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**THE EFFECT OF SACCO MEMBERS' BEHAVIOUR ON FINANCIAL
PERFORMANCE OF MUKUJU SACCO, TORORO DISTRICT**

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ABSTRACT

The study investigated the effect of SACCO members' behavior on financial performance of Mukuju SACCO, Tororo District. Specifically, the study examined the relationship between SACCO members' Savings behavior, the SACCO members' investment behavior, and SACCO members' repayment behavior and financial performance of Mukuju SACCO. The study adopted a correlation research design with both qualitative and quantitative approaches in which structured questionnaires and face to face interviews were used to collect data from 188 respondents that were selected using both census and stratified random sampling. (i) It was found that there was a statistically significant relationship between SACCO Members' savings behavior and financial performance of Mukuju SACCO ($r=.204$, $p = .005$) (ii) It was also found that there was a statistically significant relationship between members investment behavior and financial performance of Mukuju SACCO ($r=.289$, $p= 000$). And, (iii) the study however found an insignificant relationship between SACCO members' repayment behavior and financial performance of Mukuju SACCO ($r=0.104$, $p=0.156$). The study therefore concluded that SACCO members' savings behavior and investment behavior significantly influences the SACCO's financial performance but there was a weak contribution from the repayment behavior since it had a weak positive correlation. From the above conclusions, the study recommended that: (i) management of Mukuju SACCO ought to draft and implement strategies intended at maintaining the current savings behavior as it is significantly influencing the overall financial performance of the SACCO. (ii) The study also recommended that the management of Mukuju SACCO ought to ease on the procedure for granting credit to borrowers as members have portrayed commendable behavior in regards to investment. (iii) The study further recommended that the SACCO managers' competence ought to be enhanced through training them in new standards, microfinance best practices and quality reporting systems such as the use of Performance Monitoring Tools (PMT) so as to improve the repayment ability of clients as repayments play a critical role in the overall financial performance of the SACCO. Since the study only aimed at examining the effect of SACCO members' behavior on the financial performance of Mukuju SACCO, it left a series of issues including Internal conditions, Administrative efficiency, Economic environment, and Political atmosphere of the SACCO members unstudied hence fronting them as areas for further study.