



MAKERERE

UNIVERSITY

**SUSTAINABILITY OF UNITED NATIONS STAFF SAVINGS AND
CREDIT COOPERATIVE ORGANISATION – UGANDA**

BY

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL
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PLAN B

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DECLARATION

I, **Bab Letisha Aharikundira** declare that this research report is my own work and has never been presented anywhere for any award in any University or Institution of Higher Learning. All references made to works of other persons have been duly acknowledged.

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Date..... 13/09/2018

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APPROVAL

This dissertation has been submitted for examination with our approval as supervisors.

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Signed.....

Date.....

DEDICATION

I dedicate this work to my father (RIP), to my mother, who has been a pillar in my education, my brother and course mate Paul, who continuously reminded of the need to finish the course. And to you my lovely daughter Amy, God bless you.

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LIST OF ABBREVIATIONS

UN	United Nations
SACCO	Savings and Credit Cooperative Organization
UNS SACCO	United Nations Staff Savings and Credit Cooperative Organization
SPSS	Statistical Package for Social Scientists
UGX	Uganda Shillings
IT	Information Technology

ABSTRACT

The purpose of this study was to assess of the sustainability of UNS SACCO Uganda. It was guided by the following objectives; to examine the rationale of UNS SACCO Uganda, to examine the factors that have led to the success of UNS SACCO Uganda and to examine the factors that contributed to the sustainability of UNS SACCO Uganda.

Cross sectional and quantitative research designs were used. A sample size of 290 respondents was selected from a total population of 910 respondents based on the Krejcie, and Morgan table, (1970). From this sample, 275 usable questionnaires were returned giving 94.83% useable response rate. The study relied on primary data which was obtained through a self-administered questionnaire. The study employed simple random sampling to select respondents from the entire population and was preferred because each employee or member had an equal probability of being selected for the sample. Data collected was coded and entered into Statistical Packages for Social Scientists (SPSS Version 22.0) and analyzed using descriptive statistics.

The study found that UNS SACCO was formed basically for savings mobilization, wealth creation, employment opportunities and offering cheap interest rates. Furthermore, results show that it has succeeded because of having regular meetings, voluntary membership, top management support, effective communication and members having a common bond.

The study recommends that more UN staff should be sensitized about the different products and different benefits that UNS SACCO offers to increase membership and maximize resources.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Savings and Credit Cooperative Organizations (SACCOs) are member-based institutions. The business model of most SACCOs is to collect savings from their members to intermediate them into loans (Markus D. and Daniel S., 2011). Savings and credit cooperatives have been recognized as an important tool in countervailing the market power resulting from imperfect competition, as well as providing services that are not provided or are underprovided by the financial institutions (Marwa, 2014b; McKillop & Wilson, 2011; Maghimbi, 2010).

However, following the liberalization of the Ugandan economy, the SACCOs have struggled to compete with other financial institutions and many have not been able to provide their members with services they needed (Abeid, 2001) and yet their sustainability is very critical. As defined by Kimando, Kihoro and Njogu (2012), sustainability in the general sense refers to the ability of a given activity to continue into the future within the likely resources of an organisation. In financial terms, sustainability refers to an organisation's ability to service all of its expenses through its generated income. Sarma (2011) corroborates this definition by adding that microfinance institutions can be said to be sustainable when their operating income from issuing loans is sufficient to cover all operating costs. In the case of microfinance institutions, the definition is extended to cover the ability to continue operations once grants and soft loans to the organisation are withdrawn. Shah (as cited in Kimando, 2012) believes that the "accounting approach" to defining sustainability is too narrow and adopts the "integrated approach". Hence, Shah presents the concept of sustainability as

including the ability to mobilise local resources and obtain funds at market rate. After extensive consideration in various forms, scholars and experts agree on two levels of sustainability: operational self-sufficiency (OSS) and financial self-sufficiency (FSS) (Iezza, 2010). Financial sustainability is, however, a necessary condition for institutional/operational sustainability.

SACCO'S potentiality as financial intermediaries has not been optimized in Uganda due to lack of innovation of products, low capital formation (depending much on members' financing which is not a permanent capital) and inadequate number of human resources. This has been among the factors that contribute to hinder members' needs and expectations as a result of unsustainable SACCOS. Other factors that contribute to poor sustainability of SACCOS include weak internal control systems and unsustainable interest rates (Mushininga, 1991). For the SACCOS to be sustainable, members and elected committee of the SACCOS should work to build reserves from yearly financial margin and preserve them every year to protect from possible future unexpected risk. As well as; the elected committee should build transparent methods; encourage members' participation and members' sense of ownership.

A SACCO is sustainable when it continues to deliver benefits to its members and/or other constituencies for an extended period. Sustainability is defined as the ability of an entity to continue a defined behavior indefinitely (Filene, 2011). In Uganda, there has been dynamic change in the SACCO sector in recent years: A large number of SACCOS have been newly established; a few SACCOS have developed rapidly in size; many have remained stunted or have been closed down (Markus D. and Daniel S. 2011).

One of the few SACCOS that have been sustainable by continuing to offer services is UNS SACCO Uganda which started serving the UN Employees in Uganda on 10th August 2007. It was registered to address the challenges faced by the UN staff in accessing affordable and manageable credit facilities. UN agencies recognized the problem facing

local staff in Uganda in accessing loans from banks due to the terms and conditions set by the various financial institutions. Most financial institutions in Uganda were charging high interest rates leaving UN staff with limited savings. These banks also require a letter of undertaking from employers before extending credit facilities and yet UN agencies are reluctant to issue these letters because they have provisions that are likely to commit UN agencies in case a staff member does not honor his/her obligation. It is from this background that the United Nations Staff Savings and Credit Cooperative Organization-Uganda (UNS SACCO) was registered under the Cooperative Act to address the above problems and also to promote prosperity of members through enhanced savings and access to convenient credit. It started with 90 members but as of 30th June 2017, it had 910 members. UNS SACCO is being managed by the Executive and Supervisory committees. The supreme authority of the SACCO is the Annual General Meeting (AGM) that is charged with the role of overseeing the Executive and Supervisory committees. It has been able to provide loans to UN staff at fair interest rates of 13.5 % and 16% per annum for loan amounts of Ugx 10,000,000= and UGX 10,500,000= to UGX 100,000,000= respectively (UNS SACCO 2016 Annual Report) compared to an average of 22% per annum for commercial banks in Uganda as of October 2017 (BOU). UNS SACCO has no stringent requirements when lending to its members. The only requirements are a copy of your employment contract for members still in formal employment or a copy of your bank statement for members who have retired or separated from the different agencies; and the intending borrower must be an active member and different members have been giving testimonies of how it has elevated them from a poor state of solely relying on salary to a better state with other income generating enterprises. Finally, it has been able to facilitate members to set up development or investment projects through continuous training programs on the proper use of credit. One of the easily visible investment projects is

the Kasanje Estate they acquired and have subdivided it into plots for members on which they will be supported to construct modern residential houses.

1.2 Statement of Opportunity

A SACCO is considered sustainable when it continues to deliver benefits to its members in the long run. While many SACCOs in Uganda have been unable to continue operating, UNS SACCO has been able to promote prosperity of its members through enhanced savings and access to convenient credit. UNS SACCO admits its members' immediate families including spouses and children and this has continuously increased membership, member deposits have grown from UGX 417,770,629 in 2010 to UGX 4,716,475,729 in 2016. This growing savings culture has pooled so much resource thus developing a wide capital base from which members borrow at reduced interest rates of 13.5% per annum for loan amounts up to UGX 100,000,000. UNS SACCO has been offering competitive interest rates on savings deposits of 10% per annum on accumulated savings paid out quarterly which is way beyond the average of 5% offered by some SACCOs and others don't offer at all. UNS SACCO has also continued to offer other attractive products and services such as fixed deposit accounts which have helped members especially those who receive their terminal benefits upon retirement, member trainings in different aspects such as financial literacy, retirement plans and investments which have helped members acquire knowledge and plan well. They also conduct follow up checks on members' investment projects especially those that have taken loans. UNS SACCO has been able to put up a satellite estate in Kasanje – Wakiso district. These 100 acres of land have been subdivided among members onto which they will set up modern residential houses.

1.3 Purpose of the study

The study focused on the assessment of the sustainability of UN Staff SACCO Uganda.

1.4 Objectives of the study

This study was guided by the following objectives;

- i) To examine the rationale of UNS SACCO Uganda
- ii) To examine the factors that have led to the success of UNS SACCO Uganda
- iii) To examine the factors that contributed to the sustainability of UNS SACCO Uganda

1.5 Research questions

- i) What is the rationale of UNS SACCO Uganda?
- ii) What are the factors that have led to the success of UNS SACCO Uganda?
- iii) What are the factors that have contributed to the sustainability of UNS SACCO Uganda?

1.6 Scope of the study

The study covered the factors that contribute to the sustainability of the UNS SACCO Uganda.

1.7 Significance of the study

- i) It will add on the existing Literature on sustainability of SACCO's in Uganda.
Future researchers will be able to benefit from this study.
- ii) The study will provide information to people on the rationale of SACCO's and how they can benefit from them
- iii) The study will help other SACCO stakeholders to benchmark on best practices of UNS SACCO to have sustainable institutions.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews the literature on the sustainability of SACCOs. It was based on the three objectives of the study.

2.1 Savings and Credit Co-Operative Organizations

The beginning of the cooperative movement in Uganda can be traced as far back as 1913, when the first Farmers' Association was founded by African farmers. This was in response to the exploitative marketing systems that were against the native farmers. The colonial arrangement was that the native farmers would be engaged in the production of cash crops, such as coffee and cotton, while the Europeans and their Indian allies would concentrate on the processing and marketing of such produce. The racial division gave Europeans and Indians a chance to gain from the production of these crops at the detriment of the Africans. They then realized that forming cooperative would give them a common voice, purpose and strong bargain power (Mukasa, 1997).

With the colonial administration forcing Africans to produce high quality crops and sell at low prices, some Baganda farmers in the Midwest of Buganda Region formed the above mentioned pseudo cooperative in 1913 (Kyamulesire, 1988). Nevertheless, the continued exploitation of African farmers ignited strikes that culminated in the formation of many other parallel farmers' associations, such as the Buganda Growers Association in 1923 and the Uganda Growers Cooperative Society in 1933. The proliferation of these associations saw

Africans agitate for a law to address the injustice, which was enacted as the Cooperative Ordinance of 1946.

Uganda attained independence in 1962 and subsequently enacted the first Cooperative Societies Act in 1962, which made several amendments to the 1946 Ordinance. The Government then went on to vigorously promote the establishment and diversification of the cooperative movement in the country. With the government assertion's that "the cooperative sector of the economy should attain a position of prominence", agricultural cooperatives that engaged in marketing, processing and export of cash crops became prominent (Kyamulesire, 1988: 25). The practice of thrift through cooperative enterprises provided a medium for mobilizing local savings to finance some of the marketing, processing and credit activities of these agricultural cooperatives. The resultant growth was rapid, as the business handled by these cooperatives increased progressively and prosperity for the farmers was eminent. Newer policies, such as economic liberalization, decentralization, restructuring and autonomy of the cooperative movement were introduced in the late 1980s by the National Resistance Movement government (Bejjuka, 1993; Mukasa, 1997).

Savings and Credit Co-operatives (SACCOs) are community membership-based financial institutions that are formed and owned by their members in promotion of their economic interests. These institutions mobilize and intermediate savings exclusively within their membership under the Co-operative Act 1991. Furthermore, they are one of the several types of cooperatives that are unique micro finance institutions categorized under tier four in the financial market and therefore not regulated by Bank of Uganda. Unlike many other Micro-Finance Institutions, SACCO owners are also the users of the service that the SACCOs offer. SACCOs are organized and operated according to seven basic co-operative principles and they include; open membership to interested people from designated area of operation, democratic member control; one member one vote in all

matters of decision making, Member economic patronage, autonomy and independence, promotion of members' education and awareness through constant education, training and information, cooperation among cooperatives, concern for community development i.e. corporate social responsibility. From the above, it can be seen that a SACCO or any other type of cooperative has four basic characteristics namely, Member owned, Member used, Member controlled and Benefits member (UCA-Accounting and operational manual for SACCOs, 2002)

2.2 Rationale of SACCOs in Uganda

According to Adekunle and Henson (2007), cooperatives encourage their members to form the habit of saving without being extravagant. They mobilize savings and pool available resources from the members utilize the same in the best possible manner and share the benefits among members. Consequently, they can be set up in poor communities, where access to savings and credit at non-exploitative terms is of greatest importance. In Tanzania, the credit and thrift cooperative has been a major avenue for the working class to save part of their incomes because such savings are deducted directly at source, and this seems more convenient than bank savings that attract the lowest percent of interest (TFC, 2006).

Cooperatives assist their members financially by providing loans at low interest rate for start-up capital or for business expansion thereby promoting entrepreneurial activities. Elhiraika (1999) has noted that lending by traditional formal financial institutions to small borrowers in developing countries is often limited due to collateral requirement and high interest rates. The interest rate charged by SACCOs is usually lower compared to what is obtained in the formal financial institutions. Since members do not require any collateral securities to access loans, (it is assumed that a member's shareholding is his/her collateral)

loan procurement is made easier and almost stress free. The staff cooperatives in most organizations are formed to bridge this gap and help members have access to credit, which enable them to acquire the basic necessities of life and to improve their standard of living (Azeez, 2011), to start a business, pay medical bills, further their education or sponsor education of their children (Wanyama, Develtere and Pollet, 2008).

Cooperatives are specifically seen as significant tools for the mobilization of resources for income generation. ACIDI/VOCA (Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance) has maintained that cooperatives help to improve members' incomes through various activities aimed at securing better prices for any product they purchase on behalf of members, low input costs, strengthening of bargaining power, gaining greater control of market channels and thus offering a better chance to be profitable. The agency reiterates that when members' incomes are improved, it tends to increase demand for goods and services, attracts traders and other business support entities (including credit institutions), encourages communications and travel and reduces isolation.

In addition to the conventional functions, cooperatives could serve as agents of social and economic change, and are therefore vibrant civil society actors. In this regard, cooperatives are unique institutions that balance and negotiate relationships between their members, communities, traders, the state and national community. Today, governments expect cooperatives to inform policy making and engage in advocacy while the cooperatives themselves seek a more pronounced, active and permanent role in decision making (Gunga, 2008).

Birchall (2008) argue that cooperatives are widely seen to have potential impact on development and poverty reduction. DFID (2010), for example, argue that cooperatives

make an important contribution to sustained economic growth and to making markets function better for poor people. The UN has acknowledged important direct and indirect impacts on socio-economic development in terms of promoting and supporting entrepreneurial development, creating productive employment, raising incomes and helping to reduce poverty while enhancing social inclusion, social protection and community-building (UN, 2009). Several studies argue cooperatives not only directly benefit their members, but also have positive effects for the rest of society (UN, 2009). More specifically, agricultural cooperatives play an important role in food production and distribution, and in supporting long-term food security. Savings and Credit Cooperatives (SACCOs) are increasingly popular and may soon be the most common form of cooperative within the African cooperative movement (Pollet, 2009) providing financial capital to their members. They are seen to expand poor people's access to financial services (loans and savings), support enterprise start-up and expansion, and reduce vulnerability by allowing the poor to accrue savings, build assets and smooth out consumption. They are one of the largest providers of micro finance services to the poor, reaching 78 million people living below \$2 a day worldwide (DFID, 2010).

Hertig and Elena, (2008) argued that various cooperatives such as the agricultural, thrift and credit, producers , consumers and multipurpose cooperatives have provided employment to many people across the world. According to them, in 2008, the number of jobs created by cooperatives all over the world is 20 percent more than the one provided by multinational corporations.

Wanyama, Develtere and Pollet (2008) identified three different ways cooperatives contribute to employment. These according to them include direct wage employment, which is provided for those people who work in primary and secondary cooperatives as well as in

government cooperative support institutions (Ministries, Departments and Cooperative Colleges) whose existence is mainly on account of cooperatives, self-employment to members and indirect employment, which is obvious in the overflow 24 effects of their activities on nonmembers whose income-generating activities are only viable through the transactions they have with cooperative. In addition, low interest loans given out to members assist in investment activities including the establishment of small and medium scale enterprises, which in turn provide employment for the owners and the employed workers.

2.3 Factors for success of SACCOs

Different authors have identified different factors that are responsible for the success of projects. The study by Umble et al. (2003) has categorized the key factors under 10 main points namely: clear understanding of strategic goals, commitment by top management, excellent implementation project management, great implementation team, successful coping with technical issues, organizational commitment to change, extensive education and training, data accuracy, focused performance measures, and multi-site issues resolved.

Amongst all organizational factors, Top Management Support (TMS) has been proposed to be the primary success factor for SACCO performance. This is probably because TMS drives and influences other organizational factors. Jung et al. (2008) found top level management commitment significantly and positively influences SACCO performance.

Organizational culture (OC) has been defined as patterns of shared values and beliefs over time which produces behavioral norms that are adopted in solving problems (Owens 1987; Schein, 1990). Chatman, & Eunyoung Cha, (2003) refers to organizational culture as a system of shared assumptions, values, and beliefs that show people what is appropriate and inappropriate behavior. Organizational Culture manifested in beliefs and assumptions,

values, attitudes and behaviors of its members is a valuable source of firm's competitive advantage (Peteraf, 1993) since it shapes organizational procedures, unifies organizational capabilities into a cohesive whole, provides solutions to the problems faced by the organization, and, thereby, hindering or facilitating the organization's achievement of its goals (Schein, 1992). The literature further suggests that OC, in particular risk taking attitude, has a positive effect on the extent to which SACCO's succeed (Misra et al., 2009; Sheffield and Lemétayer, 2013). A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore organizational culture has an active and direct role in performance.

SACCO Planning and controlling (P&C) refer to the extent to which SACCO practices are used. Previous research has demonstrated a positive relationship between planning and process performance (Yetton et al., 2000; Jun et al., 2011). Poor planning is likely to be associated with inefficiencies in SACCO performance.

According to Eikelenboom (2009), financial resources are considered the ultimate source of sustainable value creation. A recent school of thought based on extensive research suggests that competitive advantage of a firm depends on the resources the firm can command (Grattan, 2011). Financial resources are one of the critical resources which affect the ability of an organization to execute given tasks.

Jung et al. (2008) found that clear Vision and mission (V&M) directly impacted on the continuous success of SACCO's. Similarly, Nah and Delgado (2006) found clear business plans and vision that were well aligned with SACCO objectives led to SACCO success.

Leadership is widely described as one of the key drivers of SACCO success. Lack of leadership, and specifically by the top management of the organization, has been identified as one of the major barriers to better performance (Hrebiniak, 2005). Sheffield and Lemétayer (2013) and Strode et al. (2009) found that Leadership Characteristics (LC) positively influences agile software development project success. Similarly, Wan and Wang (2010) indicate that top level leadership which supports an SACCO culture with a clear vision for education and training significantly and positively impact SACCO success. SACCOs with better LC (e.g. innovative and entrepreneurial) positively impact more on their success.

Effective stakeholder communication creates, shapes, maintains relationships and endorses mutual understanding between SACCO members. It is therefore important to communicate the right information in the right way to the specific members in mind. This will help them feel that their views are listened to and acted upon (Bourne, 2009). Effective communication is essential for maintaining the support and commitment of all members (Briner et al. 1996). Effective, regular, and planned communication with all members of the project is necessary for stakeholder management (Briner et al. 1996; Cleland 1995) and this creates a positive culture change within the overall project. EC increases information exchange and cohesion among development team members. EC enhances the levels of information sharing and collaboration between the members of the project team which decreases the amount of team conflict and keeps the team stable. Along similar lines, Jun et al. (2011) and Sudhakar (2012) found that EC had a significant positive effect on both process and product performance.

Team commitment (TC) is the willingness by a team to devote energy and loyalty to a SACCO as expressed in three forms: affective, continuance and normative (Meyer and

Allen, 1997). Affective commitment is a team's emotional attachment with the SACCO. Continuance commitment refers to the team's recognition of the benefits of continued association with the SACCO compared to the perceived cost of leaving the SACCO. Normative commitment refers to the team's feeling of obligation to remain in the SACCO. All these three forms of commitment affect the team members' willingness to remain with a SACCO and their work-related behavior. Chow and Cao (2008) found that team members with great motivation positively influenced the perceived success of the organizations. Correspondingly, Wan and Wang (2010) found significant positive relationships between team commitment and organization success. This suggests that committed SACCO team members more often do not have intentions to quit, which saves the SACCO the costs of recruiting and orienting new members in terms of both time and money. Similarly, costs of supervision are mitigated if the SACCO team members are committed to their SACCO tasks.

Modern business organizations have embraced use of Information Technology (IT) in order to improve their competitiveness, efficiency, customer service and performance. The Co-operative sector being a major player in our economy cannot be left behind in utilizing the technology for enhanced growth. The use of IT has improved the operations of UN Staff SACCO and this has contributed to its success.

2.4 Factors that contribute to the sustainability of SACCOs in Uganda

Different factors have been put forward by different scholars that have contributed to SACCO sustainability and they include;

The activities that encompass member participation in a cooperative include attending meetings; serving on committees; involvement in recruiting others and patronage (Osterberg & Nilson, 2009). The participation of members in the governance of a cooperative is what

differentiates cooperatives from other business organizations. Osterberg & Nilson (2009) found that there was significant higher member disloyalty, when members were dissatisfied with their cooperative's management. Borgen (2001) reported that a member is seen to be more loyal to decisions in which s/he has participated actively, rather than decisions which were forced on him/her.

Leadership plays an important role in influencing direction of an organization. Leaders are meant to initiate, promote and defend the policies by which the organization operates (Fulton, 2001). It involves interpersonal relationship between the leader and the led and it aims to motivate a group of people, to act towards achieving a common goal (Banaszak & Beckman 2006). Competent leadership encourages members to make decisions based on their values and it should be able to balance the internal and external tensions in order to create enduring groups. Creation of strong groups can also be developed through the building of interpersonal relationships as a source of strength (Bhuyan, 2007). Members will participate if they are involved and motivated through efficient communication skills (Borgen, 2001). Competent leadership should be able to engage the groups in an efficient communication process to ensure members express their views.

Cole (2010) argues that management is a collection of activities involving planning, organising, motivating and controlling. Planning involves deciding the objectives or goals of the organization and preparing how to meet those objectives. Cooperatives plan by preparing annual budgets, which are approved by members during the annual general meeting. The members present allocate the societies monies to different cost centers. Cooperative societies also require well trained people who understand their role effectively so as to facilitate and enhance the already achieved growth. However management of societies is determined by the democratic nature of governance in cooperative societies. The members

elect the management committee for a specific term. The problem with this is that mostly the people elected are not good managers and end up running down the societies (Mudibo, 2009).

The growth and expansion areas significantly increase the volume of transactions which require appropriate technology to handle an increasingly diversity set of customers as well as managing strategies to achieve operational and financial sustainability. Modern business organizations have embraced use of Information Technology (IT) in order to improve their competitiveness, efficiency, customer service and performance. The Co- operative sector being a major player in our economy cannot be left behind in utilizing the technology for enhanced growth. High level technology ensures that the cooperative will be successful both in the short run and in the long run. Information technology is a key factor that improves the way the organization reaches its target, produces its goods and services and also makes it relevant in its operation (Mwawasi, Wanjau & Mkala, 2013). Bhattacharya, Gulla and Gupta (2012), noted that information Technology infrastructure emerging as an important factor in achieving business objectives, firms need to be technologically ready to take on the strategic challenges that can fuel growth.

According to Eikelenboom (2009) resources are considered the ultimate source of sustainable value creation. A recent school of thought based on extensive research suggests that competitive advantage of any firm depends on the resources the firm can command (Grattan, 2011). Financial resources are one of the critical resources which affect the ability of an organization to execute given tasks. According to Hussey (2013) financial resources can be a limiting factor and the way which it is obtained may make it easier or harder to further resources in the future. Cooperatives focus on how to successfully; make money, spend money, and estimate the income and operating cost (Hrebiniak, 2006).

Established organizations may experience changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson and Scholes, 2002).

Communication involves the transmission of information through different means. An efficient communication process would encourage member participation and ensure the members are aware of what is going on in the cooperative and they feel they are part of the organization. Competent leadership would ensure an efficient transfer of information from the cooperative organization to its members and vice versa. Borgen (2001) found that the more the members are identified with their cooperative, the more confidence they had in the management of the cooperative. An efficient communication process would also enhance leadership accountability and thus a strong cooperative (Poulton Kydd & Dorward, 2006).

CHAPTER THREE

METHODOLOGY

3.1. Introduction

This chapter presents the methodology that was used in execution of the research. It contains the research design adopted, survey population, sampling size and procedure, data sources, data collection procedures, validity and reliability of data, data collection instruments and data analysis techniques that were applied.

3.2. Research Design

A cross sectional, descriptive and quantitative research design was adopted for this study. Cross sectional studies are those in which data is gathered once, during a period of days, weeks or months. It is also designed to look at how things are at a particular time, without much focus on whether there is a history or trend. A cross sectional design was therefore preferred because a large cross-section of the population was studied at one specific time (Van Wagner, 2008). A descriptive approach was used to describe characteristics of a population or phenomenon being studied. In addition, quantitative research approach was used for this study because it is more reliable and objective; can use statistics to generalize a finding (Creswell, 2003). Quantitative involves the use of mathematical and statistical techniques to describe facts and relationships. Since the purpose of this study is to describe phenomena, there is need to use large representative samples, and ensure that results can be generalized to the larger population within limits of error. It is also clear that the nature of data is numerical and need to be analyzed by statistical analysis techniques, hence the quantitative approach.

3.3. Survey Population

The study population was 910 members and 10 employees of UNS SACCO. (Source; UNS SACCO 2016 Annual Report)

3.4. Sampling Method and Size

The sample size was 290 members and employees of UN Staff SACCO in Uganda selected basing on the table for determining sample size by Krejcie & Morgan, (1970). The unit of analysis was UN Staff SACCO. The units of inquiry were SACCO members and employees. Simple random sampling was used to select respondents. It was preferred because each member of the SACCO has an equal probability of being selected.

Primary data were collected by the use of self-administered questionnaires. Each questionnaire was accompanied with a cover letter providing explanations and assurances that all individual responses will be treated confidentially and that it is strictly meant for academic purposes in order to increase the response rate. A number of call backs to the respondents were made to ensure maximum retrieval of the questionnaires. Key issues that affect effectiveness of self-administered questionnaires such as language, introductory information and instructions, length, question wording and organization, perception of information and motivation were given serious attention in the design process given light of the busy schedules of the respondents (Jenkins & Dillman, 1995; Malhotra & Grover, 1998).

3.5. Data Collection Instrument

Data was collected using well formulated self-administered structured questionnaires that were hand delivered to the respondents. The questionnaires were preferred because more questionnaires were distributed within a short time to generate reliable data. The

questionnaire had fixed response questions anchored on a five-point Likert scale. This is in line with Podsakoff et al. (2012), who noted that higher scales have been found to be lengthy and time consuming for respondents to comprehend and respond which may eventually lead to common method variance.

3.6. Measurement of Variables

SACCO sustainability was measured according to the scales developed by (Cassidy, Leviton & Hunter 2006; Pluye, Potvin, Denis, Pelletier & Mannoni 2005) which include Financial, Technical, Social and Programmatic sustainability.

3.7. Validity and Reliability of Instruments

Validity of instruments was obtained using the Content Validity Index (CVI). The questionnaires were assessed by experts to ensure that the scale items are meaningful; the statements are generally understandable and capture the issues under study. Reliability of the instruments was ascertained using the Cronbach's coefficient alpha to test for the internal consistence of the scales used to measure the variables (Cronbach 1951). Alpha coefficient of above 0.7 for individual test variables will be accepted meaning the instrument was reliable (Nunnally, 1978) as shown in the table below;

Table 1: Reliability and Validity Table

	Objectives	No of items	CVI	Cronbach's Alpha
1	Rationale of SACCOs in Uganda	10	.800	.829
2	Factors for success of SACCOs	10	.700	.808
3	Factors that contribute to the sustainability of SACCOs in Uganda	17	.823	.884

Source: Primary data

3.8 Data processing, Presentation and Analysis

Data from the field was compiled, sorted, edited and coded to have the required quality, accuracy and completeness. Data was entered into the computer system using the Statistical Package for Social Sciences (SPSSv23.0) for analysis. Descriptive statistics such as frequencies, means and standard deviations were computed. Means gave us average opinions on the subject matter from respondents and standard deviation shows the extent to which data differs from the mean. It is a measure of how the data is clustered about the mean. A low standard deviation indicates that the data points tend to be close to the mean of the set, while a high standard deviation indicates that the data points are spread out over a wider range of values.

3.9 Ethical issues

- i) The researcher sought permission from relevant university authorities such as the Graduate research Centre before conducting the research.
- ii) The primary data capture instrument was pilot tested and improved upon before final administration.
- iii) The researcher ensured that the biography of the respondents was used for study purposes only. The researcher also stated in the preamble of the questionnaire that all information from the research would be highly protected from any misuse.
- iv) All the raw data sets in the questionnaires were edited to ensure removal of response errors and other ethical concerns were upheld during this study.
- v) The researcher also sought voluntary participation for all respondents in the study. Steps were taken to ensure that no harm (whether physical or psychological) was caused to the respondents as a result of taking part in this study.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter covers the presentation and interpretation of findings according to the objectives of the study.

4.1 Response Rate

Out of 290 questionnaires distributed, 275 usable questionnaires were returned giving a 94.83% response rate.

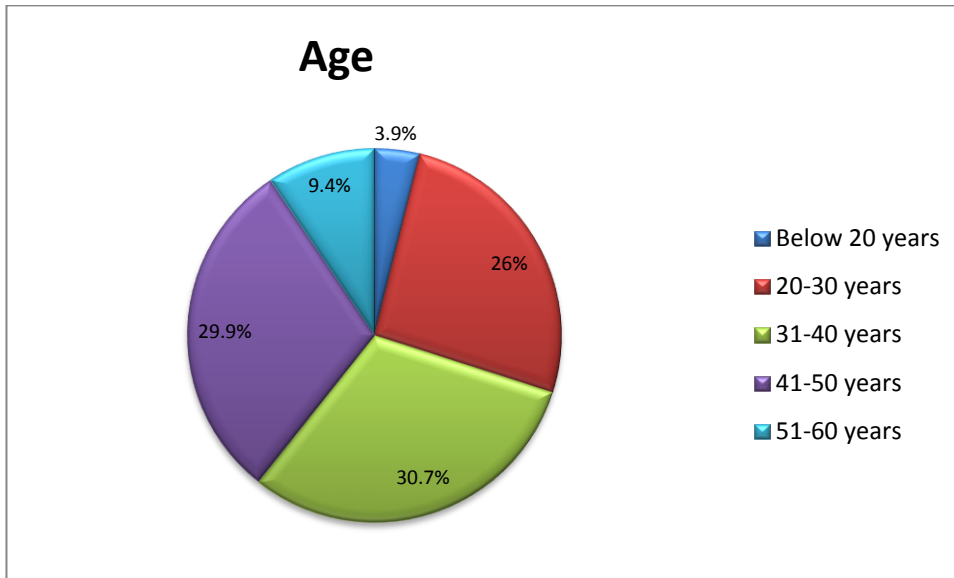
4.2 Background Characteristics

Background Characteristics include the gender, age, level of education, marital status and position of the respondent in the organization and period spent in the SACCO by the respondents as shown below;

4.2.0 Age of Respondents

The figures below show the findings about the respondents according to their age groups used in the study.

Figure 1: A Pie chart showing the frequency of age groups of the respondents

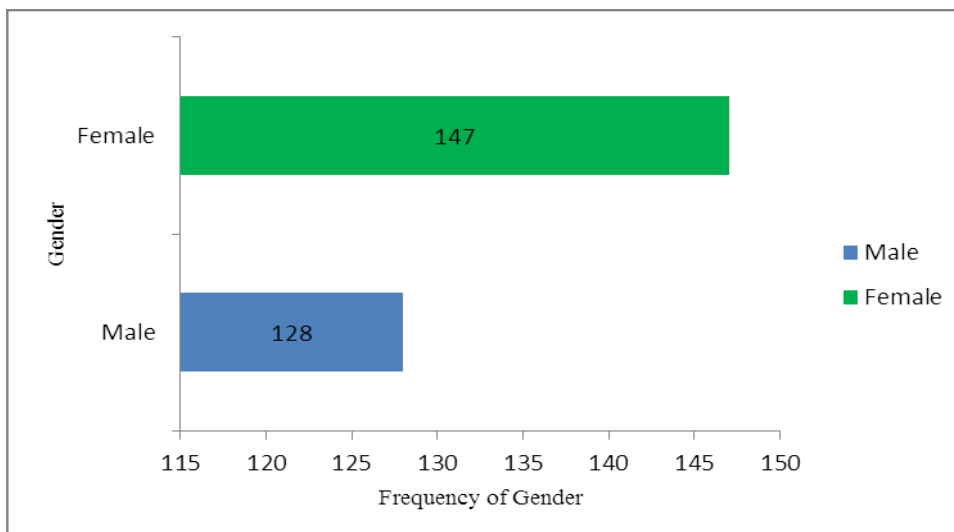


Source: Primary Data

The findings show that majority of the respondents were in the range of 31 – 40 years giving rise to a percentage of 30.7%. They were followed by respondents in the age bracket of 41-50 years and 20-30 years giving rise to 29.9% and 26% respectively. This implies that UN staff Sacco has members and employees who are in their maturity age who understand the benefits of saving.

4.2.1 Gender of the respondents

Figure 2: A bar graph showing the number of respondents by gender



Source: Primary Data

From the above table, majority of the respondents were females representing 53.5% as compared to males representing 46.5%. This implies that there is a female dominance in UNS SACCO.

Table 2: A Table showing Marital status of the respondents

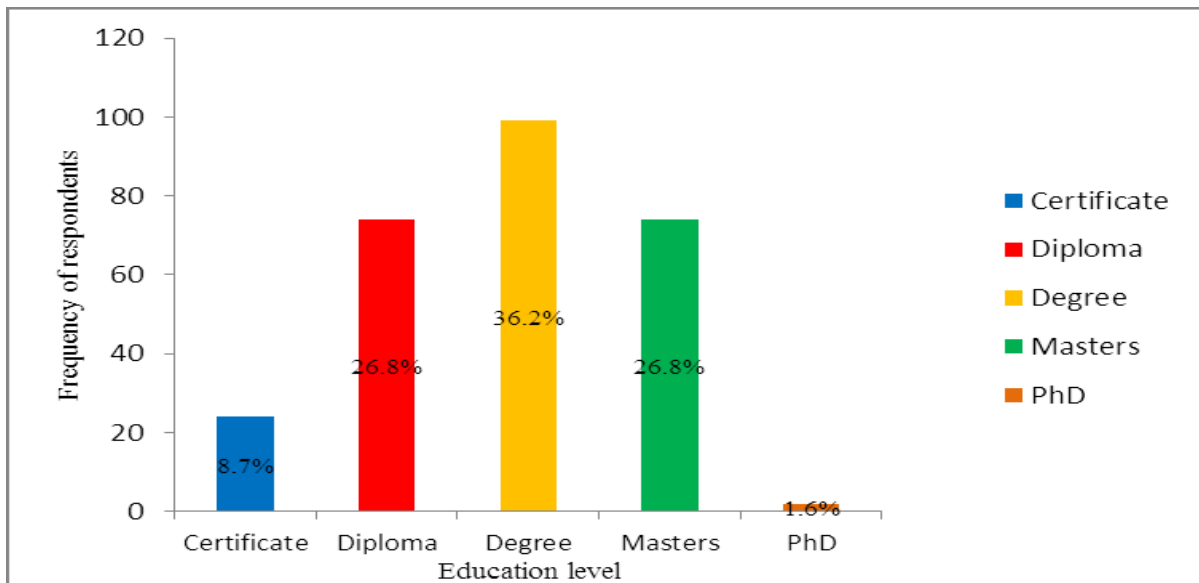
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SINGLE	104	37.8	37.8	37.8
MARRIED	171	62.2	62.2	100.0
Total	275	100.0	100.0	

Source: Primary Data

From the above table, majority of respondents are married representing a percentage of 62.2%. This implies that married ones understand the saving culture and benefits as compared to the unmarried ones

4.2.3 The education level

Figure 3: A bar graph showing the respondents' education level



Source: Primary Data

From the above table, majority of the respondents have Bachelor’s degrees representing 36.2%. This is followed with the respondents with Master’s degrees and diplomas representing 26.8% of the sample. This implies that UNS SACCO has qualified people who understand the benefits of saving.

4.2.4 Position of the Respondent in the Organization

Table 3 : A Table showing Position of the Respondents in the Organization

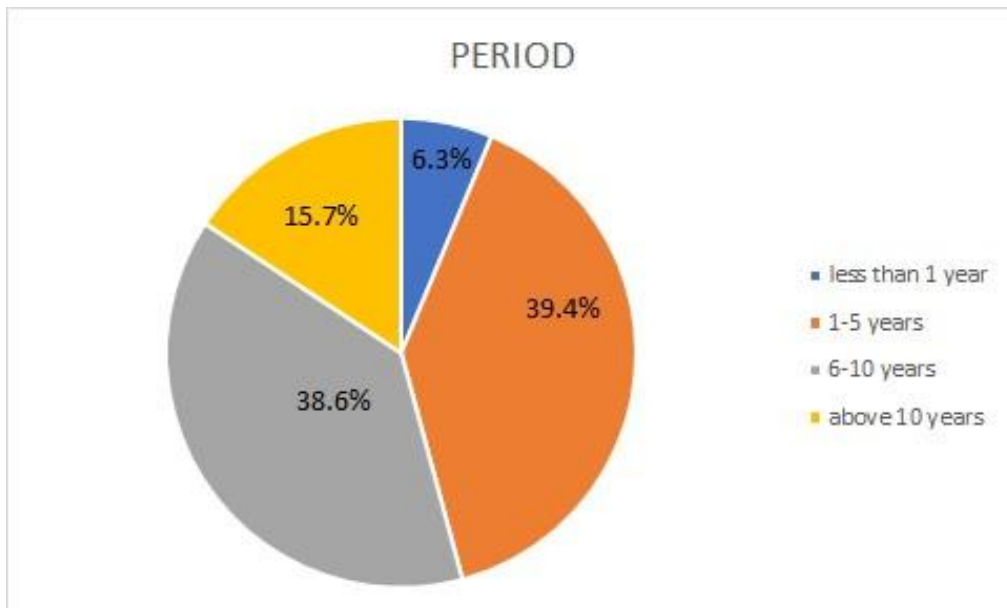
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Executive	9	3.3	3.3	3.3
Staff	10	4.0	4.0	7.3
Sacco member	256	92.7	92.7	100.0
Total	275	100.0	100.0	

Source: Primary Data

From the table above, majority of the respondents are members of the UNS SACCO representing 68.5%. They were followed by staff with a percentage of 26.7%. This implies that all the respondents are well informed of the merits and demerits of the SACCO.

4.2.5 Period spent with the SACCO by the respondents.

Figure 4: A Pie chart showing the period spent with SACCO by the respondents



Source: Primary Data

From table above, it was noted that the respondents in the 1-5 years group dominated the sample (39.4%) while those 6-10 year group comprised the least percentage (38.6%). In addition, respondents in the less than one year and over 10 years brackets comprised 6.3% and 15.7% respectively. This implies that majority could have stayed with the UNS SACCO because of the benefits attributed to it.

4.3 Descriptive statistics

Descriptive statistics with Minimum, Maximum, Mean and standard deviation were used to assess the sustainability of UNS SACCO. The descriptive statistics were made for each objective as follows.

4.3.1 Findings on the rationale of UNS SACCO in Uganda

Table 4: A Table showing findings on the Rationale of UNS SACCO

	N	Minimum	Maximum	Mean	Std. Deviation
SACCOs improve credit accessibility to the poor people	275	1.00	5.00	3.7559	.90603
SACCOs play a big role in poverty reduction	275	1.00	5.00	3.7717	.97744
SACCOs improve financial inclusion	275	1.00	5.00	3.7795	.77576
SACCOs help in the improvement of members' investments	275	1.00	5.00	3.8110	.79415
Members acquire loans at a cheap interest rate	275	1.00	5.00	3.8346	1.02944
SACCOs serve as financial intermediaries	275	1.00	5.00	3.8583	.74242
It enables borrowers to generation income	275	1.00	5.00	3.9291	.91009
SACCOs provide employment opportunities	275	2.00	5.00	3.9449	.83862
SACCOs play an important role in wealth creation	275	2.00	5.00	4.0709	.73658
It helps in Savings mobilization	275	2.00	5.00	4.2520	.60380
Valid N (listwise)	275				

Source: Primary Data

From the above table, respondent strongly agree that UNS SACCO play a big role in as far as savings mobilization is concerned with a mean =4.2520 implying that it has survived because it has helped its members to save money for investment and any obligations. Respondents further agree that UNS SACCO play a big role in as far as wealth creation with a mean of =4.0709, employment opportunities with a mean of 3.9449, act as financial intermediaries with a mean of 3.8583, generation of income with a mean = 3.929, offer cheap interest rates with a mean = 3.8346, improving members investments with = 3.8110, improve financial inclusion with a mean = 3.7795, poverty reduction with a mean = 3.7717, credit accessibility with a mean = 3.7559.

4.3.2 Findings on the factors that have led to the success of UNS SACCO in Uganda

Table 5: A Table showing findings on the Factors that have led to the success of UNS SACCO

	N	Minimum	Maximum	Mean	Std. Deviation
Use of modern technology has contributed to our success	275	1.00	5.00	3.2598	1.02518
Our SACCO culture has contributed to its success	275	1.00	5.00	3.6772	1.05320
There is effective communication at our SACCO	275	1.00	5.00	3.7874	1.05130
Members having a common bond has led to our SACCO success	275	1.00	5.00	3.9764	.93829
Top management support has led to SACCO success	275	2.00	5.00	4.0000	.72375
Our SACCO has a clear vision and mission	275	1.00	5.00	4.0236	.93829
Voluntary member joining of our SACCO has led to its success	275	1.00	5.00	4.0787	.79289
Team commitment at our SACCO has led to its success	275	1.00	5.00	4.2047	.81004
Effective planning and controlling has been important to our success	275	3.00	5.00	4.2756	.57290
Our SACCO conducts member trainings and Annual General meetings	275	2.00	5.00	4.2835	.78576
Valid N (listwise)	275				

Source: Primary Data

Majority of the respondents strongly agree that conducting trainings and General meetings has contributed to the success of UNS SACCO with a mean of 4.2835. Results also show that effective planning and controlling has been important to SACCO's success with a mean =4.2756. Findings further show that the following factors are critical to SACCO's success and they include Team commitment with a mean = 4.2047, voluntary membership with a mean = 4.0787, having a clear vision and mission with a mean of 4.0236, top management support mean = 4.0000, members having a common bond with a mean of 3.9764,

effective communication with a mean of 3.7874, SACCO culture with a mean = 3.6772 and Use of modern technology with a mean of 3.2598.

4.3.3 Findings on the factors that contributed to the sustainability of the UNS SACCO in Uganda

Table 6: A Table showing findings on the Factors that contributed to the sustainability of UNS SACCO

	N	Minimum	Maximum	Mean	Std. Deviation
All the stakeholders should be involved in the SACCO decision making	275	1.00	5.00	3.7165	1.26552
Adequate information about members is needed before advancing them a loan	275	1.00	5.00	3.8661	.95421
Managers need to ensure that resources are available as required	275	2.00	5.00	3.8898	.89290
setting realistic targets lead to SACCO sustainability	275	1.00	5.00	3.9213	1.05112
More time should be dedicated to the SACCO operations by employees	275	1.00	5.00	3.9606	1.11556
proper allocation of resources lead to SACCO sustainability	275	1.00	5.00	3.9685	.89918
Reducing/avoiding of risks leads to SACCO sustainability	275	1.00	5.00	3.9764	.83061
An improvement in prudential financial practices leads to SACCO sustainability	275	2.00	5.00	3.9921	.73997
Sustainability can be achieved through reduction of interests and dividends in difficult times	275	2.00	5.00	4.0000	.84515
Staff development through regular training and workshops can enhance attainment of sustainability	275	2.00	5.00	4.0709	.75783
An improvement in member loyalty leads to SACCO sustainability	275	1.00	5.00	4.0709	.70352
Reduction of operating costs leads to achievement of sustainability	275	1.00	5.00	4.1024	.82457
Reducing the rate of member defection enhances achievement of SACCO sustainability	275	1.00	5.00	4.1102	.65742
Proper monitoring of SACCO activities is essential	275	3.00	5.00	4.1890	.49972

An improvement in its E-Business practices leads to SACCO sustainability	275	2.00	5.00	4.1969	.75634
Strong leadership is needed for SACCO sustainability	275	2.00	5.00	4.2283	.57994
Our SACCOs survival depends on what kind of products we offer	275	2.00	5.00	4.3622	.59986
Valid N (listwise)	275				

Source: Primary Data

Findings from the above, majority of respondents strongly agree that UNS SACCO has survived because of the products it offers to its members with a mean of 4.3622. Results also show that strong leadership has contributed to the sustainability of UNS SACCO with a mean of 4.2283. This implies that strong, visionary leadership is necessary for the sustainability of UNS SACCO. Results further show that an improvement in its E- Business practices leads to UNS SACCO sustainability with a mean of 4.1969. Findings further show that; proper monitoring of UNS SACCO activities, reducing the rate of member defection enhances achievement of UNS SACCO sustainability with a mean of 4.1102, Reduction of operating costs leads to achievement of sustainability with a mean of 4.1024, An improvement in member loyalty and Staff development through regular training and workshops can enhance attainment of sustainability with a mean of 4.0709. More still, findings show that reduction of interest rates and dividends has led to UNS SACCO sustainability with a mean of 4.000. This implies that members get a relief on interest rates as well as the SACCO on dividends when there are hard times.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter covers discussion of findings, conclusion, recommendation and areas of further study.

5.1 Discussion of Findings

5.1.1 Findings on the Rationale of UNS SACCO

Results show that UNS SACCO plays a big role in as far as savings mobilization is concerned. This is in line with Adekunle and Henson (2007) who noted that cooperatives encourage their members to form the habit of saving without being extravagant. It mobilizes savings, pools available resources from the members and utilizes the same in the best possible manner and shares the benefits among members.

Findings show that UNS SACCO has contributed to wealth creation. This is because it has been able to mobilize savings from members for investment, as insurance against bad health, disability and other emergencies, investments, social and religious obligations, and future consumption. This is consistent with Yusuf and Adedayo (2004) who noted that SACCO's have helped members to mobilize resources for wealth creation. They also show that UNS SACCO has contributed to employment opportunities. This is in line with Hertig and Elena, (2008) who argued that various cooperatives such as the agricultural, thrift and credit, producers", consumers" and multipurpose cooperatives have provided employment to many people across the world. Results show that UNS SACCO acts as a financial intermediary. It is achieved by enhancing mobilization of savings and providing loans to its clientele.

Results show that UNS SACCO has helped members in generation of income with a mean = 3.929. This is consistent with Yusuf and Adedayo (2004) who maintained that cooperatives help to improve members' incomes through various activities aimed at securing better prices for any product they purchase on behalf of members, low input costs, strengthening of bargaining power, gaining greater control of market channels and thus offering a better chance to be profitable.

Results show that UNS SACCO offers cheap interest rates. This is in line with Venas news Mar 20, 2016 that stated that SACCOs are becoming the choice of many Kenyans because they provide cheap loans on top of enabling individuals to own them in form of shares and also investments in real estate. Interest charged on loans is by far lower than what banks charge.

Findings show that UNS SACCO has helped in improving members investments. This is in line with Mumanyi, (2014) who highlighted on the several contributions posed by the SACCOs to the economy as follows; identifying gaps in the poverty reduction strategic programs. SACCOs provide means to which communities resorted to in fighting poverty, Capacity building among members themselves through advocacy of participation, improving literacy, information sharing.

Findings show that UNS SACCO improves financial inclusion. This is consistent with Kerosi, Iyikirenga, Msaki (2014) who noted that SACCO's act as a tool for financial inclusion in Rwanda.

Findings further show that UNS SACCO has contributed to poverty reduction with a mean = 3.7717. This finding is in line with Birchall (2008) who argued that cooperatives are widely seen to have potential impact on development and poverty reduction. DFID (2010)

further noted that cooperatives make an important contribution to sustained economic growth by making markets function better for poor people.

Findings show that UNS SACCO was formed to help members easily access credit. This is consistent with (Azeez, 2011), who noted that the staff cooperatives in most organizations are formed to bridge this gap and help members have access to credit, which enable them to acquire the basic necessities of life and to improve their standard of living.

5.1.2 Findings on the factors that have led to the success of UNS SACCO in Uganda

Findings show that conducting trainings and General meetings has contributed to the success of UNS SACCO. Cooperative societies also require well trained staffs who understand their role effectively so as to facilitate and enhance the already achieved growth. This is consistent with (Mudibo, 2009) who supported it that elected members are not good managers and thus should be trained to acquire more skills.

Results also show that effective planning and controlling has been important to SACCO's success with a mean =4.2756. This finding is consistent with (Yetton et al., 2000; Jun et al., 2011) who observed that poor planning is likely to be associated with inefficiencies in SACCO performance.

Findings further show that team commitment with a mean = 4.2047 is critical to UNS SACCO success. This is in line with (Meyer and Allen, 1997) who noted that team Commitment is necessary for SACCO success. According to Meyer and Allen, team

Commitment is the willingness by a team to devote energy and loyalty to a SACCO and can be as expressed in three forms: affective, continuance and normative Affective commitment is a team's emotional attachment with the SACCO. Continuance commitment refers to the

teams recognition of the benefits of continued association with the SACCO compared to the perceived cost of leaving the SACCO. Normative commitment refers to the team's feeling of obligation to remain in the SACCO. All these three forms of commitment affect the team members' willingness to remain with a SACCO and their work-related behavior. This was further supported by Wan and Wang (2010) who found significant positive relationships between team commitment and organization success.

Findings show that UNS SACCO had succeeded because of voluntary membership. Cooperatives are voluntary organizations; open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, political, racial, or religious discrimination." This is in agreement with (Osterberg & Nilson, 2009) who noted that voluntary membership increases member participation and this is what creates differences cooperatives from other business organizations.

Results further show that having a clear vision and mission has contributed to SACCO success. This finding is consistent with Jung et al. (2008) who found that clear Vision & Mission directly impacted on the continuous success of SACCOs. Similarly, Nah and Delgado (2006) found clear business plans and vision that were well aligned with SACCO objectives led to SACCO success.

Finding further show that top management support has contributed greatly to the success of UNS SACCO. This is because top leadership support is widely described as one of the key drivers of SACCO success. Lack of leadership, and specifically by the top management of the organization, has been identified as one of the major barriers to better performance (Hrebiniak, 2005). Sheffield and Lemétayer (2013) and Strode et al. (2009) found that LC positively influences agile software development project success. Similarly, Wan and Wang (2010) indicate that top level leadership which supports SACCO

culture with a clear vision for education and training significantly and positively impact SACCO success.

Findings further show effective communication has contributed to the success of UNS SACCO with a mean of 3.7874. This is in agreement with Bourne (2009) who noted that effective stakeholder communication creates, shapes, maintains relationships and endorses mutual understanding between SACCO members. It is therefore important to communicate the right information in the right way to the specific members in mind. This will help them feel that their views are listened to and acted upon. Effective communication is essential for maintaining the support and commitment of all members (Briner et al. 1996). Effective, regular, and planned communication with all members of the project is necessary for stakeholder management (Briner et al. 1996; Cleland 1995) and this creates a positive culture change within the overall SACCO.

Findings further show SACCO culture has contributed to its success with a mean = 3.6772. This is in agreement with different scholars like (Misra et al., 2009; Sheffield and Lemétayer, 2013) who suggest that Organizational Culture, in particular risk taking attitude, has a positive effect on the extent to which SACCOs succeed. However, some conflicting results have been reported about the effect of SACCO Organizational Culture on its success. For instance, Chow and Cao (2008) did not find a significant effect of agile OC on the perceived SACCO success. A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement.

Findings reveal that the use of modern technology has contributed immensely to its sustainability this is in agreement with Umbleet al. (2003) who noted that modern business organizations have embraced use of Information Technology (IT) in order to improve their

competitiveness, efficiency, customer service and performance. The Co-operative sector being a major player in our economy cannot be left behind in utilizing the technology for enhanced growth. The use of IT has improved the operations of UNS SACCO and this has contributed to its success.

5.1.3 Findings on the factors that contributed to the sustainability of UNS SACCO in Uganda

Findings show that SACCO has survived because of the products it offers to its members. This finding is in agreement with (Brown & Eisenhardt, 2009) who noted that introducing new products to the market is an important way by which organizations adapt or respond to increasing global competition, rapidly changing customer demands, technological advancements, and shorter product life cycles. Developing new products is of the highest importance for the survival of firms. This not only refers to really new products, but firms also need to invest in modifying their existing products. Small and medium-sized companies such as SACCOs are no exception to this rule.

Results also show that strong leadership has contributed to the sustainability of SACCO. This implies that strong, visionary leadership is necessary for the sustainability of SACCOs. Leadership plays an important role in influencing direction of an organization. This is in agreement with (Fulton, 2001) who noted that Leaders are meant to initiate, promote and defend the policies by which the organization operates. It is also in line with (Banaszak & Beckman 2006) who noted that competent leadership encourages members to make decisions based on their values and it should be able to balance the internal and external tensions in order to create enduring groups.

Results further show that an improvement in its E-Business practices leads to SACCO sustainability with a mean of 4.1969. This result is in line with Chidambaram, and

Alagappan (2006), technological changes affect production methods, processes and the way of doing business. Information technology enables a firm achieve its objectives or threaten the existence of the firm. A firm which is not able to cope with changing technology may not survive.

Findings further show that proper monitoring of SACCO activities has contributed to the survival of the SACCO .UNS SACCO has been constantly monitored to find out whether it complies with the Cooperative Act, their own internal Bylaws and internal documents like business plans and Budgets. Such constant monitoring can lead to improvements in management practices of the SACCOs on savings mobilization. This finding is in line with Cheruiyot, 2012 who noted that SACCOs need to be monitored to ensure that they are complaint to the guiding laws.

Reducing the rate of member defection enhances achievement of SACCO sustainability with a mean of 4.1102,

Reduction of operating costs leads to achievement of sustainability with a mean of 4.1024,

Results show that members' loyalty and Staff development through regular training and workshops enhances attainment of sustainability. This is in line with Osterberg & Nilson (2009) who significant higher member disloyalty, when members were dissatisfied with their cooperative"s management. More so, Borgen (2001) reported that a member is seen to be more loyal to decisions in which s/he has participated actively, rather than decisions which were forced on him/her.

More still, findings show that reduction of interest rates and dividends has led to UNS SACCO sustainability with a mean of 4.000. This implies that members get a relief on interest rates as well as the SACCO on dividends when there are hard times.

Findings also reveal that efficient member communication has contributed to sustainability. Communication involves the transmission of information through different means. An efficient communication process would encourage member participation and ensure the members are aware of what is going on in the cooperative and they feel they are part of the organization. This is in line with (Poulton Kydd & Dorward, 2006).who noted that an efficient communication process enhances understandability, leadership accountability and thus a strong cooperative.

5.2 Conclusions

Basing on the above findings,

UNS SACCO has played an important role in the development of Uganda. It has been recognized as an important mechanism for supporting wealth generation by providing financial services to the members. It has promoted saving mobilization, offered loans at cheap interest rates, created employment opportunities, acted as financial intermediaries, improved members investments, improved financial inclusion and poverty reduction. Many people in Uganda including UN staff members had been excluded from the main banking system and this SACCO's was formed to bridge the gap.

UNS SACCO further has succeeded because of it has been able to conduct trainings and General meetings of its staff. Effective planning and controlling has been important to SACCOs' success and team commitment. Voluntary membership has contributed much simply because members join it willingly. It has also succeeded because it has a clear vision and mission. This is very important because these provide direction to the SACCO. Top management support has also contributed a lot simply because it encourages members to make decisions based on their values and it should be able to balance the internal and external tensions. Members of UNS SACCO have a common bond which has increased on

the Unity among members. Effective communication has been identified as key to success of UNS SACCO. This has lessened the burden of passing on information to the members to foster an understanding. Finally the Use of modern technology has contributed greatly to SACCO success since it offers many opportunities such as knowledge diffusion and sharing.

Sustainability of UNS SACCO has been influenced by many factors and they include; the products it offers to its members, strong leadership since strong, visionary leadership provide direction. An improvement in its E-Business practices, proper monitoring of SACCO activities, reduction the rate of member, reduction of operating costs an improvement in member loyalty and Staff development through regular training and workshops, reduction of interest rates and dividends have all contributed to the UNS SACCO sustainability.

5.3 Recommendations

SACCO's operations should include educating the borrowers and disseminating necessary information at a right time to its members.

SACCO officials should concentrate more on credit supervision and they must frequently visit their borrowers to improve loan repayment by highlighting the early warning signals for non-repayment in due course and the consequences

SACCOs should adopt a dynamic and aggressive policy to encourage member savings by enhancing public confidence in the SACCOs, providing cost-effective schemes for small depositors and more importantly, they must be seen by the public to be concerned not only with balancing their books but also, with promoting members' welfare and prosperity.

5.4 Areas for further study and Limitations of the study

Future studies should be carried out on the challenges SACCOs face in Uganda.

The quantitative research design that was adopted has a challenge of generalizing the findings to the sampled population at the time of the survey.

Future studies should concentrate on other SACCOs that have achieved sustainability for comparison purposes.

Cross sectional research design adopted has a challenge of not providing results over a long period of time. Future studies should take a longitudinal design.

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APPENDICES

Appendix 1. Questionnaire

Dear respondent,

This study is about sustainability of United Nations staff SACCO's in Uganda. You have been identified to participate in this study and i therefore request you kindly that you spare a few minutes of your busy schedules to fill this questionnaire. You are kindly requested to provide responses to all statements. The study is purely an academic research leading to the award of Master of Business Administration of Makerere University. Your honest and sincere responses are highly appreciated and shall be treated with utmost confidentiality.

Section: A. Demographic Characteristics (Kindly tick the appropriate box)

a) Age:

Below 20	20-30	31-40	41-50	51-60

b) Gender

Male	Female

c) Marital status

Single	Married	Divorced/Separated	Widowed

d) Level of formal education

Diploma	Bachelor's Degree	Masters	PHD

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e) Position held:

Executive	Staff	Member

f) Period spent with the SACCO:

less than one year	1-5 years	6-10 years	Above 10 years

SECTION B: The rationale of SACCO's in Uganda

Guidelines: The table below shows alternative responses; evaluate each statement and tick in the appropriate box basing on the following scale to what extent do you agree or disagree with the statements below.

I strongly disagree	I disagree	I am not sure	I agree	I strongly agree
1	2	3	4	5

1	SACCOS serve as financial intermediaries	1	2	3	4	5
2	SACCOs improve credit accessibility to the poor people	1	2	3	4	5
3	It helps in Savings mobilization	1	2	3	4	5
4	SACCOs play an important role in wealth creation	1	2	3	4	5
5	SACCO's play a big role in poverty reduction	1	2	3	4	5

6	SACCO"s provide employment opportunities	1	2	3	4	5
7	SACCO"s help in the improvement of member's investments	1	2	3	4	5
8	SACCO"s improve financial inclusion	1	2	3	4	5
9	It enables borrowers to generate income	1	2	3	4	5
10	Members acquire loans at a cheap interest rate	1	2	3	4	5

Section C: Factors for the success of SACCO's in Uganda

1	Use of modern technology has contributed to our success	1	2	3	4	5
2	Top management support has led to SACCO success	1	2	3	4	5
3	Effective planning and controlling has been important to our Success	1	2	3	4	5
4	Our SACCO has a clear vision and mission	1	2	3	4	5
5	Our SACCO has effective leadership	1	2	3	4	5
6	There is effective communication at our SACCO	1	2	3	4	5
7	Team commitment at our SACCO has led to its success	1	2	3	4	5
8	Our SACCO culture has contributed to its success	1	2	3	4	5
9	Members having a common bond has led to our SACCO success	1	2	3	4	5
10	Voluntary member joining of our SACCO has led to its success	1	2	3	4	5

Section E: factors that contribute to the sustainability of the SACCOs in Uganda

1	proper allocation of resources lead to SACCO sustainability	1	2	3	4	5
2	setting realistic targets lead to SACCO sustainability	1	2	3	4	5
3	Reduction of operating costs leads to achievement of	1	2	3	4	5
	Sustainability					

4	More time should be dedicated to the SACCO operations by Employees	1	2	3	4	5
5	All the stakeholders should be involved in the SACCO decision Making	1	2	3	4	5
6	Adequate information about members is needed before advancing them a loan	1	2	3	4	5
7	Managers need to ensure that resources are available as required	1	2	3	4	5
8	An improvement in prudential financial practices leads to SACCO Sustainability	1	2	3	4	5
9	Reducing/avoiding of risks leads to SACCO sustainability	1	2	3	4	5
10	Proper monitoring of project activities is essential	1	2	3	4	5
11	Sustainability can be achieved through reduction of interests and dividends in difficult times	1	2	3	4	5
12	An improvement in its E-Business practices leads to SACCO Sustainability	1	2	3	4	5
13	Staff development through regular training and workshops can enhance attainment of sustainability	1	2	3	4	5
14	An improvement in member loyalty leads to SACCO Sustainability	1	2	3	4	5
15	Reducing the rate of member defection enhances achievement of SACCO sustainability	1	2	3	4	5
16	Strong leadership is needed for SACCO sustainability	1	2	3	4	5
17	Our SACCOs survival depends on what kind of products we offer					

**Thank you for your
time**