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Factors Influencing the Organizational Performance of Deposit-Taking Saccos in Kisii County, Kenya

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Abstract – SACCOs are member-owned financial institutions providing financial services aimed at promoting financial inclusion and empowering communities, particularly in underserved areas. In Kenya, SACCOs play a crucial role in offering savings and credit facilities, especially in remote regions. This study examined factors influencing the organizational performance of deposit-taking SACCOs in Kisii County, focusing on Gusii Mwalimu Sacco Society Ltd, Kenya Achievas Sacco Society Ltd, Vision Point Sacco Society Ltd, and Wakenya Pamoja Sacco Society Ltd. The objectives included assessing the impact of leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation on SACCO performance. The study used a census methodology targeting 130 respondents from management team members and staff members. Data were collected through structured and unstructured questionnaires and analyzed using descriptive and inferential statistics with SPSS v.27. Key findings revealed that transformational leadership, sound financial management, human resource practices, and technological adoption and innovation significantly enhance performance. The study recommends improving recruitment processes, employee development, and investing in technology while suggesting further research into leadership impacts, financial sustainability, and technological innovations in SACCOs.

Keywords – SACCO, Leadership, Financial Management, Human Resource Management, Technological Adoption, Organizational Performance

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1 Introduction

Savings and Credit Cooperative Organizations (SACCOs) are member-owned financial institutions that offer essential services such as savings, credit, and financial education. SACCOs operate through two primary branches: the Back Office Savings Activities (BOSA), which handles member savings and loans, and the Front Office Service Activities (FOSA), which provides accessible banking services similar to traditional banks. SACCOs have played a vital role in promoting financial inclusion, especially in developing countries where access to formal banking services is limited (WOCCU, 2020).

SACCOs are particularly impactful in underserved areas, helping marginalized populations, including rural farmers and small business owners, gain access to financial services. This has contributed to poverty reduction and economic development (ILO, 2021). A key feature of SACCOs is their democratic structure, where each member has an equal vote, ensuring collective decision-making (Kariuki & Muriu, 2023).

Deposit-taking SACCOs (DT-SACCOs) mobilize member deposits and provide credit facilities, enabling members to meet financial needs such as business investments, education, and housing. These institutions are critical in advancing financial inclusion, especially in areas underserved by traditional banks (Kamau & Nzuki, 2022).

The performance of DT-SACCOs is influenced by several factors, including leadership, financial management, human resource practices, and technological adoption. Effective leadership provides strategic direction, while sound financial management ensures sustainability and trust among members (Brown & Martinez, 2022). Additionally, investing in human resources and embracing digital technologies are increasingly essential for SACCOs to remain competitive (Clark & Lee, 2024).

SACCOs in Kenya are regulated by the Savings and Credit Cooperative Societies Regulatory Authority (SASRA), which ensures financial stability and compliance with legal frameworks. SASRA oversees licensing and supervises the operations of deposit-taking SACCOs to safeguard members' interests. Against this background, this study explores the factors influencing the organizational performance of deposit-taking SACCOs in Kisii County, Kenya, focusing on leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation. This research aims to provide insights that can enhance SACCO performance and sustainability in the region.

2 Literature Review

2.1 Theoretical Framework

The theories used in this research to enhance understanding of organizational performance were: Agency Theory, Resource Dependency Theory, Contingency Theory and Motivation Theory.

Agency theory explains the relationship between principals (owners) and agents (managers) within organizations, particularly the challenges in aligning their interests. In the context of SACCOs, members act as the principals, while the management serves as agents responsible for executing daily operations. Effective governance mechanisms, such as strong oversight by boards, can mitigate conflicts of interest and promote better performance. Research by Johnson et al. (2018) highlights the importance of governance in SACCO sustainability**.** Additionally, regulatory changes have played a significant role in strengthening SACCO governance and enhancing organizational performance, as evidenced by studies in Kenya (Kariuki et al., 2020).

Resource Dependency Theory (RDT) suggests that organizations depend on external resources, such as capital and technology, to achieve their goals. In SACCOs, access to external resources like funding and technological partnerships is crucial for performance. A study by Patel and Gupta (2020) found that SACCOs with strategic partnerships and diversified funding sources demonstrate greater resilience and sustainability.

This theory posits that there is no universal best way to manage organizations. Instead, the effectiveness of management practices depends on internal and external conditions. SACCOs operating in dynamic environments benefit from flexible organizational structures that allow them to adapt to changing market demands. This flexibility, in turn, improves performance outcomes (Smith et al., 2021).

Motivation theory, including frameworks such as Maslow's hierarchy of needs and Herzberg's two-factor theory, helps explain what drives employee behavior and how this impacts organizational performance. SACCOs that apply motivation theories experience enhanced employee engagement, satisfaction, and productivity, leading to improved organizational outcomes (Smith & Johnson, 2020). Vroom's Expectancy Theory has also been highlighted as influential in motivating employees within SACCOs, contributing to higher productivity levels (Kamau & Mwangi, 2020).

2.2 Empirical Literature

The empirical literature concentrated on four key sections related to the study's objectives. The first objective was to examine the influence of leadership and management practices on organizational performance. Research indicates that transformational leadership positively influences SACCO performance by motivating employees and fostering innovation. Transformational leaders inspire employees to achieve higher performance levels, which directly translates to improved organizational outcomes such as profitability and member satisfaction (Wambua & Mukulu, 2021). Transactional leadership, while effective in maintaining compliance and routine tasks, has mixed impacts on long-term SACCO performance (Dumdum et al., 2023).

The second objective was to assess the influence of financial management practices on organizational performance. Sound financial management is critical for SACCO sustainability. Practices such as effective loan portfolio management, investment strategies, and risk management contribute significantly to a SACCO's financial health. Studies have shown that SACCOs with strong financial management frameworks experience higher asset growth and improved loan portfolio quality (Mwangi et al., 2021). Moreover, diversified investment strategies and regulatory compliance are essential to financial stability (Brown & Martinez, 2022).

The third objective was to evaluate the influence of human resource management practices on organizational performance. Effective human resource practices, including transparent recruitment, employee training, and performance management, are pivotal in driving SACCO performance. Research by Smith et al. (2022) highlighted the importance of investing in human capital to foster a motivated and productive workforce, ultimately enhancing organizational performance. Furthermore, employee engagement strategies aligned with Herzberg's two-factor theory have been shown to improve service delivery and overall performance in SACCOs (Kamau & Mwangi, 2023).

The fourth objective was to examine the influence of technological adoption and innovation on organizational performance. Technological innovations, such as mobile banking and digital platforms, are increasingly reshaping the operational landscape of SACCOs. Studies have shown that adopting digital banking and fintech solutions significantly enhances operational efficiency and member satisfaction (Oluoch & Mwangi, 2022). However, challenges like resistance to change and high implementation costs remain prevalent. SACCOs that successfully integrate technology see improvements in operational efficiency, outreach, and risk management (Clark & Lee, 2024).

3 Research Methodology

This study used a descriptive research design to explore the factors influencing the performance of deposit-taking SACCOs in Kisii County, Kenya. Both quantitative and qualitative methods were applied to gather and analyze data, offering a comprehensive understanding of the factors affecting SACCO performance. The study focused on 130 respondents, including management team members and staff from four deposit-taking SACCOs in Kisii County. Due to the manageable population size, a census sampling technique was used, allowing for the inclusion of all available respondents (Cooper & Schindler, 2011). Data collection was done using structured and unstructured questionnaires that featured both open- and close-ended questions.

To ensure validity, the questionnaires were reviewed by experts and underwent pilot testing. The content validity aligned with the research objectives and theoretical framework, while reliability was measured using the test-retest method. Cronbach's alpha was calculated to assess internal consistency, with all constructs showing values above 0.7, indicating good reliability. A pilot study involving two SACCOs in Nyamira County, not included in the main study, further confirmed the reliability of the instruments. Data collection involved distributing questionnaires in person, with clear instructions and confidentiality assurances to encourage honest responses. Secondary data, including SACCO reports and financial statements, supplemented the primary data, providing a more complete view of SACCO performance. Data analysis involved descriptive and inferential statistics using SPSS v.27, where multiple regression analysis explored relationships between independent variables and organizational performance. Ethical approval was secured, and participant consent was obtained, ensuring confidentiality and anonymity throughout the study.

Table 1: Reliability Statistics

Variable	Number of Items	Cronbach's Alpha
Leadership and Management Practices	12	0.97
Financial Management Practices	7	0.94
Human Resource Management Practices	4	0.86
Technological Adoption and Innovation	4	0.96
Organizational Performance	5	0.96

4 Results

A total of 130 questionnaires were distributed, and 102 were returned, giving a response rate of 78.5%, which is considered high enough to ensure reliable results. The analysis focused on the study's key objectives, which investigated the influence of leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation on the organizational performance of deposit-taking SACCOs in Kisii County, Kenya. Both descriptive and inferential statistics were employed to interpret the data, including regression analysis to explore the relationships between the study variables.

4.1 Leadership and Management Practices

The findings revealed that transformational leadership was well-practiced within SACCOs (M= 3.72, SD = 1.23), indicating that leadership was effective in inspiring innovation and creativity. This aligns with Hoch et al. (2018), who found transformational leadership positively influences organizational performance. On the other hand, transactional leadership, which focuses on maintaining order, had a lower mean score of 3.16 (SD = 1.14), consistent with Ali et al. (2020), who found it less impactful on innovation. Servant leadership, which focuses on staff development, received (M=3.24, SD = 1.09), indicating room for improvement, supporting Van Dierendonck's (2019) emphasis on prioritizing staff well-being for enhanced performance. Authentic leadership, perceived as more favorable (M= 3.53, SD = 1.18), aligned with Gardner et al.'s (2021) findings that transparency and trust enhance employee engagement.

Leadership adaptability was also rated positively, (M= 3.50, SD = 1.13), highlighting the ability of SACCO leaders to navigate change, consistent with Heifetz et al. (2020). Leadership's influence on financial performance was rated at (M=3.63, SD = 1.09), affirming its role in financial success, as noted by Wang et al. (2022). However, leadership's impact on employee satisfaction, with a lower score (M=3.38, SD = 1.19), suggested areas for improvement, aligning with Ali et al. (2021). Leadership's role in improving service delivery was also evident, scoring (M=3.57, SD = 1.05), which supports Yasir et al.'s (2020) view that transformational leadership enhances customer satisfaction. Management practices within SACCOs were positively rated for goal-setting (M=3.63, SD = 1.03), emphasizing the importance of clear objectives, as highlighted by Locke and Latham (2019). However, decision-making processes were viewed as moderately transparent (M=3.44, SD = 1.13), with respondents recommending more transparency and participative leadership, echoing Cummings et al. (2021) and Jones et al. (2020).

Table 2: Influence of Leadership and Management Practices on Organizational Performance

Statement	N	Min	Max	Mean	SD
Our SACCO leaders inspire and motivate innovation and creativity (Transformational Leadership).	102	1	5	3.72	1.23
Our SACCO leaders maintain order through clear roles and responsibilities (Transactional Leadership).	102	1	5	3.16	1.14
Our SACCO leadership prioritizes staff development and well-being (Servant Leadership).	102	1	5	3.24	1.09
Our SACCO leaders are genuine and transparent, adhering to their values (Authentic Leadership).	102	1	5	3.53	1.18
Our SACCO leaders adapt to change and remain flexible in complex	102	1	5	3.50	1.13

environments (Adaptive Leadership).					
The current leadership style positively impacts SACCO's financial performance.	102	1	5	3.63	1.09
The current leadership style improves employee satisfaction and retention.	102	1	5	3.38	1.19
The leadership style promotes innovation and improves service delivery.	102	1	5	3.57	1.05
Our SACCO management sets clear, achievable goals and objectives.	102	1	5	3.63	1.03
The management demonstrates competence in daily operations and decision-making.	102	1	5	3.43	1.15
Decisions are made transparently and in consultation with relevant stakeholders.	102	1	5	3.44	1.13
The decision-making process is participative and decentralized across the organization.	102	1	5	3.61	1.07

4.2 Financial Management Practices

The findings indicate that SACCOs aligned their loan interest rates with market conditions and borrower risk profiles (M= 3.50, SD = 1.11). This suggests that SACCOs were competitive while managing risks, consistent with Banna et al. (2021), who emphasized the importance of aligning rates for financial stability. Creditworthiness assessments were perceived as well-established, (M=3.61, SD = 1.08), supporting Kaushik and Arora's (2020) conclusion that robust credit evaluations reduce loan defaults and enhance performance.

Regular reviews of loan portfolios were also common, as reflected by (M=3.53, SD = 1.06). Respondents believed these reviews helped align portfolios with market conditions and mitigate risks, aligning with Gitau et al. (2022), who highlighted the role of consistent monitoring in improving financial performance. Investment diversification, rated at (M= 3.58, SD = 1.08), was perceived to strengthen financial resilience, a practice supported by Saleh et al. (2021), who emphasized diversification's role in financial stability.

Investment evaluation practices, with (M=3.63, SD = 1.01), showed SACCOs applied techniques like ROI analysis to make prudent decisions, as Muriithi et al. (2020) advocated. Risk management was moderately effective, with (M=3.48, SD = 1.08), indicating room for improvement in mitigating risks, as stressed by Waithaka et al. (2022). Monitoring mechanisms for risk management were rated positively at (M= 3.58, SD = 1.04), suggesting strong controls, consistent with Kahuthu and Muturi (2021), who noted that strong monitoring helps institutions manage uncertainties.

Table 3: Influence of Financial Management Practices on Organizational Performance

Statement	N	Min	Max	Mean	SD
Our SACCO's loan interest rates reflect market conditions and borrower risk profiles.	102	1	5	3.50	1.11
The SACCO employs sound methods for assessing loan applicants' creditworthiness.	102	1	5	3.61	1.08
We regularly review and update our loan portfolio (e.g., quarterly, annually).	102	1	5	3.53	1.06
The SACCO’s investments are diversified (e.g., fixed deposits, government bonds, real estate).	102	1	5	3.58	1.08
The SACCO applies sound investment evaluation methods (e.g., ROI analysis, risk assessment).	102	1	5	3.63	1.01
Our SACCO has effective strategies to manage and mitigate risks in our investments.	102	1	5	3.48	1.08
We have strong monitoring and control mechanisms for risk management.	102	1	5	3.58	1.04

4.3 Human Resource Management Practices

The findings indicate moderate satisfaction with the recruitment and selection process, with (M= 3.44, SD = 1.12). While the process was perceived as somewhat effective, there was room for improvement. Structured and transparent recruitment practices, as emphasized by Gupta and Shaw (2021), lead to better employee retention and performance, suggesting that enhancing recruitment could better align SACCOs' human resources with organizational goals.

Regarding training and development, respondents rated their satisfaction at (M=3.54, SD = 1.09), indicating effectiveness but with areas for improvement. Training programs are crucial for employee growth and job satisfaction, as highlighted by Agyapong and Aikins (2020), who found continuous training to improve performance. Expanding targeted training, especially in leadership and digital skills, could further enhance employee satisfaction and performance.

Employee motivation, rated at (M=3.46, SD=1.14), showed moderate levels, with variability across respondents. Ryan and Deci (2022) stressed the importance of intrinsic motivation in driving organizational outcomes, suggesting SACCOs could improve motivation through career advancement and recognition opportunities.

The work environment and organizational culture were rated positively at (M=3.60, SD = 1.05), indicating that SACCOs fostered a supportive and satisfying environment. This aligns with Sarkar et al. (2021), who found that a positive culture enhances engagement and reduces turnover. Improving transparency in recruitment, offering more digital and leadership training, and personalizing development opportunities could further enhance organizational success, as suggested by De Jong et al. (2021).

Table 4: Influence of Human Resource Management Practices on Organizational Performance

Statement	N	Min	Max	Mean	SD
The recruitment and selection process effectively supports organizational performance.	102	1	5	3.44	1.12
The SACCO provides effective training programs that improve employee skills and performance.	102	1	5	3.54	1.09
I feel motivated to perform well in my current role.	102	1	5	3.46	1.14
The overall work environment and culture	102	1	5	3.60	1.05

contribute positively to my job satisfaction.					

4.4 Technological Adoption and Innovation

The findings reveal that SACCOs have effectively implemented digital platforms, with (M=3.67, SD = 1.02), indicating that mobile and online banking were perceived as successful in enhancing service delivery and operational efficiency. This aligns with Ndegwa and Wambugu (2022), who found that adopting digital platforms increased customer satisfaction and efficiency in financial institutions. Expanding the use of digital tools could further optimize SACCO performance.

Financial technology's impact on operational efficiency was also rated positively, with (M= 3.61, SD = 1.07), suggesting that fintech solutions like automated loan processing have improved service delivery by reducing manual errors. This finding is consistent with Odhiambo and Ochieng (2021), who emphasized that fintech adoption streamlines operations. However, the moderate score implies opportunities for further optimization.

Fintech's impact on overall SACCO performance was rated at (M=3.45, SD = 1.10), reflecting a beneficial effect, though challenges remain. Abubakar et al. (2020) similarly noted that while fintech improves financial performance, many institutions face integration challenges due to technical and organizational barriers.

Challenges in adopting technology, rated at (M=3.33, SD = 1.20), highlighted obstacles such as high setup costs and staff resistance, which could hinder full digital transformation. This is consistent with Makori and Ouma (2021), who identified costs and resistance as key barriers to fintech adoption in SACCOs. Despite these challenges, respondents recognized the benefits of fintech, including faster transactions and improved customer satisfaction, echoing the findings of Odhiambo and Ochieng (2021).

Table 5: Influence of Technological Adoption and Innovation on Organizational Performance

Statement	N	Min	Max	Mean	SD
Our SACCO has effectively implemented digital platforms and tools (e.g., mobile banking, online banking).	102	1	5	3.67	1.02
Financial technology adoption has improved the efficiency of our SACCO's operations.	102	1	5	3.61	1.07

The integration of fintech solutions has positively impacted our SACCO's performance.	102	1	5	3.45	1.10
The SACCO has encountered challenges in adopting technology (e.g., initial cost, staff resistance).	102	1	5	3.33	1.20

4.5 Organizational Performance

The first indicator of organizational performance examined was financial profitability, with respondents rating it at (M= 3.56, SD = 1.09), indicating moderate profitability across SACCOs. This reflects some variability in financial success, with Masinde and Ochieng (2021) noting that consistent profitability allows SACCOs to reinvest, improve services, and attract members. The moderate score suggests that SACCOs could benefit from enhancing financial management practices to improve profitability further.

Asset growth was another key indicator, rated positively at (M=3.64, SD = 1.08), reflecting steady growth and effective asset management. Ondieki and Muturi (2022) found that strong asset growth improves financial sustainability and loan capacity, suggesting that continued growth strategies could further enhance SACCO performance.

The loan portfolio quality received a moderate rating of (M=3.46, SD = 1.12), indicating that while SACCOs maintained their portfolios, challenges with default rates persisted. Otieno and Githinji (2020) emphasized that strong credit risk management reduces defaults, and SACCOs could improve portfolio quality by strengthening risk assessment practices.

Member satisfaction, the highest-rated indicator at (M=3.66, SD = 1.04), suggests that SACCOs were successful in retaining satisfied members, a key factor for long-term growth. Mugo et al. (2021) stressed that member satisfaction drives organizational performance, and SACCOs could further enhance services to maintain high satisfaction levels.

Finally, regulatory compliance was rated at (M=3.61, SD = 0.98), indicating strong adherence to regulations, which is crucial for maintaining trust and financial performance. Kamau and Waweru (2020) noted that compliance improves financial outcomes and member trust, but SACCOs must continue adapting to evolving regulations to sustain this performance.

Table 6: Organizational Performance

Statement	N	Min	Max	Mean	SD
Our SACCO consistently achieves strong financial performance and profitability.	102	1	5	3.56	1.09
Our SACCO's assets have grown steadily over the past years.	102	1	5	3.64	1.08
The loan portfolio quality is high, with low default rates.	102	1	5	3.46	1.12
Member satisfaction is high, as evidenced by feedback and retention rates.	102	1	5	3.66	1.04
Our SACCO complies with all relevant regulations and guidelines.	102	1	5	3.61	0.98

The results of this study fit well within the broader body of research on organizational performance in financial institutions. The consistencies with existing literature, particularly regarding leadership, financial management, and fintech adoption, affirm the robustness of these findings. However, the study also highlights challenges, such as loan defaults, technological barriers, and areas for HR improvement, which could be explored further. The differences observed, particularly the moderate impact of fintech integration, may stem from varying levels of technological readiness and organizational culture within the SACCOs, suggesting that these factors warrant further investigation.

4.6 Regression Analysis

Multiple regression analysis was conducted to determine the influence of the four independent variables(leadership and management practices, financial management practices, human resource management practices, and technological adoption and innovation) on the dependent variable(organizational performance) of Deposit-taking Saccos in Kisii County.

Table 7: Model Summary

Model	R	R-Squared	Adjusted R-Squared	Std. Error of the Estimate
1	0.823[a]	0.677	0.669	0.495

a. Predictors: (Constant), Leadership and Management Practices, Financial Management Practices, Human Resource Management Practices, Technological Innovation and Adoption

Table 8: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.765	4	19.691	80.33	0.000[a]
	Residual	37.548	97	0.387		
	Total	116.313	101			

a. Predictors: (Constant), Leadership and Management Practices, Financial Management Practices, Human Resource Management Practices, Technological Innovation and Adoption

b. Dependent Variable: Organizational Performance

Table 9: Regression coefficients

Variables	Unstandardized Coefficients(B)	Std. Error	Standardized Coefficients(Beta)	t	Sig.
(Constant)	0.895	0.276		3.244	0.002
Leadership and Management Practices	0.398	0.059	0.435	6.745	0.000
Financial Management Practices	0.312	0.057	0.379	5.474	0.000
Human Resource Management Practices	0.221	0.064	0.251	3.453	0.001
Technological Adoption and Innovation	0.165	0.064	0.174	2.578	0.011

a. Predictors: (Constant), Leadership and Management Practices, Financial Management Practices, Human Resource Management Practices, Technological Innovation and Adoption
b. Dependent Variable: Organizational Performance

The model summary ($R = 0.823$, $R^2 = 0.677$) indicates a strong positive relationship between the independent variables (leadership and management practices, financial management, human resource management, and technological adoption) and organizational performance, with 67.7% of the variability in performance explained by the model.

The ANOVA results ($F = 80.33$, $p < 0.05$) show that the regression model is statistically significant, confirming that the independent variables collectively influence organizational performance.

The regression coefficients reveal that leadership and management practices ($\beta = 0.398$, $p = 0.000$) have the strongest impact on performance, followed by financial management practices (β = 0.312, p = 0.000), human resource management (β = 0.221, p = 0.001), and technological adoption (β = 0.165, p = 0.012). All predictors significantly contribute to organizational performance, with leadership showing the greatest influence.

5 Discussion

The results of this study align with and contribute to existing literature on organizational performance, particularly in financial institutions such as SACCOs. Several findings confirm established research, while others offer new or controversial insights that add value to ongoing academic discussions.

The findings regarding leadership and management practices confirm the importance of transformational leadership in enhancing organizational performance, as previously identified by Wambua and Mukulu (2021) and Hoch et al. (2018). Transformational leadership was found to be a key driver of innovation and creativity within SACCOs, motivating employees to achieve higher performance levels, which directly translates into improved organizational outcomes. However, the relatively lower impact of transactional leadership, noted in this study, suggests that while effective in maintaining compliance and routine tasks, it may not be as beneficial for long-term innovation, echoing the mixed results found by Dumdum et al. (2023). Furthermore, this study highlights the influence of authentic and adaptive leadership styles. Authentic leadership, emphasizing transparency and trust, enhanced employee engagement, which is consistent with Gardner et al. (2021). Similarly, adaptive leadership, which allows organizations to navigate change effectively, supports Heifetz et al.'s (2020) findings that SACCOs with flexible leadership structures are better positioned to respond to dynamic environments. This underscores the critical role that leadership adaptability plays in ensuring financial success in sectors characterized by rapid change.

The study's results regarding financial management practices reaffirm the significance of sound financial strategies for organizational sustainability. The alignment of loan interest rates with market conditions and the maintenance of diversified investment portfolios, both critical for financial performance, are consistent with the findings of Mwangi et al. (2021). Despite these strengths, the research also identifies challenges in risk management, an issue highlighted by Waithaka et al. (2022). Although SACCOs have robust monitoring mechanisms, there appear to be gaps in the implementation of these frameworks, particularly in mitigating risks effectively. This calls for further investigation into improving risk management systems to bolster financial stability.

Human resource management practices, as indicated in this study, also play a pivotal role in enhancing organizational performance. Consistent with Smith et al. (2022) and Agyapong and Aikins (2020), the study underscores the importance of transparent recruitment processes, continuous employee training, and motivation to drive organizational success. However, moderate satisfaction levels with recruitment and motivation suggest that SACCOs need to increase transparency and expand opportunities for employee development, particularly in digital skills. This finding provides a fresh perspective on the evolving demands of human resource management, reflecting the growing importance of digital competence in today's financial services sector.

In terms of technological adoption and innovation, the study corroborates the positive impact that digital platforms have on SACCO performance, a finding also noted by Ndegwa and Wambugu (2022) and Oluoch and Mwangi (2022). The implementation of mobile and online banking platforms has improved operational efficiency and member satisfaction. However, the moderate scores for fintech's overall impact suggest that its potential is not yet fully realized, largely due to challenges such as high costs and resistance to technological change. This aligns with Makori and Ouma (2021), who identified similar barriers in SACCOs' adoption of financial technologies.

A particularly controversial insight from this study is the relatively modest influence of fintech integration on SACCO performance. While digital platforms have improved operational efficiency, the study reveals that the full transformative potential of fintech has yet to be realized, likely due to the varying levels of technological readiness and organizational culture within SACCOs. This contrasts with the broader narrative in the literature that fintech is an unambiguous driver of success in financial institutions (Odhiambo & Ochieng, 2021). Another novel contribution of this research is the emphasis on authentic and adaptive leadership styles, which, although often underexplored in SACCO contexts, were found to play a significant role in performance outcomes. These findings introduce new dimensions to existing discussions on leadership in financial institutions.

In conclusion, this study affirms much of the established knowledge regarding the roles of leadership and management, financial management, human resource management, and technological adoption and innovation in enhancing SACCO performance. However, it also offers new insights into the importance of leadership adaptability and the barriers to fully realizing the benefits of fintech integration. Future research could explore these areas in more detail, particularly focusing on overcoming technological challenges and enhancing leadership strategies to optimize organizational performance.

6 Conclusion

This study examined the impact of leadership and management practices, financial management, human resource management (HRM) practices, and technological adoption on the organizational performance of SACCOs in Kisii County, Kenya. The findings revealed that transformational leadership, which promotes innovation and creativity, had the strongest positive influence on organizational performance, while transactional and servant leadership styles were less emphasized. Effective financial management practices, such as aligning loan interest rates with market conditions and diversifying investments, were critical in maintaining financial stability, though improvements in risk management are necessary. HRM practices were moderately effective, with a need for greater transparency in recruitment and more targeted training to enhance employee engagement. The adoption of financial technology improved operational efficiency, but challenges related to costs and resistance to new technologies limited full integration.

The study recommends that authorities implement leadership development programs to promote transformational and servant leadership, which will enhance innovation and employee well-being. Additionally, authorities should strengthen regulatory frameworks, particularly in risk management, to help SACCOs better manage financial risks and ensure long-term stability.

Based on the findings, further research could explore how different leadership styles influence employee retention and satisfaction within SACCOs. Additionally, future studies could investigate advanced risk management techniques that SACCOs can implement to improve loan portfolio quality and reduce default rates. The long-term impact of technological adoption on SACCO performance, particularly in overcoming initial barriers such as cost and staff resistance, is another area worth exploring.

This research offers several key implications for SACCOs and similar organizations. First, developing leadership programs focused on transformational and servant leadership can drive innovation and enhance employee well-being. Second, strengthening risk management frameworks, particularly in loan portfolios and investments, will help SACCOs mitigate financial risks. Finally, investing in employee training, particularly in digital skills and leadership development, can improve organizational performance and foster a culture of continuous improvement. These insights can guide SACCOs in improving their operational effectiveness and long-term sustainability.

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