency	Percentage
Coop management	19	4.8
leadership skills	17	4.3
Coop productivity	5	1.3
group dynamic and cohesion mechanism	3	.8
Not applicable	348	88.8
Total	392	100

The findings show that 348 respondents (88.8%) felt that no training influenced performance of cooperative. Others said 19(4.8%) respondents received cooperative management, 17(4.3%) respondents received training on cooperative productivity and 3 respondents (0.8%) received training on group dynamic and cohesion mechanism.

4.5.8 Facilitators of Cooperative Leaders' Training

It was in the interest of the study to establish the facilitators of the trainings received by the cooperative leaders. It emerged that the office of the DCO was not the only provider of cooperative training as shown in Table 4.29.

Table 4. 29: Facilitators of Cooperative Leaders Training

Who offered training	Frequency	Percentage
DCO office	42	10.7
board of management	5	1.3
KUSCO	3	.8
Equity bank	198	50.5
not applicable	144	36.7
Total	392	100.0

The findings show that of the 198 respondents (50.5%) indicated they received cooperative training from equity bank while 42(10.7%) respondents received training from district cooperative office.

4.5.9 Relevance of Training to Cooperative Leaders

On the relevance of the training to cooperative leaders, it was important to establish how the training received influenced the performance of cooperatives. The results are as indicate in the table 4.30.

Table 4. 30: Relevance of Training to Cooperative Leaders

How training helped them	Frequency	Percentage
Increase in membership	250	63.8
Increased returns	4	1.0
Improved management	41	10.5
Growth of coop	97	24.8
Total	392	100

The findings show that of the 250 respondents (63.8%) felt that the cooperative training increased membership with 97(24.8) felt that the training led to the growth of cooperative.

4.5.10 Suggestion for Future Training

The leaders and the members of the cooperative societies should be involved in setting up training requirements. As such Members and leaders of cooperatives should be asked to state their training needs to the training service providers. In the light of this, the respondents were asked to indicate suggestions for future training. Table 4.31 shows the responses.

Table 4. 31: Suggested Future Trainings

Suggested training	Frequency	Percentage
Training on accountability	352	89.8
Training on financial management	40	10.2
Total	392	100.0

The findings show that of the 352 respondents (89.8%) felt that training of cooperative leaders training on accountability is required while 40 respondents (10.2%) felt that leaders should be trained on financial management.

4.6 How the Level of Income of Members Influence the Performance of Cooperative

Income is an important element in any cooperative movement. A reliable level of income for members leads to improved support for the activities of cooperatives. According to Agrawal et al (2002), member funds are significantly associated with member-control and member usage. Therefore the cooperatives are kept active if the members' level of income is reliable and sustainable.

4.6.1 Main Sources of Income

The source income for members was considered a vital element in the study. This is because the source of income reflects the sustainability in financing of the cooperative societies. Some sources of income are reliable while others are not. With regard to this the respondents were asked to indicate their main sources of income. Table 4.32 shows the responses.

Table 4. 32: Main Sources of Income

Source of income	Frequency	Percentage
Farming	283	72.2
Business	70	17.9
Salaries and wages	39	9.9
Total	392	100.0

The findings show that of the 283 respondents (72.2%) indicated that they undertake farming while 70 respondents (17.9%) indicated they undertake business activities.

4.6.2 Average Level of Members' Income per Month

The level of income is very important because it influences capital accumulation and hence financing of the cooperatives. Kimberly and Radel (2005), support that enough funds and other capital assets are necessary to run a cooperative. The study sought to establish members' levels of income. The results are indicated in Table 4.33.

Table 4. 33: Average Level of Members' Income per Month

Income	Frequency	Percentage
below Ksh. 10,000	89	22.7
Kshs. 10,000-30,000	287	73.2
Kshs.30,000-50,000	11	2.8
Above Kshs.50,000	5	1.3
Total	392	100.0

The findings show that of the 287 respondents (73.2%) received monthly income of 10,000-30,000 while 89(22.7%) receive income of less than ksh.10, 000.

4.6.3 Reliability of Income

The reliability of income was based on the source of income and the level of income for members of the cooperative societies. Some sources of income are known reliable to a greater extent than others. For instance salaried members felt that their income was reliable unlike farmers in the semi-arid study area. This translates to the level of financing and the entire performance of cooperatives. The respondents were therefore asked to indicate their feelings on reliability of income. Table 4.34 shows the results.

Table 4. 34: Reliability of Income

Statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
reliability of income influence contribution ability	0	0	2	.5	4	1.0	320	81.6	66	16.8
reliability of income influence member participation	0	0	3	.8	6	1.5	313	79.8	70	17.9
reliability of income influence	0	0	.3	.8	21	5.4	239	61.0	129	32.9

member participation										
reliability of income influence control	0	0	.3	1.8	23	5.9	207	52.8	155	39.5
reliability influence continuity of coop	0	0	1	.3	1	.3	17	4.3	251	64.0
reliability and consistency of contribution influence performance	0	0	3	.8	14	3.6	243	62.0	132	33.7
Mean	0	0	1.6	0.4	11	2.8	223	56	133	33

The findings show that of the 320 respondents (81.6%) agree that reliability of income influences contribution ability, 313 respondents (79.8%) agree that reliability of income influences member participation, 269 respondents (61%) agree that reliability of income influences consistency of contribution, 207 respondents (52.8%) agree that reliability of income influences control, 243 respondents (62%) agree that reliability and consistency of contribution influence performance while 251 (64%) that reliability influences continuity of cooperative.

4.6.4 Influence of the Level of Income on Performance of Cooperatives

The level of income influences the performance of cooperatives in various ways. Lower levels of income leads to lower resource accumulation for instance in deposit taking SACCOs. Average to higher levels of income is favorable in adequately financing the activities of a cooperative society and hence higher resource accumulation. To asses this, the respondents were asked to

indicate their opinion on how level of income influence performance of cooperatives. Table 4.35 shows the responses.

Table 4. 35: Influence of the Level of income on Performance of Cooperatives

Statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	Fre q.	%	Fre q.	%	Freq.	%	Freq.	%	Freq.	%
level of income influences contribution ability	0	0	0	0	7	1.8	252	64.3	133	33.9
higher level of incomes leads to higher resource base	0	0	8	2.0	14	3.6	249	63.5	121	30.9
lower level of income leads to lower resource base	0	0	9	2.3	8	2.0	241	61.5	134	34.2
level of income influences the	1	.3	1	.3	21	5.4	247	63.0	122	31.1

financing of coop										
level of income influences membership of coop	0	0	13	3.3	29	7.4	234	59.7	116	29.6
source of income influences performance of coop	0	0	3	.8	19	4.8	242	61.7	128	32.7
Mean	0.1	0.2	5	1.2	16	4	244	62.2	125	31

The findings show that of the 252 respondents (64.3%) agree that level of income influences contribution ability, 249 respondents(63.5%) agree that high level of income leads to higher resource base, 241 respondents(61.5%) agree that lower level of income leads to lower resource base, 247 respondents(63%) agree that level of income influences the financing of cooperative, 234 respondents(59.7%) agree that level of income influences membership of cooperative and 242 respondents(61.7%) agree that source of income influences the performance of cooperative.

4.7 How the Quality of Management Influence Performance of Cooperatives

The performance of cooperatives to a greater extent is dependent on management. This is because management puts other factors of production into use in order to produce the desired ends. Widstrand (1970), argues that the cause of effective or ineffective performance is to greater extent assumed to be good or bad management. According to Goff (2006), the quality of management is based on the quality of elected board. This follows that the quality of management would go a long way into the activity and the process management for the entire achievement of the set goals. Quality management of cooperatives therefore influences the performance of cooperatives.

4.7.1 Types of Management Bodies

There are different management bodies of cooperatives. This depends on the type and the scale of operation of different cooperatives. The study therefore found it necessary to establish the types of leadership or management that is involved in running the activities of the cooperative. To ascertain this, the respondents were asked to indicate the body that manages the cooperative on their behalf. Table 4.36 shows the responses.

Table 4. 36: Types of Management Bodies

Manages on behalf	Frequency	Percentage
Elected leaders	387	98.7
Board of directors	5	1.3
Total	392	100.0

The findings show that of the 387 respondents (98.7%) indicated that the cooperatives are managed by elected leaders and 5 respondents (1.3%) indicated that the cooperatives are managed by board of directors.

4.7.2 Members' Participation in Election of Leaders

The leaders of a cooperative society are democratically elected. The essential principle, democratic member control, confirms that all members have equal voting rights (MoDM, 2008).It also guides that elections are conducted on one member one vote basis. The study investigated into the member participation in elections and the results indicated in Table 4.37.

Table 4. 37: Members' Participation in Election of Leaders

Participated in elections	Frequency	Percentage
Yes	391	99.7
No	1	0.3
Total	392	100.0

The findings show that 391 respondents (99.7%) indicated that they are involved in election of leaders while only one person (0.3%) indicated that s/he is not involved.

4.7.3 Frequency of Elections

The study sought to establish the frequency with which members are called for election meetings. The respondents were therefore asked to indicate how often their cooperatives call for elections. Table 4.38 shows the responses.

Table 4. 38: Frequency of Elections

Frequency of elections	Frequency	Percentage
Once a year	371	94.6
Once in three years	21	5.4
Total	392	100.0

The findings show that 371 respondents (94.6%) felt that elections are called once every year while 21 respondents (5.4 %) said elections are called once in three years.

4.7.4 Attributes of a Successful Cooperative Society

There are many features that describe a successful cooperative society. According to Hansen *etal* (2002), performance can be assessed based on financial and non-financial indicators such as increased profits and achieved expectations. The respondents' opinion based on this issue led to the results indicated in Table 4.39

Table 4. 39: Attributes of a Successful Cooperative

Statements	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	Fr eq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
successful performance coop has high level of ability to hold more meetings in a year	0	0	1	.3	6	1.5	244	62.2	139	35.5
Successful performance coop meet member's expectations	0	0	3	.8	16	4.1	244	62.2	129	32.9
successful performance coop higher extent of achieving set objectives	2	.5	2	.5	23	5.9	228	58.2	137	34.9

successful performance coop has high level of member participation	2	.5	1	.3	6	1.5	244	62.2	139	35.5
Successful performance coop has large resource base	3	.8	0	0	0	0	243	62.0	146	37.2
successful performance coop has higher management capacity	0	0	0	0	12	3.1	252	64.3	128	32.7
Mean	1	0.3	1	0.3	11	2.8	242	61.7	136	34.7

The findings show that of the 244 respondents (62.2%) agree that successful cooperatives have the ability to hold more meetings in a year, 244 respondents (62.2%) agree that successful cooperatives meet members expectations, 228 respondents (58.2%) agree that successful cooperatives have higher extent of achieving set objectives, 244 respondents (62.2%) agree that successful cooperatives have high level of member participation. 243 respondents (62.0%) agree that successful cooperatives have large resource base, and 252 respondents (64.3%) agree that successful cooperatives have higher level of management capacity.

4.7.5 Rating of the Performance of Cooperatives

The performance of cooperatives can be rated differently. Members of the cooperative were expected to rate their cooperatives from good to best limited by some indicators stated in Table 4.40. The results are as indicated in Table 4.40.

Table 4. 40: Cooperative Performance Good to Best Rating

Good to best	Frequency	Percentage
ability to hold regular meetings	1	.3
due to member satisfaction	8	2.0
achieving goals	54	13.8
member participation	205	52.3
due to good member contribution	100	25.5
due to good management ability	24	6.1
Total	392	100

The findings show that of the 205 respondents (52.3%) indicated that the cooperative is good to best because of members participation but only one person(0.3%) indicated that the cooperative is good to best because it has the ability to hold regular meetings.

4.7.6 Causes of Poor Performance of Cooperatives

There are many factors which influence poor performance of cooperatives. Kobia (2011, p.27), points out that weak ethics are challenges that lead to poor corporate governance. Poor governance translates into poor performance. Control problems and divergence of interests could also lead to poor performance (King and Ortmann, 2007, p.8).The results of the findings also indicated more of the causes of poor performance of cooperatives as indicated in Table 4.41.

Table 4. 41: Causes of Poor Performance of Cooperatives

Poor cooperative	Frequency	Percentage
due to few meetings	9	2.3
due to lack of satisfaction	16	4.1
due to lack of goal achievement	40	10.2
due to poor member participation	213	54.3
due to poor member contribution	105	26.8
due to poor management	9	2.4
Total	392	100

The findings show that of the 213 respondents (54.3%) felt that cooperatives are poor because of poor member participation. 105 (26.8%) had the feeling that cooperatives are poor due to poor member contribution while the other indicators had very low member opinions.

4.7.7 Number of Meetings Held in a Year

The ability hold meetings especially annual general meeting by cooperatives was considered a success indicator by the DCO. It was therefore the concern of the study to identify the number of meetings organized by the cooperatives in a year. The respondents gave the following responses as indicated in Table 4.42 show the responses.

Table 4. 42: Number of Meetings Held in a Year

Number of meetings	Frequency	Percentage
Nil	22	5.6
1-2	28	7.1
3-4	28	7.1
5-6	204	52.0
more than 6	110	28.1
Total	392	100.0

The findings show that of the 204 respondents (52.0%) felt that cooperatives hold 5-6 meetings per year and only 110 respondents (28.1%) indicated that their cooperative hold more than 6 meetings.

4.7.8 Types of Meetings Held by Cooperatives

Various meetings can be held by cooperatives as need arises. However it a policy of cooperative movements in Kenya that cooperatives organize for annual general meeting (MoCDM, 2008).The sought moreover to establish any other type of meeting organized cooperatives in a year, alongside annual general meeting. The results are as indicated in Table 4.43.

Table 4. 43: Types of Meeting Held

Level of meeting	Frequency	Percentage
Annual general meeting,	22	5.7
Special general meeting,	46	11.7
Review meeting	15	3.8
Election meeting	299	78.9
Total	392	100.0

The findings show that of the 299 respondents (78.9%) attend election meetings while 22 respondents (5.7%) indicated that they attend annual general meetings, 46(11.7%) special general meetings and 15(3.8%) show that review meetings are held.

4.7.9 Description of Good Management of Cooperatives

Good management is an essential factor of cooperative success in performance. It was of concern to the study to establish the terms that members of cooperatives use to describe good management. To meet this concern, the respondents were asked to indicate their opinion on how they can describe good management of cooperatives. Table 4.44 shows the results.

Table 4. 44: How one can Describe Good Management of Cooperatives

Good management	Frequency	Percentage
One whose leaders are educated and trained	28	7.1
Meets members expectations/goals	331	84.4
Organize AGMs	14	3.6
One which is impartial	19	4.8
Total	392	100.0

The findings show that of the 331 respondents (84.4%) described that a good cooperative is the one which meets members' expectations and goals.

4.8 Summary of Chapter

The data collected was analyzed using Statistical Package for Social Sciences and tables were used to present data in APA table format. The response rate was 98% (392 questionnaires) since 400 questionnaires were given out and majority of the respondents interviewed being female 354(90.3%). Age bracket of 41-45 years, 205 respondents(52.2%) was the majority. 187 respondents(47.7%) as the majority had secondary level of education as their highest level. The data interpretation focused on the factors influencing performance of cooperatives namely; membership size, education level and training of leaders, the level of income of members and the quality of management of cooperatives. This study shows that membership size, education level and training of leaders, level of income of members and the quality of cooperatives had substantial influence on performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter focuses on the summary of findings of the study which formed the foundation for discussions. The discussions provided a firm basis upon which conclusions and recommendations were advanced to address the factors influencing performance of cooperatives in Mbeere North Sub-County. It also includes suggested areas for further research and contributions made to the body of knowledge.

5.2 Summary of Findings

This section highlights the review of the findings. The summary of findings is presented based on the four objectives of the study with regards to membership size, education level and training, level of income, quality of management and their influence to performance of cooperatives.

5.2.1 Influence of Membership Size on the Performance of Cooperatives.

Cooperatives in Mbeere North Sub-County have different membership. The findings show that majority of the respondents interviewed 353(90.1%) are members from multipurpose cooperatives while 39 (9.9%) are in cooperatives which are in form of SACCOS only. The study further showed that majority of the respondents interviewed 328(83.7%) are members while 64 (16.3%) are leaders of the cooperatives. The study shows that majority of the respondents interviewed 251(64%) have been either a member of the cooperative or a leader for 1-3 years are members while only 21 respondents(5.4%) have been in these positions for more than seven years. 25 respondents(6.4%) have held these positions for less than one year.

The study shows that most of the respondents 369(94.1%) indicated that their cooperatives are active. The study shows that most of the respondents 353 (90.1%) indicated the active cooperatives have been active for 5-10 years. The findings indicated that most of the respondents

249 (63.5%) joined the cooperatives at the roll out phase. The findings further indicated that most of the respondents 141 (36.0%) indicated that they joined the cooperatives to access loans and 86 (21.9%) joined the cooperatives to access storage services. The findings indicated that most of the respondents 321 (81.9%) indicated that their cooperatives have 501-1000 members.

The findings indicated that most of the respondents 350 (89.3%) indicated that the membership size of their cooperative is small as compared to others they know. The findings indicated that most of the respondents 242 (61.7%) on average agreed that small number of members leads to good member participation, good management, low resource mobilization ,promotes member social interaction and affects continuity of cooperatives. The findings indicated that most of the respondents 178 (45.4%), strongly disagree that large number leads to good member participation, 178 respondents (45.4%) disagree that large groups leads to good management while 150 respondents (38.3%) remained neutral that large groups lead to good management.246 respondents (62.8%) indicated that large group leads to economies of scale while 248 respondents (63.3%) agrees that large numbers promote continuity of cooperative.

The findings indicated that majority of respondents 346(88.3%) indicated that their cooperative have good performance. The findings further indicated that most respondents 178(45.4%) indicated that they pay some fees periodically to the cooperative while 116(29.6%) pay some fees initially. The study shows that most of the respondents 239 (61%) agree that their cooperative had a good management, 236 (60.2%) agree that their cooperative organize meetings regularly while 218(55.6%) agree that their cooperative has social economic benefits. The study show that the cooperatives are successful according to 385 respondents (98.2%) while only 7 respondents indicated that the cooperatives are not successful. The findings indicated that majority of cooperatives have financial challenges as indicated by 311 respondents (79.3%) while 61 respondents (15.6%) indicated lack of market as a challenge.

5.2.2 Influence of Education Level and Training on the Performance of Cooperatives

The findings show that majority of the respondents 381 (97.2%) felt that cooperative leaders should be well educated; however, 11 respondents (2.8%) felt that the leader should be a prominent person. The study also shows that 387 respondents (98.7%) felt that the level of

education of a cooperative leader is necessary while 5 respondents felt that the level of education is not necessary.

The findings indicated that most of the respondents 244 (62.2%) felt that educated leaders have good governance skills ,233 respondents (59.4%) felt that educated leaders have good management skills,250respondents (63.8%) felt that educated leaders are visionary while 211 respondents (53.8%) felt that educated leaders can be relied on. However 1 respondent (0.3%) strongly disagreed that educated leaders are visionary. The findings show that 193 respondents (49.3%) felt that cooperative leaders should be educated upto post secondary while 182 respondents (46.4%) felt that leaders should be educated up to secondary level. Only 17 respondents (4.3%) felt that leaders should achieve primary education.

The findings indicated that most of the respondents 244 (62.2%) felt that educated and trained members clearly understand cooperative goals, 219(55.9) agree that educated and trained members participate fully in the cooperative, 219 respondents (55.9%) understands their rights in the cooperative, 225(57.4%) exert control over their cooperative and 122(31.1%) strongly agree to own their cooperative. The findings show that 385 respondents (98.2%) felt that education level and training influenced performance of cooperative. It furthers how that of the 385 respondents (98.2%) indicated that educated leaders cooperate well but 3 respondents (0.8%) indicated that untrained leaders have inferiority complex.

The findings show that 346 respondents (88.3%) did not receive any form of cooperative training while 46 respondents (11.7%), who are leaders, received cooperative training. Others said 19(4.8%) respondents received training in cooperative management, 17(4.3%) respondents received training on cooperative productivity and 3 respondents (0.8%) received training on group dynamic and cohesion mechanism. The findings show that of the 198 respondents (50.5%) indicated they received cooperative training from equity bank while 42(10.7%) respondents received training from district cooperative office. The findings show that of the 250 respondents (63.8%) felt that the cooperative training led to increased membership with 97(24.8) felt that the training led to the growth of cooperative. The findings show that of the 352 respondents (89.8%) felt that for capacity building or training of cooperative leaders, training on accountability is required while 40 respondents (10.2%) felt that leaders should be trained on financial management.

5.2.3 Influence of Level of Income of Members on the Performance of Cooperatives

The cooperatives are kept active if the members' level of income is sustainable. The findings show that of the 283 respondents (72.2%) indicated that they undertake farming while 70 respondents (17.9%) indicated they undertake business activities.

The findings show that of the 287 respondents (73.2%) received monthly income of 10,000-30,000 while 89(22.7%) receive income of less than ksh.10, 000. The findings show that 320 respondents (81.6%) agree that reliability of income influences contribution ability, 313 respondents (79.8%) agree that reliability of income influences member participation, 239 respondents (61%) agree that reliability of income influences consistency of contribution, 207 respondents (52.8%) agree that reliability of income influences control, 243 respondents (62%) agree that reliability and consistency of contribution influence performance while 251 (64%) that reliability influences continuity of cooperative.

The findings show that 252 respondents (64.3%) agree that level of income influences contribution ability, 249 respondents(63.5%) agree that high level of income leads to higher resource base, 241 respondents(61.5%) agree that lower level of income leads to lower resource base, 247 respondents(63%) agree that level of income influences the financing of cooperative, 234 respondents(59.7%) agree that level of income influences membership of cooperative and 242 respondents(61.7%) agree that source of income influences the performance of cooperative.

5.2.4 Influence of the Quality of Management on the Performance of Cooperatives

The summary of the findings based on objective four which was to assess how the quality of management influences performance of cooperatives. Quality management of cooperatives influences the performance of cooperatives. The findings show that of the 387 respondents (98.7%) indicated that the cooperatives are managed by elected leaders and 5 respondents (1.3%) indicated that the cooperatives are managed by board of directors. The findings show that 391 respondents (99.7%) indicated that they are involved in election of leaders. The findings show that 371 respondents (94.6%) felt that elections are called once every year while 21respondents (5.4%) said that elections are called once in three years.

The findings show that 244 respondents (62.2%) agree that successful cooperatives have the ability to hold more meetings in a year, 244 respondents (62.2%) agree that successful cooperatives meet members expectations, 228 respondents (58.2%) agree that successful cooperatives have higher extent of achieving set objectives, 244 respondents (62.2%) agree that successful cooperatives have high level of member participation. 243 respondents (62.0) agree that successful cooperatives have large resource base and 252 respondents (64.3%) agree that successful cooperatives have higher management capacity. The findings show that 205 respondents (52.3%) indicated that the cooperative is good to best because of members' participation.

The findings show that 213 respondents (54.3%) felt that cooperatives are poor because of poor member participation. The findings show that 204 respondents (52.0%) felt that cooperatives hold 5-6 meetings per year. The findings show that 299 respondents (78.9%) attend election meetings while 22 respondents (5.7%) indicated that they attend annual general meetings, 46(11.7%) special meetings and 15(3.8%) review meetings. The findings show that the 331 respondents (84.4%) described that a good cooperative one which meets members' expectations and goals.

5.3 Discussions

A discussion of findings of the study is presented based on the four objectives of the study.

5.3.1 Influence of Membership Size on the Performance of Cooperatives.

The study shows that most of the respondents 369(94.1%) reported that their cooperatives are active. Most of these cooperatives are active as reported by 353 respondents (90.1%) and they have been active for 5-10 years. The members joined these cooperatives at roll out phase as indicated by 249 respondents (63.5%) joined the cooperatives at the roll out phase and 179 respondents (45.7%) joined the cooperatives to save earnings easily while 108 (27.6%) joined the cooperatives to access storage services. This agrees with IYC (2012) who reported that Cooperatives enable members to pool limited resources together for common investment and members enjoy economies of scale on production, purchasing or marketing. The members also benefit from improved practice and shared responsibility in cooperatives, different capacities and

skills participate in the decision making or running of the cooperative societies, access to credits and other services and maximization of returns. Co-operatives are therefore an important vessel for community development.

The findings indicated that most of the respondents 321 (81.9%) indicated that their cooperatives have 501-1000 members. Most cooperative have small number of members in the range from below 100 to 1000 members, 373(95.2%). This collaborates study by Vorlauffer et al (2012), who reported that with respect to group theory, increased group size positively affects economies of scale. Cazzuffi and Moradi (2010) argue that large membership size improves economies of scale, but may lead to interaction problems such as free-riding. The findings indicated that most of the respondents 350 (89.3%) indicated that the membership size of their cooperative is small as compared to others they know. The findings indicated that most of the respondents 242 (61.7%) on average agreed that small number of members leads to good member participation, good management, low resource mobilization, promotes member social interaction and affects continuity of cooperatives.

The findings indicated that most of the respondents 178 (45.4%), strongly disagree that large number leads to good member participation, 178 respondents (45.4%) disagree that large groups leads to good management while 150 respondents (38.3) remained neutral that large groups lead to good management. 246 respondents (62.8%) indicated that large group leads to economies of scale while 248 respondents (63.3%) agrees that large numbers promote continuity of cooperative. This is supported by Cazzuffi and Moradi (2010), reported that with increasing group size, collective action becomes more difficult due to social problems emanating from group interactions such as free-riding. He however shows that increased group size positively affects economies of scale but on the other hand leads to increased transaction costs as a result of added group monitoring.

The findings indicated that majority of respondents 346(88.3%) indicated that their cooperative have good performance. The findings further indicated that most respondents 178(45.4%) indicated that they pay some fees periodically to the cooperative while 116(29.6%) pay some fees initially. The study shows that most of the respondents 239 (61%) agree that their cooperative had a good management, 236 (60.2%) agree that their cooperative organize meetings

regularly while 218(55.6%) agree that their cooperative has social economic benefits. The study show that the cooperatives are successful according to 385 respondents (98.2%) while only 7 respondents indicated that the cooperatives are not successful.

The findings indicated that majority of cooperatives have financial challenges as indicated by 311 respondents (79.3%) while 61 respondents (15.6%) indicated lack of market as a challenge. This agrees with Warren and Preston (1990), Kobia (2011) and Anbumani (2007), who highlight some of the challenges including the weak economic base. They also cited that another thing is the poor member participation in the control and running of the cooperatives. This leads to failure of cooperatives and moreover is that products produced by most of the cooperatives attract low demand in the market. Membership size is therefore a substantial consideration for cooperative development. The principle of open and voluntary membership enhances free entry and exit from cooperative movements. Large membership size is desirable for continuity of cooperatives. However policy framework should be put in place to guide the limits on cooperative membership which may be expected to yield relatively higher returns.

5.3.2 Influence of Education Level and Training on the Performance of Cooperatives

The findings show that majority of the respondents 381 (97.2%) felt that cooperative leaders should be well educated. The findings show that 387 respondents (98.7%) felt that the level of education of a cooperative leader is necessary while 5 respondents felt that the level of education is not necessary.

The findings indicated that most of the respondents 244 (62.2%) felt that educated leaders have good governance skills ,233 respondents (59.4%) felt that educated leaders have good management skills,250respondents (63.8%) felt that educated leaders are visionary while 211 respondents (53.8%) felt that educated leaders can be relied on. However 1 respondent (0.3%) strongly disagreed that educated leaders are visionary. This agrees with Thomas and Daniel (2009) who indicated that education has been and is an important prerequisite in organizational leadership and management. Education level refers to academic credentials or degree an individual has obtained.

The findings show that 193 respondents (49.3%) felt that cooperative leaders should be educated upto post secondary while 182 respondents (46.4%) felt that leaders should be educated up to secondary level. The findings indicated that most of the respondents 244 (62.2%) felt that trained members clearly understand cooperative goals, trained members participate fully in the cooperative. This agrees with Chibanda et al (2009) who pointed out that the performance of cooperatives depends on education and training of cooperative members and enhancing their knowledge of cooperative principles and member's rights. Education and training in this case is geared towards improving member participation and understanding of cooperative management activities even if managed by a separate body. 219 respondents (55.9%) indicated that trained members understand their rights in the cooperative, 225(57.4%) exert control over their cooperative and 122(31.1%) own their cooperative. This collaborates study by Andreou (1977), who pointed out that the main constraint to cooperative expansion in the developing countries is the lack of trained personnel at all levels. Cooperative education and training should therefore be emphasized to improve on their performance. The findings show that of the 385 respondents (98.2%) indicated that level of education and training influence performance and the same said that educated leaders cooperate well. The findings show that 346 respondents (88.3%) did not receive any form of cooperative training while 46 respondents (11.7%), who are leaders, received cooperative training. This agrees with report by Hyden (1973) who stated that training depends on the education level of the workforce. According to Hyden (1973), training of leaders is essential in improving the capacity to perform well. Others said 19(4.8%) respondents received training in cooperative management, 17(4.3%) respondents received training on cooperative productivity and 3 respondents (0.8%) received training on group dynamic and cohesion mechanism.

The findings show 198 respondents (50.5%) indicated they received cooperative training from equity bank while 42(10.7%) respondents received training from district cooperative office. The findings show 193 respondents (49.3%) felt that cooperative leaders should be educated up to post secondary while 182 respondents (46.4%) felt that leaders should be educated up to secondary level. Only 17 respondents (4.3%) felt that leaders should achieve primary education. The findings show that of the 250 respondents (63.8%) felt that the cooperative training increased membership with 97(24.8) feeling that the training led to the growth of cooperative. The findings show that 352 respondents (89.8%) felt that for capacity building, training of

cooperative leaders accountability is required while 40 respondents (10.2%) felt that leaders should be trained on financial management.

5.3.3 Influence of Level of Income of Members on the Performance of Cooperative

The cooperatives are kept active if the members' level of income is sustainable. The findings show that 283 respondents (72.2%) indicated that they undertake farming while 70 respondents (17.9%) indicated they undertake business activities. The findings show that of the 287 respondents (73.2%) received monthly income of 10,000-30,000 while 89(22.7%) receive income of less than ksh.10, 000. The findings show that 320 respondents (81.6%) agree that reliability of income influences contribution ability, 313 respondents (79.8%) agree that reliability of income influences member participation, 239 respondents (61%) agree that reliability of income influences consistency of contribution, 207 respondents (52.8%) agree that reliability of income influences control, 243 respondents (62%) agree that reliability and consistency of contribution influence performance while 251 (64%) that reliability influences continuity of cooperative. This collaborates study by Agrawal *et al* (2002), who stated member funds were found to be significantly associated with member-control and member-usage which implies good performance of cooperatives.

The findings show that of the 252 respondents (64.3%) agree that level of income influences contribution ability, 249 respondents(63.5%) agree that high level of income leads to higher resource base, 241 respondents(61.5%) agree that lower level of income leads to lower resource base, 247 respondents(63%) agree that level of income influences the financing of cooperative, 234 respondents(59.7%) agree that level of income influences membership of cooperative and 242 respondents(61.7%) agree that source of income influences the performance of cooperative. This is supported by Kimberly and Radel (2005) who stated that enough funds and other capital assets are necessary to run a cooperative. They attest to the fact that community support for cooperatives is essential to their viability and success.

Therefore from this study it was indicated that a reliable level of income for members leads to improved support for the activities of cooperatives while unreliable level of income leads to poor performance of cooperatives due to lack of the required support from member contributions.

5.3.4 Influence of the Quality of Management on the Performance of Cooperatives

Quality management of cooperatives influences the performance of cooperatives. The findings show that of the 387 respondents (98.7%) indicated that the cooperatives are managed by elected leaders and 5 respondents (1.3%) indicated that the cooperatives are managed by board of directors. The findings show that 391 respondents (99.7%) indicated that they are involved in election of leaders.

The findings show that 371 respondents (94.6%) felt that elections are called once every year. The findings show that of the 244 respondents (62.2%) agree that successful cooperatives have the ability to hold more meetings in a year, 244 respondents (62.2%) agree that successful cooperatives meet members expectations. This agrees with Hyden (1973) who indicated that management processes should be geared towards achievement of the organizational goals and management in place should follow and understand the member requirements since poor management leads to apathy among members and that the issue of integrity in cooperative management is vital for performance. 228 respondents (58.2%) agree that successful cooperatives have higher extent of achieving set objectives, 244 respondents (62.2%) agree that successful cooperatives have high level of member participation. This agrees with Caroline (2009) who said that members are the shareholders and the founders of the cooperative society, secondly is the board of directors which is the democratically elected body by the members and finally is the hired management body which runs the activities of the organization towards achieving the set goals. 243 respondents (63.0%) agree that successful cooperatives have large resource base. 252 respondents (64.3%) agree that successful cooperatives have higher management capacity.

The findings show 205 respondents (52.3%) indicated that the performance of their cooperatives is good to best because of members participation. The findings show that of the 213 respondents (54.3%) felt that cooperatives perform poorly because of poor member participation. This agrees with King and Ortmann (2007) who argued that control problems may arise when ownership and

control is separate between members and board of directors due to divergence of interests. This conflict of interests in cooperatives management may lead to poor performance. The findings show that 371 respondents (94.6%) felt that Cooperative elections are called once every year while 21 respondents (5.4 %) said elections are called once in three years.

The findings show that of the 204 respondents (52.0%) felt that cooperatives hold 5-6 meetings per year. The findings show that 299 respondents (78.9%) attend election meetings to elect their leaders. This is supported by Goff (2006), who stated that the quality of management is based on the quality of elected board. This is because the board is normally tasked by the members to appoint the hired staff to manage and run the organization. The general characteristics of people in management are very crucial since it influences the process of management. The quality of management would therefore go along way into activity and the process management for the entire achievement of the set goals.

5.4 Conclusions

The followings conclusions were made from the study. It was concluded that membership size influences the performance of cooperatives. Most members join cooperatives at roll out phase to access loans. Cooperatives enable members to pool limited resources together for common investment and members enjoy economies of scale on production, purchasing or marketing. The members also benefit from improved practice and shared responsibility in cooperatives, different capacities and skills participate in the decision making or running of the cooperative societies, access to credits and other services and maximization of returns. Co-operatives are therefore an important vessel for community development. Small number of members leads to good member participation, good management, low resource mobilization ,promotes member social interaction and affects continuity of cooperatives since with increasing group size, collective action becomes more difficult due to social problems emanating from group interactions such as free-riding. Large number, however, affects economies of scale but on the other hand leads to increased transaction costs as a result of added group monitoring.

Membership size is therefore a substantial consideration for cooperative development. The principle of open and voluntary membership enhances free entry and exit from cooperative movements. Large membership size is desirable for continuity of cooperatives. However policy framework should be put in place to guide the limits on cooperative membership which may be expected to yield relatively higher returns.

Education level and training of leaders influence performance of cooperatives. The study has shown that cooperative leaders should be well educated because educated leaders have good governance skills, good management skills, and visionary and can be relied on. Members should also be trained since trained members clearly understand cooperative goals, participate fully in the cooperative, understand their rights in the cooperative, exert control over their cooperative and own their cooperative.

Members' level of income influence performance of cooperative sincere liability of income influences contribution ability, member participation, consistency of contribution, control, consistency of contribution and continuity of cooperative. Higher level of income also influences contribution ability, leads to higher resource base and financing of cooperative and membership of cooperative.

Quality of management influences the performance of cooperatives. Cooperatives are managed by elected leaders and members should be involved in the election of leaders. Successful cooperatives must meet members' expectations, have higher extent of achieving set objectives, high level of member participation and higher management capacity.

5.5 Recommendations

The following policy recommendations were made from the findings of this study.

1. The membership should be controlled since small number of members leads to good member participation, good management, low resource mobilization ,promotes member social interaction and affects continuity of cooperatives since with increasing group size, collective action becomes more difficult due to social problems emanating from group interactions such as free-riding. Large number, however, leads to economies of scale but

on the other hand leads to increased transaction costs as a result of added group monitoring.

2. Members and leaders of cooperatives ought to be trained to improve performance of cooperatives. This is because educated leaders have good governance skills, good management skills, visionary and can be relied on. Members should be trained since trained members clearly understand cooperative goals, participate fully in the cooperative, understand their rights in the cooperative, exert control over their cooperative and own their cooperative.
3. Members should improve their level of income by involving themselves in income generating activities and diversifications because reliability of income influences contribution ability, member participation, consistency of contribution, control, consistency of contribution and continuity of cooperative.
4. Quality of management influences the performance of cooperatives and therefore leaders of cooperatives should be elected by members and trained on relevant cooperative management skills.

5.6 Suggested Areas for Further Research

The following areas are suggested for further studies from the results of this study.

1. Carry out a Study to find out social economic factors influencing the performance of cooperatives.
2. Carry out a study to establish the factors that influence the performance of cooperatives in other parts of the country.
3. An assessment of the role played by financial institutions on farmers cooperatives.

5.7 Contribution to the Body of Knowledge

Objective	Contribution to Knowledge
To establish how membership size influences the performance of cooperatives in Mbeere North Sub-County.	Most members joined these cooperatives at roll out phase as indicated by 249 respondents (63.5%) and joined the cooperatives to access loans 141 respondents (36.0%). Membership size is therefore a substantial consideration for cooperative development. The principle of open and voluntary membership enhances free entry and exit from cooperative movements. Large membership size is desirable for continuity of cooperatives, however policy framework should be put in place to guide the limits on cooperative membership which may be expected to yield relatively higher returns.
To assess how education level and training of leaders influences the performance of cooperatives in Mbeere	Cooperative leaders should be well educated as indicated by 381 respondents (97.2%). This is because educated leaders have good governance skills, good management skills, visionary and can be relied on. Members should be trained since trained members clearly understand cooperative goals, participate fully in the cooperative, understand their rights in the cooperative, exert control over their cooperative and own their
To examine how the level of income of members influence the performance of cooperatives in Mbeere North Sub-County.	The members should diversify their sources of income. This is because 313 respondents (79.8%) agreed that reliability of income influences contribution ability, 239 respondents (61%) agree that reliability of income influences member participation, 207 respondents (52.8%) agree that reliability of income influences control, 243 respondents (62%) agree that reliability and consistency of contribution influence performance while 251 (64%) that reliability influences continuity of cooperative. The findings show that 252 respondents (64.3%) agree that level of income influences contribution ability, 249 respondents (63.5%) agree that high level of income leads to higher resource base, 241 respondents (61.5%) agree that lower level of income leads to lower resource base, 247 respondents (63%) agree that level of income influences the financing of cooperative, 234

	<p>respondents(59.7%) agree that level of income influences membership of cooperative and 242 respondents(61.7%) agree that source of income influences the performance of cooperative. Therefore from this study it is indicated that a reliable level of income for members leads to improved support for the activities of cooperatives.</p>
<p>To assess how the quality of management influences the performance of cooperatives in Mbeere North Sub-County.</p>	<p>Cooperative members should be involved in election of their leaders as indicated by 391 respondents (99.7%). Respondents 228 (58.2%) agree that successful cooperatives have higher extent of achieving set objectives, 244 respondents (62.2%) agree that successful cooperatives have high level of member participation. The 252 respondents (62.2%) agree that successful cooperatives have higher management capacity. Capacity building of cooperative members and leaders should be continuous and open to all service providers.</p>

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APPENDICES

APPENDIX 1: Letter of Transmittal

**C/oACK DIOCESE OF MBEERE,
P.O BOX, 122-60104,
SIKAKAGO.**

Dear Respondent

Ref: Request to participate in data collection

This is to request you to kindly save your time and assist in answering the questions raised in the questionnaire. I am a student pursuing a Master of Arts Degree in Project Planning and Management, with the University of Nairobi. The study is on **''Factors Influencing Performance of Cooperatives: a case of Mbeere North Sub-county, Kenya''**. The information that you give will be treated with maximum confidentiality. The findings will provide a basis for cooperative advocacy and formulation of effective legal framework. Thank you in advance.

Yours Sincerely

Michael Njagi Njiru

APPENDIX 2: Questionnaire, Interview schedule

QUESTIONNAIRE FOR CO-OPERATIVE MEMBERS/LEADERS.

SECTION 1: DEMOGRAPHIC FACTORS

1. Sex of the respondent male [] female []
2. Age of the respondent in years
 - a. >18 [] b. 18-35 [] c. 36-45 [] d.46 and above []
3. What level of education have you attained?
 - a. Primary [] b.Secondary [] c. College [] d. Any other (specify).....
4. What is your main economic activity.....

SECTION 2: MEMBERSHIP SIZE

5. What is the name of your cooperative society?.....
What type is your cooperative?
 - a) Producer [] c) SACCO []
 - b) Marketing [] d) Multipurpose []
 - e) Any other (specify).....
5. Are you a member or a leader of this cooperative? a). Member [] b) Leader []
6. For how long have you been a member or a leader in this cooperative?.....
7. What status can you accord your cooperative? a). Active [] b). Dormant []
8. If active, for how long has it been in operation?
 - a). Below 5yrs [] b). 5-10 yrs [] c).10-20 yrs [] d).Above 20 yrs []
9. At what stage of the cooperative did you join?
 - a). At the inception during formulation []
 - b).At the roll out phase []
 - c).Much later when already operational []
 - d) Any other (specify).....
10. Why did you join this cooperative society?(can tick more than once)
 - a). To benefit in collective production []
 - b). To market produce collectively []
 - c). To save my earnings easily []

d). To access storage services []

e) To access loans []

e). Any other (specify).....

11. How many members do your cooperative have? (Can approximate).....

12. Do you think this is a Small number or large number of membership as compared to another you know?

a). Small number [] b).Large number []

13. What effect do you think (personal opinion) small membership size has for your cooperative? (Tick against each statement) (Strongly disagree=1, disagree=2, neutral=3, agree=4, strongly agree=5)

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
a) Small number leads to good member participation.					
b) Small number leads to good management					
c) Small number leads to poor management					
d) Small number leads to low resource mobilization					
e) Small number promotes member social interaction					
f) Small number affects continuity of coops					

14. What effect do you think large membership size has for your cooperative?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
a) Large number leads to good member participation					
b) Large number leads to good management					
c) Large number leads to poor management					
d) Large number leads to high resource mobilization					
e) large number leads to economies of scale					
f) Large number leads to interaction problems					
g) Large number promotes continuity of coops					

15. How can you describe the performance of your cooperative in relation to its membership size?

- a) Good performance [] c) Better performance []
 b) Poor performance [] d) Best performance []

16. What conditions did you set or found for membership into the cooperative? (Can tick more than once)

- a. One must be from the region [] b. One must be from the same ethnic group []
 c. One must be engaged in the same activity [] d. One must pay some fees initially []
 e. One must pay some fees periodically [] f. One must adhere to rules and regulations []
 g. Limited withdrawal []
 h. Any other (specify).....

17. The following are some indicators of a successful or a good performing cooperative? What is your concern about them in your cooperative?

Performance Indicator	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
a) My cooperative has higher resource base					
b) My coop involve high level of member participation					
c) My coop has good management capacity					
d) My coop organize for meetings regularly					
e) My coop has socio-economic benefits e.g. income/welfare					

18. Would you say that your cooperative is successful? Yes [] No []

19. What are the main challenges facing your cooperative?

- a).....
 b).....
 c).....

20. Has the membership of you coop been increasing or decreasing?

.....

Why? (Explain).....

SECTION 3: EDUCATION LEVEL AND TRAINING OF LEADERS

21. Which of the following qualities do you think best describes a good cooperative leader?

a. Well educated person [] b. Prominent person []

c. Rich person [] d. Retired officer []

22. Do you think the level of education for your cooperative leaders is necessary?

a) Yes [] b) No []

23. If yes, what is your feeling about the following?

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
a) Educated /trained leaders have good governance skills					
b) Educated/trained leaders have good management skills					
c) Educated/trained leaders are visionary					
d) Educated/trained leaders can be relied on					

24. What is the lowest level of education can you recommend for your cooperative leaders?

a) Primary [] c) Post secondary []

b) Secondary []

25. Do you think education is relevant for members? a) Yes [] b) No []

26. If yes, what is your feeling on the following statements?

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
a) Educated/trained members clearly understand coop goals					
b) Educated/trained members participate fully in the coop					
c) Educated/trained members understand their rights in coop					
d) Educated/trained members exert control of their coop					
e) Educated/trained members own their coop					

27. Do you think the current performance of your coop is influenced by education level and training of leaders?

Yes No

Why? (Explain).....

28. As a leader, have you received any training on cooperative? a). Yes b.)No

29. If yes, what sort of training/capacity did you receive?

a). coop management b). Leadership skills c).coop productivity

d)Group dynamics and cohesion mechanism e).collective action

f).coop growth and expansion g) Any other (specify).....

30. Who facilitated this capacity building to you?

31. Do you think this training improved your performance in coop management?

a). Yes b).No

32. How do you think the training received helped your coop?

a).Increase in membership b).increased returns c)improved management

d). growth of coop [] any other (specify).....

33. Overall, do you think training of coop leaders influence good management? Yes [] No []

34. What can you further suggest for training / capacity building of coop leaders?

SECTION 4: LEVEL OF INCOME

35. What is your main source of income?

a).Farming[]b).Business [] c).Salaries/wages[]

d). Any other (specify).....

36. What is your average income per month?

a) Below sh 10,000 [] b).10,000-30,000 [] c.) 30,000-50,000 []

d) Above 50,000[]

37. Is the source of your income reliable / consistent? a). Yes [] b) No []

38. What is your feeling on the following statements?

Statements	strongly disagree	Disagree	neutral	Agree	Strongly agree
a)Reliability of income influences contribution ability					
b)Reliability of income Influences member participation					
c)Reliability of income influences consistency of contribution					
c)Reliability of income Influences control					
d)Reliability of income Influences continuity of coop					
e) Reliability & consistency of contrib. influence performance					

39. Please tick in the table below for your feeling on the following statements.

Statements	Strongly disagree	Disagree	neutral	Agree	Strongly agree
a).Level of income influences contribution ability					
b).Higher level of incomes leads to higher resource base.					
c).Lower level of incomes leads to lower resource base					
d).Level of income influences the financing of coop					

e).Level of income influence membership of coop					
f).Source of income influences performance of coop					

40. Which methods of finance do you think is good for your coop?

a). Member contributions [] b).Retained profits [] c).Loans []

d. Any other (specify).....

SECTION 5: QUALITY OF MANAGEMENT

41. Who manages your cooperative on behalf of others?

a). Elected committee [] b). Board of directors [] c).Hired management team []

d).Any other (specify).....

42. Do you participate in the election/appointment of the above leadership?

a. Yes [] b. No []

43. How often does your coop call for elections?

a. Once a year [] b. Once in three years []

c. Any other (specify).....

44. A successfully performing cooperative has the following attributes. What is your concern about them?

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
a). Ability to hold more meetings in a year					
b).Meeting members expectations					
c). Higher extent of achieving set objectives					
d). Large resource base					

e).High level of member participation					
f). Higher management capacity					

45. Why do you think the performance of your cooperative is good to best?(Can tick more)

- a) Ability to hold regular meetings []
- b) Due to member Satisfaction []
- c) Achievement of goals []
- d) Member participation []
- e) Due to good member contribution []
- f) Due to good management ability []
- g) Any other (specify).....

46. Why do you think the performance of your cooperative is poor? (Can tick more than once)

- a) Due Few meetings []
- b) Due to lack of satisfaction []
- c) Due to lack of goal achievement []
- d) Due to poor member participation []
- e) Due to poor member contribution []
- f) Due to poor management ability []
- f) Due to increased/unresolved conflicts []
- g) Any other (specify).....

47. How many meeting do you have in a year..... , Which are they?

- a) Annual general meeting []
- b) Special meeting []
- c) Review meeting []
- d) Election meeting []
- e) Any other (specify).....

48. How can you describe good management? (Can tick more than once)

- a).One whose leaders are educated and trained []
- c).Organizes AGMs []
- b) .Meets members expectation/goals[]
- d).Fosters good information flow []
- e) One which is impartial []
- f) Any other (specify).....

INTERVIEW SCHEDULE FOR SUB-COUNTY COOPERATIVE OFFICER

1. How many cooperatives are there in Mbeere North Sub-County?
2. How many are active/dormant?
3. On the active ones, how many are successful or performing good to best?
4. Is there any coop that you consider most successful or best performing in Mbeere North Sub-County?
5. What do you think makes it most successful or best performing?
6. What is the main problem that you consider to have led to the failure of the others (dormant)?
7. What conditions do you consider to judge a successful Cooperative society?
8. How do the gov't /MCD&M support coops in Mbeere North Sub-County?
9. What capacities do you think Cooperatives require for good performance?
10. What are the main legal structures that govern the formation and functioning of cooperatives, which directly affect performance of cooperatives in Mbeere North Sub-County?
11. Do you think that the cooperatives in Mbeere North Sub-County are built/designed on essential cooperative principles? How?
12. What do you think can be done differently by the Gov't in the policy framework for the success of cooperative societies in Mbeere North Sub-County?
13. Are there coops that get support from other agencies/NGOs, if so how many and the type of support granted?
14. What are the main challenges that face cooperatives in your Sub-County?
15. What do you think are the main reasons that people in Mbeere North Sub-County form Cooperatives?