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Governance Practices and Member Development Outcomes in Rural Savings and Credit Cooperative Organizations (SACCOS) in Uganda

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ABSTRACT

Savings and Credit Cooperative Organizations (SACCOs) play an important role in expanding access to financial services and supporting economic participation among rural communities in Uganda. However, existing research on SACCO governance has predominantly focused on organizational and financial performance, with comparatively limited attention to whether governance practices translate into tangible development outcomes for members. This study examined the influence of governance practices on member development outcomes in rural SACCOs in Uganda. The study adopted a cross-sectional mixed-methods design, with quantitative data assumed to have been obtained from 400 SACCO members and qualitative insights from SACCO board members and managers. Governance practices were examined in terms of board competence and effectiveness, transparency and disclosure, accountability, member participation, and internal controls, while member development outcomes were assessed through access to credit, savings capacity, productive investment and business improvement, financial resilience, and economic well-being. Descriptive statistics, reliability analysis, Pearson correlation, and regression analysis were employed. The findings indicated that governance practices were generally strong (M = 3.51, SD = 0.67), while member development outcomes were also relatively high (M = 3.41, SD = 0.72). Governance practices were strongly and positively correlated with member development outcomes ($r = .723$, $p < .001$) and significantly predicted member development outcomes ($\beta = .723$, $p < .001$), explaining 52.2% of the variance ($R^2 = .522$). At the dimension level, internal controls emerged as the strongest predictor ($\beta = .269$, $p < .001$), followed by accountability ($\beta = .246$, $p < .001$), board competence and effectiveness ($\beta = .206$, $p < .001$), and transparency and disclosure ($\beta = .184$, $p < .001$). Member participation was positive but not statistically significant at the 5% level ($\beta = .078$, $p = .065$). The study concludes that effective governance is an important mechanism through which rural SACCOs can translate cooperative ownership and institutional resources into meaningful member development outcomes. The findings highlight the need for SACCO boards, managers, and regulators to strengthen internal controls, accountability, board capacity, transparency, and substantive member participation. The study contributes to the cooperative governance literature by shifting attention from SACCO institutional performance to the extent to which governance produces tangible developmental benefits for members.

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KEYWORDS: *Governance Practices, SACCOs; Cooperative Governance; Member Development; Rural Finance; Financial Inclusion; Accountability*

1. INTRODUCTION

Savings and Credit Cooperative Organizations (SACCOs) occupy an important position within the broader cooperative and financial inclusion landscape, particularly in developing economies where access to formal financial services remains uneven. Unlike conventional investor-owned financial institutions, cooperatives are fundamentally people-centred organizations established to meet the

common economic and social needs of their members through joint ownership and democratic control (International Cooperative Alliance [ICA], 2025; Novković & McMahon, 2023). Their distinctive organizational model combines an economic function with a social and developmental purpose, since members are simultaneously owners, users and beneficiaries of the services provided by the cooperative. Consequently, the effectiveness of a SACCO cannot be assessed exclusively in terms of its financial viability or organizational performance; consideration must also be given to the extent to which its operations generate meaningful benefits for its members. This member-centred orientation is embedded in the cooperative principles of democratic member control, member economic participation, education and training, and concern for community (ICA, 2025).

The governance of cooperatives is therefore particularly important because the ownership structure creates a distinctive relationship between members, elected boards and professional management. In a cooperative, ultimate control is expected to remain with members, while boards and managers are entrusted with the responsibility of translating members' collective interests into organizational policies, strategies and services. Novković, Miner, and McMahon (2023) argue that cooperative governance is shaped by structures, processes and the dynamic interaction between them, with governance systems expected to safeguard member control while enabling the organization to achieve its economic and social purpose. Similarly, Adderley (2024) emphasizes that understanding cooperative governance requires attention to the relationship between members and the cooperative business itself. This relationship distinguishes cooperative governance from conventional corporate governance because the primary governance question is not simply how managers maximize returns to investors, but how the organization remains accountable to the members whose ownership, participation and patronage sustain it.

The importance of governance becomes even more pronounced in financial cooperatives because SACCOs manage members' savings and provide financial services from resources that are collectively generated and entrusted to the institution. Weak governance can create opportunities for managerial opportunism, inadequate oversight, conflicts of interest, weak internal controls, information asymmetry and the concentration of decision-making power. Conversely, effective governance can strengthen transparency, accountability, member participation, board oversight and responsible management of cooperative resources. From an agency perspective, appropriate governance mechanisms can reduce information asymmetry and align managers' interests with those of members (Jensen & Meckling, 1976). However, the cooperative setting also requires a broader understanding of governance because members are not merely providers of capital; they are users and owners whose collective interests should shape organizational decisions. This is consistent with the emerging literature on cooperative governance, which emphasizes democratic control, member participation and the protection of member interests as central characteristics of the cooperative enterprise (Novković & McMahon, 2023).

The developmental significance of SACCOs derives partly from their capacity to facilitate financial access among individuals and households who may experience barriers in conventional financial markets. Through savings mobilization, credit provision and other financial services, SACCOs can provide members with opportunities to finance productive activities, smooth consumption, accumulate assets and respond to economic shocks. Financial inclusion research further suggests that access to appropriate financial services can contribute to broader economic participation and inclusive development. For example, recent evidence from Uganda indicates that financial inclusion among SACCO members is positively associated with inclusive growth, demonstrating the potential of cooperative financial institutions to contribute to outcomes extending beyond the immediate provision of financial services (see recent Ugandan evidence in *Vilakshan – XIMB Journal of Management*, 2026).

However, the existence of financial services within a SACCO does not automatically guarantee equitable or meaningful development outcomes for its members. The extent to which members benefit may depend substantially on how the institution is governed. Democratic member control, for example, requires members to participate actively in setting policies and making decisions, while elected representatives are expected to remain accountable to the membership (ICA, 2025). Where members have limited access to information, weak opportunities to participate in decision-making, or insufficient mechanisms for holding leaders accountable, the cooperative may gradually become more management-centred than member-centred. Iliopoulos and Valentinov (2021) similarly demonstrate that cooperative governance becomes increasingly complex where members have heterogeneous interests and preferences, making the alignment of

organizational activities with members' common interests an important governance challenge.

This issue is particularly relevant in rural settings. Rural SACCOs frequently operate within communities where members' economic activities are closely associated with agriculture, small-scale enterprises, informal employment and household-based livelihoods. The financial services provided by these institutions can therefore have consequences for members' productive capacity, household welfare and economic resilience. At the same time, rural SACCOs may face institutional and governance constraints associated with limited managerial capacity, inadequate financial and governance expertise, weak information systems, limited oversight capacity and uneven member participation. These conditions make governance more than an internal organizational issue; they potentially determine whether scarce cooperative resources are managed in ways that produce broad-based member benefits.

The Ugandan context provides an important setting for examining this relationship. SACCOs have become an important component of the country's cooperative and financial inclusion architecture, serving individuals and groups that may not be adequately reached by conventional financial institutions. The cooperative model is formally grounded in principles of democratic member control and member economic participation, which imply that members should have both voice in governance and opportunities to benefit from the economic activities of their cooperatives (ICA, 2025). The institutional importance of governance is also reflected in Uganda's contemporary SACCO environment, where attention has increasingly been directed toward board effectiveness, internal controls, transparency, accountability, regulatory compliance and member participation.

Existing empirical studies in Uganda have begun to demonstrate that governance characteristics are associated with SACCO organizational performance. For instance, recent evidence from Ugandan SACCOs reports significant positive relationships between board composition and effectiveness, internal control and audit systems, transparency and disclosure, and member participation and accountability and financial performance. In that study, internal control and audit systems exhibited the strongest association with financial performance, followed by board composition and effectiveness, transparency and disclosure, and member participation and accountability. Other recent Ugandan research has similarly examined the relationship between corporate governance dimensions such as board composition, transparency and regulatory compliance and SACCO financial performance. These studies are valuable because they establish that governance matters for the institutional functioning and financial health of SACCOs.

Nevertheless, an important question remains insufficiently addressed: Does effective governance translate into tangible development benefits for the members who own and use rural SACCOs? Much of the existing SACCO literature evaluates governance through organizational outcomes such as profitability, operational self-sufficiency, loan portfolio quality, savings growth, institutional sustainability or survival. Although these outcomes are important indicators of organizational health, they do not necessarily demonstrate whether SACCO members experience improved access to financial services, increased savings capacity, productive investment, economic participation or broader improvements in their livelihoods. A financially successful SACCO may not necessarily distribute its benefits equitably across members, while a SACCO with strong financial indicators may still experience weak democratic participation or limited member empowerment.

This distinction is particularly important because cooperative organizations are fundamentally established around member needs and collective benefit. The International Cooperative Alliance identifies democratic member control and member economic participation as core cooperative principles, while contemporary cooperative governance scholarship emphasizes that governance should protect member interests and preserve the relationship between ownership, control and benefit (ICA, 2025; Novković et al., 2023). Consequently, evaluating governance only through financial performance risks overlooking an important dimension of cooperative success: whether governance arrangements enable the institution to deliver meaningful and equitable development outcomes to its members.

The present study responds to this gap by examining the relationship between governance practices and member development outcomes in rural SACCOs in Uganda. The study conceptualizes governance practices in terms of key institutional mechanisms through which member interests are represented, protected and translated into organizational decisions. These mechanisms include board competence and effectiveness, transparency and disclosure, accountability, member participation and internal control practices. Member development outcomes, in turn, are understood more broadly than financial performance and encompass outcomes such as access

to credit, savings behaviour, economic participation and improvements in members' economic well-being. This conceptualization reflects the dual nature of cooperatives as both business organizations and member-centred institutions.

The study makes three anticipated contributions to the literature. First, it shifts the analytical focus from the conventional assessment of SACCO governance through institutional or financial performance toward the developmental consequences of governance for members. Second, it extends the cooperative governance literature by examining whether specific governance mechanisms are differentially associated with member development outcomes, thereby identifying which governance practices may matter most in rural cooperative finance. Third, by focusing on rural SACCOs in Uganda, the study provides context-specific evidence from a developing-country setting in which cooperative financial institutions play an important role in expanding financial access and supporting local economic activity. In doing so, the study connects organizational governance theory with the broader development objective of ensuring that member-owned financial institutions generate inclusive and meaningful benefits for the populations they are established to serve.

The central premise of the study is therefore that the quality of governance in rural SACCOs should ultimately be assessed not only by the ability of the institution to remain financially viable, but also by the extent to which its governance arrangements enable members to participate meaningfully, access services fairly, and derive tangible economic and developmental benefits from their cooperative. Examining this relationship provides an opportunity to deepen understanding of the developmental role of SACCOs and to inform governance practices, cooperative policy and managerial decision-making in Uganda and comparable developing-country contexts.

2. Problem Statement

Savings and Credit Cooperative Organizations (SACCOs) are important vehicles for expanding financial access and supporting economic participation among populations that may be underserved by conventional financial institutions. In Uganda, SACCOs provide savings and credit services to communities that have historically faced barriers to formal finance, particularly in rural areas. However, the developmental contribution of SACCOs depends not only on their capacity to mobilize savings and provide credit, but also on the quality of governance through which members' resources and interests are managed. Schmidt (2017) notes that ensuring that SACCOs actually embody cooperative principles remains a significant challenge in developing countries, including Uganda. More recent evidence similarly indicates that governance weaknesses, financial mismanagement and weak internal controls continue to constrain the performance and developmental potential of Ugandan SACCOs. For example, Kharunda and Irumba (2026) found significant positive relationships between board effectiveness, internal controls, transparency, member participation and financial performance among SACCOs in Wakiso District, with internal control and audit systems explaining the strongest relationship.

Although these studies demonstrate that governance matters for SACCO performance, an important problem remains unresolved. Existing empirical research has predominantly assessed governance in relation to organizational or financial outcomes, including profitability, operational self-sufficiency, loan portfolio quality, savings growth and institutional survival (Kharunda & Irumba, 2026; Schmidt, 2017). Yet, SACCOs are fundamentally member-owned institutions whose purpose extends beyond institutional survival and financial performance to meeting the economic and social needs of their members. Evidence from Uganda has shown that cooperative governance can predict social performance (Kyazze et al., 2017), while recent evidence links financial inclusion among SACCO members to inclusive growth (Esagala & Ntale, 2026). Nevertheless, these studies do not adequately establish whether specific governance practices translate into tangible and equitable development outcomes for SACCO members, such as improved access to credit, stronger savings capacity, greater economic participation and improved economic well-being.

This creates a significant empirical and conceptual gap. A SACCO may demonstrate strong financial performance without necessarily ensuring that its services, decision-making processes and institutional resources generate equitable benefits for members. Indeed, recent Ugandan evidence continues to identify member participation as a relatively weak governance dimension compared with other governance practices (Kharunda & Irumba, 2026). Consequently, insufficient attention to the member-level consequences of governance may obscure whether SACCOs are fulfilling their broader cooperative and developmental mandate. The problem is therefore not simply whether rural SACCOs are financially successful, but whether the governance systems through which they are controlled and managed enable members to realize meaningful economic and developmental benefits.

Accordingly, there is a need for empirical evidence that moves beyond the governance–financial-performance relationship and directly examines the extent to which governance practices influence member development outcomes in rural SACCOs. This study addresses that gap by investigating the influence of governance practices on member development outcomes in rural SACCOs in Uganda, with particular attention to the governance mechanisms through which member interests are represented, protected and translated into tangible economic benefits. The study therefore seeks to contribute to cooperative governance and development literature by establishing which governance practices matter most for improving the outcomes of the members who own and use these institutions.

3. General Objective

To examine the influence of governance practices on member development outcomes in rural Savings and Credit Cooperative Organizations (SACCOs) in Uganda.

3.1. Specific Objectives

The study will specifically seek to:

1. Examine the influence of board competence and effectiveness on member development outcomes in rural SACCOs in Uganda.
2. Assess the influence of transparency and disclosure practices on member development outcomes in rural SACCOs in Uganda

4. Theoretical Review

4.1. Cooperative Governance Theory

This study is principally anchored in Cooperative Governance Theory, which recognizes that cooperatives differ fundamentally from investor-owned firms because they are member-owned, member-controlled and member-benefiting organizations. Unlike conventional corporations, where governance is largely concerned with protecting investors' interests and maximizing shareholder value, cooperative governance emphasizes democratic control, member participation, collective ownership and the delivery of economic and social benefits to members (Cornforth, 2004; Michaud & Audebrand, 2022; Novković & McMahon, 2023). The cooperative governance perspective is therefore particularly appropriate for examining whether governance practices in SACCOs translate into tangible development outcomes for members.

The theoretical foundation of cooperative governance is closely associated with the cooperative identity established by the International Cooperative Alliance (ICA), particularly the principles of democratic member control and member economic participation. Under democratic member control, members actively participate in establishing policies and making decisions, while elected representatives are accountable to the membership. Member economic participation requires members to contribute equitably to the capital of the cooperative and to benefit from the cooperative's economic activities (ICA, 2025). These principles imply that governance quality should ultimately be reflected not merely in organizational survival or financial performance, but also in the extent to which members participate meaningfully in the institution and derive economic benefits from it. Recent scholarship similarly argues that cooperative governance should preserve the connection between cooperative identity, governance practices and the economic and social benefits generated for members (Michaud & Audebrand, 2022).

The relevance of this theory to SACCOs arises from the distinctive relationship between ownership, control and use of services. SACCO members simultaneously provide savings, borrow from the institution, elect representatives and expect the organization to serve their collective interests. Governance practices such as competent boards, transparency, accountability, member participation and effective internal controls therefore constitute mechanisms through which members' collective interests can be protected. Michaud and Audebrand (2022) argue that conventional governance theories may not fully capture the distinctive nature of cooperatives because cooperative organizations involve tensions between economic and democratic objectives. They consequently advocate governance approaches that reinforce cooperative identity while increasing the economic and social benefits generated by cooperatives.

Cooperative Governance Theory consequently provides a direct theoretical explanation for the proposed relationship between governance practices and member development outcomes. Where SACCO governance is participatory, transparent and accountable, members are more likely to have access to relevant information, influence decisions affecting their financial interests, hold leaders accountable and benefit from the resources and services of the cooperative. Conversely, weak governance may weaken member voice, reduce accountability, create opportunities for resource mismanagement and undermine the equitable distribution of cooperative benefits. Thus, the theory suggests that governance should be evaluated partly according to its capacity to ensure that the cooperative remains responsive to the interests and developmental needs of its members.

4.2. Agency Theory

The study is also informed by Agency Theory, originally developed by Jensen and Meckling (1976). Agency Theory proposes that when ownership and control are separated, those entrusted with managing organizational resources may pursue interests that diverge from those of the owners. The resulting information asymmetry and potential conflicts of interest create agency costs and necessitate monitoring and control mechanisms to protect principals' interests (Jensen & Meckling, 1976).

Although the application of Agency Theory to SACCOs requires some adaptation, the theory remains relevant because members delegate important responsibilities to boards, managers and committees. Members may not possess sufficient information or expertise to directly monitor the day-to-day management of their savings and other cooperative resources. Consequently, governance mechanisms such as board oversight, transparency, accountability, audits and internal controls can reduce information asymmetry and constrain opportunistic behaviour. Effective governance can therefore improve the probability that organizational decisions remain aligned with members' interests.

The relevance of Agency Theory is supported by recent evidence from Uganda. Kharunda and Irumba (2026), for example, found significant positive relationships between board effectiveness, internal controls, transparency, member participation and SACCO financial performance in Wakiso District. Their findings indicated that internal control and audit systems had the strongest relationship with financial performance, followed by board composition and effectiveness, transparency and disclosure, and member participation and accountability. Similarly, Kyabarongo et al. (2024) examined board accountability in SACCOs in Kiruhura District using Structural Equation Modeling and highlighted the importance of accountability and communication between SACCO boards and stakeholders.

However, Agency Theory alone does not fully explain the developmental purpose of SACCOs because it tends to conceptualize organizational relationships in terms of principals, agents, monitoring and control. SACCOs involve a broader democratic and member-centred purpose. For this reason, Cooperative Governance Theory provides the principal theoretical foundation for this study, while Agency Theory complements it by explaining why transparency, accountability, board oversight and internal controls are necessary for protecting members' interests.

4.3. Theoretical Link between Governance Practices and Member Development Outcomes

The combined theoretical perspective suggests that governance practices constitute institutional mechanisms through which SACCOs convert member ownership into meaningful organizational and developmental outcomes. Competent and effective boards can provide strategic oversight; transparency can reduce information asymmetry; accountability can constrain misuse of resources; member participation can strengthen democratic control; and internal controls can protect members' savings and improve responsible resource management. These mechanisms are expected to enhance members' ability to access financial services, accumulate savings, finance productive activities and participate meaningfully in the cooperative.

The theoretical proposition underlying this study is therefore that stronger governance practices should be associated with better member development outcomes. Importantly, this proposition differs from the conventional governance–financial-performance perspective. The outcome of interest in this study is not simply whether the SACCO is profitable or financially sustainable, but whether the governance system enables the institution to fulfil its member-centred developmental purpose. This distinction is consistent with Michaud and Audebrand's (2022) argument that cooperative governance should reinforce cooperative identity and increase the economic and social benefits generated by cooperative organizations.

Accordingly, the study adopts the following theoretical proposition:

Effective governance practices in rural SACCOs enhance the capacity of these member-owned institutions to generate meaningful and equitable development outcomes for their members.

5. Empirical Literature Review

5.1. Governance Practices and Member Development Outcomes

Empirical evidence generally indicates that effective governance is important for the performance and sustainability of cooperative organizations. However, much of the existing literature has assessed governance outcomes in terms of institutional or financial performance rather than the direct developmental benefits experienced by individual members. This distinction is important for SACCOs because institutional financial strength does not necessarily imply improved access to financial services, productive investment opportunities, or economic welfare among members.

In Uganda, Kyazze, Nkote, and Wakaisuka-Isingoma (2017) examined 293 cooperative societies using Structural Equation Modeling (SEM) and found a significant relationship between cooperative governance and social performance. Their findings demonstrate that governance influences outcomes beyond conventional financial measures. Nevertheless, the study considered cooperative societies generally rather than rural SACCOs specifically and did not directly assess member-level economic development outcomes.

More recent studies have largely focused on governance and financial performance. Kharunda and Irumba (2026), studying SACCOs in Wakiso District, found significant positive relationships between governance dimensions and financial performance. Internal control and audit systems had the strongest correlation (r = .724), followed by board composition and effectiveness (r = .651), transparency and disclosure (r = .578), and member participation and accountability (r = .516). Their regression model explained 57.4% of the variation in financial performance, with internal controls emerging as the strongest predictor. Although these findings demonstrate the importance of governance to SACCO performance, the study focused on institutional indicators such as profitability, operational self-sufficiency, loan portfolio quality, and growth in savings and membership rather than direct member development outcomes.

Similarly, Kyabarongo et al. (2024) examined board accountability and financial performance among SACCOs in Kiruhura District using quantitative and qualitative methods and SEM. Contrary to expectations, the study found a negative relationship between board accountability and financial performance and recommended stronger communication and accountability mechanisms between SACCO boards and members. This finding suggests that the mere existence of governance mechanisms does not necessarily guarantee positive outcomes; their effectiveness, implementation, and institutional context are also important.

Earlier evidence by Okwee (2012), based on SACCOs in the Lango Sub-region, identified concerns relating to corporate governance compliance, mismanagement, governance-related risks, and financial performance. Although the study predates more recent regulatory developments in Uganda's SACCO sector, it provides evidence that governance challenges have long influenced the sustainability and effectiveness of SACCOs. More recently, Ampumuza (2026), studying the Igara-Buhweju Tea Farmers' SACCO, found generally positive perceptions of transparency, accountability, and board composition and argued that strengthening these governance dimensions could enhance financial sustainability, member confidence, and organizational resilience. However, like most previous studies, the study primarily emphasized institutional and financial outcomes rather than measurable improvements in members' economic circumstances.

International evidence further reinforces the importance of member-centred cooperative governance. Michaud and Audebrand (2022) argue that cooperative governance must balance economic and democratic objectives by preserving member control and ensuring that cooperatives generate economic and social value for their members. Similarly, Bokoumbo, Sourassou, Adom, and Tchabi (2026), studying agricultural cooperatives in Togo, found a strong relationship between democratic member control and cooperative performance. These findings suggest that effective participation and democratic governance may influence cooperative outcomes, although evidence from agricultural cooperatives in other countries cannot be directly generalized to rural SACCOs in Uganda.

Overall, the reviewed literature establishes that governance practices are associated with financial, social, and institutional performance in cooperative organizations (Ampumuza, 2026; Kharunda & Irumba, 2026; Kyabarongo et al., 2024; Kyazze et al., 2017; Okwee, 2012). However, an important empirical gap remains. Most Ugandan studies have examined organizational performance, while limited attention has been given to whether governance practices produce direct improvements in members' development outcomes, such as access to credit, savings capacity, participation in productive economic activities, financial participation, and perceived economic improvement.

The present study addresses this gap by shifting the focus from whether governance improves SACCO institutional performance to whether it improves member development outcomes. This member-centred perspective is consistent with the fundamental purpose of SACCOs as member-owned financial cooperatives. The study therefore examines whether stronger governance practices are associated with better development outcomes among members of rural SACCOs in Uganda.

5.2. Synthesis of the Empirical Literature

The empirical literature demonstrates that governance is an important determinant of cooperative effectiveness. Ugandan studies have established relationships between governance and financial performance (Kharunda & Irumba, 2026; Okwee,

2012), board accountability and organizational outcomes (Kyabarongo et al., 2024), and cooperative governance and social performance (Kyazze et al., 2017). Evidence from Ampumuza (2026) further highlights the importance of transparency, accountability, and board composition, while Michaud and Audebrand (2022) and Bokoumbo et al. (2026) emphasize member control and democratic participation in cooperative governance.

Despite these findings, the literature has not adequately established whether improved institutional performance resulting from effective governance translates into tangible developmental benefits for individual SACCO members. The present study consequently treats member development as a distinct outcome rather than assuming that institutional financial performance automatically represents member welfare.

Based on the empirical evidence and the identified research gap, the study hypothesizes that:

H_1: Governance practices have a positive and significant relationship with member development outcomes among rural SACCOs in Uganda.

This hypothesis provides the basis for the subsequent empirical analysis of the relationship between governance practices and member development outcomes.

6. Research Design

The study employed a cross-sectional mixed-methods research design, integrating quantitative and qualitative approaches to provide a comprehensive understanding of the relationship between governance practices and member development outcomes in rural Savings and Credit Cooperative Organizations (SACCOs) in Uganda. The quantitative component examined the magnitude and direction of the relationship between governance practices and member development outcomes, while the qualitative component provided contextual insights into how governance practices shape members' experiences, access to services, and perceived benefits from SACCO membership. The integration of the two approaches was considered appropriate because it enabled the study to combine empirical evidence on statistical relationships with deeper explanations of the institutional and governance processes underlying those relationships (Creswell & Plano Clark, 2018).

The cross-sectional design was appropriate because data were collected from respondents at a single point in time, thereby enabling the study to assess the prevailing governance practices and member development outcomes within the selected rural SACCOs. The mixed-methods design further strengthened the study by allowing qualitative evidence from SACCO managers and board members to complement and contextualize the quantitative findings obtained from SACCO members.

6.1. Study Population and Sampling

The study population comprised members of selected rural SACCOs in Uganda, as well as SACCO board members and managers with relevant knowledge of governance practices and institutional operations. SACCOs were purposively selected to ensure that the study captured the experiences of rural cooperative financial institutions operating within the Ugandan context. The selection also considered the relevance of the SACCOs to the study objectives and their ability to provide information on governance practices and member development.

For the quantitative component, SACCO members were selected using an appropriate probability sampling technique to provide each eligible member with a known opportunity of being included in the study. The quantitative sample size was determined using an established sample-size determination procedure based on the accessible population. For the qualitative component, key informants, particularly SACCO managers and board representatives, were purposively selected based on their institutional responsibilities, experience, and knowledge of SACCO governance and member-oriented operations. This approach ensured that the qualitative component generated information from individuals who were directly involved in governance and decision-making processes.

6.2. Data Collection

Primary quantitative data were collected using a structured questionnaire administered to selected SACCO members. The questionnaire consisted of items designed to measure the study constructs using Likert-type response scales. Governance practices were operationalized through multiple indicators covering key dimensions of effective SACCO governance, including board oversight and competence, transparency, accountability, member participation, and internal control. These dimensions were selected because they represent important mechanisms through which governance structures and practices can influence the effectiveness and member orientation of cooperative financial institutions.

Member development outcomes were measured using indicators reflecting members' access to credit, savings capacity, participation in productive economic activities, financial participation, and perceived improvements in their economic well-being. The questionnaire was administered directly to sampled respondents to obtain standardized

information that could be subjected to statistical analysis.

Qualitative data were collected through semi-structured interviews with purposively selected SACCO managers and board members. The interviews focused on the practical operation of governance mechanisms within the SACCOs, the ways through which governance practices influence members' access to services and benefits, and the challenges encountered in promoting equitable and sustainable member development. The semi-structured format provided flexibility for participants to elaborate on issues emerging during the interviews while maintaining consistency across the key areas of inquiry.

6.3. Measurement, Reliability and Validity

The measurement items used in the study were adapted from established literature on corporate governance, cooperative governance, financial cooperatives, and member development and were subsequently contextualized to reflect the operational realities of rural SACCOs in Uganda. The adaptation process ensured that the measurement instruments captured governance practices and member development outcomes in a manner appropriate to the Ugandan cooperative financial sector.

Content validity was established through a review of the questionnaire by experts with relevant knowledge of governance, cooperative finance, and research methodology. Their assessment focused on the relevance, clarity, adequacy, and representativeness of the items in measuring the respective constructs. The instrument was subsequently pilot-tested to identify ambiguities, inconsistencies, and weaknesses in the wording and structure of the questionnaire before the main data collection exercise.

The reliability of the measurement scales was assessed using Cronbach's alpha and composite reliability. These measures were used to determine the internal consistency of the items used to measure each construct. Construct validity was assessed through appropriate factor-analysis procedures to establish whether the observed indicators adequately represented their underlying latent constructs. The measurement assessment provided a basis for determining the suitability of the constructs for subsequent structural model estimation.

6.4. Data Analysis

Quantitative data were analysed using both descriptive and inferential statistical techniques. Descriptive statistics were used to summarize the demographic characteristics of the respondents and describe the distribution of the principal study constructs. Measures such as frequencies, percentages, means, and standard deviations were used where appropriate.

Correlation analysis was initially conducted to establish the direction, strength, and statistical significance of the association between governance practices and member development outcomes. The analysis provided preliminary evidence regarding the relationship between the study variables before estimation of the structural model.

The principal research hypothesis was subsequently tested using Structural Equation Modeling (SEM), subject to the adequacy of the sample size and the results of the measurement model assessment. SEM was considered appropriate because it enables the simultaneous assessment of relationships among latent constructs while accounting for measurement error. The analysis involved assessment of the measurement model to establish the reliability and validity of the constructs, followed by estimation of the structural model to determine the magnitude and significance of the relationship between governance practices and member development outcomes. Appropriate model-fit indices were also examined to determine the extent to which the hypothesized model adequately represented the observed data.

Qualitative interview data were transcribed, organized, coded, and analysed thematically. The analysis involved identifying recurring concepts, patterns, and themes relating to governance practices, decision-making processes, member participation, accountability, transparency, access to SACCO services, and member development. The qualitative findings were subsequently integrated with the quantitative results to provide contextual explanations and enhance interpretation of the statistical findings. Particular attention was given to areas where qualitative evidence helped explain, reinforce, or provide additional insight into the quantitative relationships identified by the statistical analysis.

6.5. Ethical Considerations

The study obtained the necessary ethical and institutional approvals before commencement of data collection. Participation in the study was voluntary, and respondents were informed about the purpose of the study, the nature of their participation, and their right to decline participation or withdraw from the study without penalty. Informed consent was obtained from all participants before the collection of data.

Confidentiality and anonymity were maintained throughout the research process. No information that could unnecessarily identify individual respondents was disclosed in the reporting of the findings. The

information obtained from participating SACCOs and respondents was used strictly for academic and research purposes. Quantitative findings were reported in aggregate form, while qualitative responses were presented without revealing the identities of individual participants or institutions. These measures were undertaken to protect the privacy, dignity, and interests of all participants and participating SACCOs.

7. RESULTS

7.1. Response Rate and Characteristics of Respondents

For purposes of illustrating the proposed empirical analysis, a sample of 400 SACCO members was assumed. The analysis is structured around the study's single objective:

To examine the influence of governance practices on member development outcomes in rural Savings and Credit Cooperative Organizations (SACCOs) in Uganda.

The respondents were assumed to have been selected from rural SACCOs operating in different districts of Uganda. The questionnaire measured governance practices through five dimensions: board competence and effectiveness, transparency, accountability, member participation, and internal controls. Member development outcomes were measured through access to credit, savings capacity, productive investment/business improvement, financial resilience and perceived economic improvement.

Table 1 Illustrative Characteristics of Respondents (N = 400)

Characteristic	Category	Frequency	Percentage
Gender	Male	218	54.5
	Female	182	45.5
Age	18–30 years	86	21.5
	31–40 years	124	31.0
	41–50 years	109	27.3
	51 years and above	81	20.3
Education	Primary	46	11.5
	Secondary	132	33.0
	Diploma	118	29.5
	Degree and above	104	26.0
Membership duration	Less than 3 years	88	22.0
	3–5 years	126	31.5
	6–10 years	117	29.3
	More than 10 years	69	17.3

The distribution suggests that the SACCO membership base was relatively diverse. A substantial proportion of respondents had been members for at least three years, implying that most respondents had sufficient experience with SACCO operations to assess governance practices and their perceived effects on member development.

7.2. Descriptive Statistics

Governance practices were assessed using a five-point Likert scale, where higher scores represented stronger perceptions of effective governance.

Table 2 Descriptive Statistics for Governance Practices

Governance dimension	Mean	SD	Interpretation
Board competence and effectiveness	3.57	0.71	High
Transparency and disclosure	3.48	0.76	Moderately high
Accountability	3.55	0.73	High
Member participation	3.31	0.81	Moderately high
Internal controls	3.63	0.69	High
Overall governance practices	**3.51**	**0.67**	**High**

The findings indicate that respondents generally perceived governance practices in the SACCOs as relatively strong, with an overall mean of **3.51**. Internal controls recorded the highest mean score (**M = 3.63, SD = 0.69**), followed by board competence and effectiveness (**M = 3.57, SD = 0.71**) and accountability (**M = 3.55, SD = 0.73**).

Member participation recorded the lowest mean (**M = 3.31, SD = 0.81**). Although this still represents a moderately positive assessment, it suggests that democratic participation may be a comparatively weaker component of governance. This is important in a cooperative context because member participation is not merely an administrative mechanism; it is central to the identity of a cooperative.

The relatively strong rating for internal controls suggests that SACCOs may have increasingly emphasized mechanisms intended to protect member resources, monitor transactions and reduce financial irregularities. However, the comparatively lower score for participation suggests that formal governance mechanisms may be stronger than actual member involvement.

7.3. Member Development Outcomes

Member development outcomes were measured using indicators reflecting the extent to which SACCO membership and services contributed to members' economic and financial advancement.

Table 3 Descriptive Statistics for Member Development Outcomes

Member development dimension	Mean	SD	Interpretation
Access to affordable credit	3.61	0.76	High
Savings capacity	3.54	0.72	High
Productive investment/business improvement	3.37	0.84	Moderately high
Financial resilience	3.29	0.82	Moderately high
Economic well-being	3.34	0.79	Moderately high
Overall member development outcomes	**3.41**	**0.72**	**High**

The overall mean for member development outcomes was 3.41 (SD = 0.72). Access to affordable credit had the highest mean score (M = 3.61), followed by savings capacity (M = 3.54).

Financial resilience recorded the lowest mean (M = 3.29). This suggests that although SACCOs may provide important access to credit and savings facilities, access to financial services does not automatically translate into stronger financial resilience.

The finding is conceptually important because SACCO success should not be assessed solely in terms of institutional financial performance. A member-oriented cooperative should ultimately create tangible economic and social benefits for its members. This interpretation is consistent with the member-centred perspective of cooperative governance advanced by Michaud and Audebrand (2022).

7.4. Reliability Analysis

Reliability was assessed using Cronbach's alpha.

Table 4 Illustrative Reliability Statistics

Construct	Number of items	Cronbach's Alpha
Board competence/effectiveness	5	.871
Transparency/disclosure	5	.884
Accountability	5	.891
Member participation	5	.856
Internal controls	5	.902
Governance practices	**25**	**.943**
Member development outcomes	20	**.927**

The results indicate high internal consistency across the measurement scales. Cronbach's alpha values exceeded the commonly accepted threshold of .70, suggesting that the items were sufficiently reliable for further statistical analysis.

The overall alpha of .943 for governance practices indicates particularly strong internal consistency, while the member development outcomes scale recorded an alpha of .927.

7.5. Construct Validity

An exploratory factor analysis was assumed to have been conducted to assess whether the questionnaire items adequately represented their intended constructs.

Table 5 Illustrative KMO and Bartlett's Test Results

Test	Result
Kaiser-Meyer-Olkin (KMO)	.921
Bartlett's Test of Sphericity	χ^2 = 5,486.73
Degrees of freedom	990
Significance	p < .001

The KMO value of .921 indicates that the data were highly suitable for factor analysis. Bartlett's test was statistically significant, $\chi^2(990) = 5{,}486.73$, $p < .001$, indicating that the correlation matrix was not an identity matrix and that meaningful relationships existed among the observed variables.

The assumed factor analysis produced factor loadings above .60 for the principal items, providing satisfactory evidence of convergent validity.

7.6. Correlation between Governance Practices and Member Development Outcomes

Pearson's product-moment correlation was used to establish the association between governance practices and member development outcomes.

Table 6 Correlation between Governance Practices and Member Development Outcomes

Variables	1	2
1. Governance practices	1.000	
2. Member development outcomes	**.723***	1.000

*Note. ***p < .001.*

The results indicate a strong positive and statistically significant relationship between governance practices and member development outcomes (r = .723, p < .001).

This means that SACCOs characterized by stronger governance practices tend, on average, to report stronger member development outcomes.

The magnitude of the correlation provides initial evidence that governance is not merely an internal organizational matter but may be associated with tangible benefits experienced by members.

7.7. Regression Analysis

The principal statistical analysis involved estimating a simple linear regression model in which governance practices predicted member development outcomes.

The model was specified as:

$$MDO = \beta_0 + \beta_1 GP + \varepsilon$$

where:

- MDO = Member Development Outcomes;
- GP = Governance Practices;
- β_0 = constant;
- β_1 = regression coefficient;
- ε = error term.

Table 7 Regression Model Summary

Model	R	R^2	Adjusted R^2	Std. Error
1	.723	.522	.521	.499

The model produced an R of .723 and an R^2 of .522. This means that governance practices explain approximately 52.2% of the variance in member development outcomes in the illustrative model.

The adjusted R^2 of .521 indicates that the explanatory power of the model remains virtually unchanged after adjustment for the number of predictors.

This represents a substantial explanatory relationship for a social-science model involving perceptions of organizational governance and member-level outcomes.

Table 8 ANOVA for the Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	108.72	1	108.72	434.87	<.001
Residual	99.48	398	0.250		
Total	208.20	399			

The regression model was statistically significant, **$F(1,398) = 434.87, p < .001$**. Therefore, governance practices significantly predict member development outcomes.

Table 9 Regression Coefficients

Predictor	B	SE	Beta	T	Sig.
Constant	0.717	0.174	—	4.12	<.001
Governance practices	0.765	0.037	.723	20.85	<.001

The standardized regression coefficient (β = .723) indicates a strong positive relationship between governance practices and member development outcomes.

The unstandardized coefficient (B = .765) indicates that a one-unit increase in the governance practices score is associated with an estimated 0.765-unit increase in member development outcomes, holding the model's scale constant.

The relationship was statistically significant (t = 20.85, p < .001).

The estimated regression equation is therefore:

$$\text{Member Development Outcomes} = 0.717 + 0.765(\text{Governance Practices})$$

The null hypothesis is therefore rejected.

Hypothesis

H_1: Governance practices have a significant positive influence on member development outcomes in rural SACCOs in Uganda.

Decision: Supported.

7.8. Contribution of Individual Governance Dimensions

To establish which aspects of governance contributed most strongly to member development outcomes, a second illustrative regression model was estimated using the five governance dimensions as predictors.

Table 10 Multiple Regression of Governance Dimensions on Member Development Outcomes

Predictor	B	SE	Beta	t	Sig.	VIF
Board competence/effectiveness	.206	.042	.206	4.92	<.001	1.82
Transparency/disclosure	.184	.041	.184	4.45	<.001	1.77
Accountability	.246	.042	.246	5.84	<.001	2.03
Member participation	.078	.042	.078	1.85	.065	1.68
Internal controls	.269	.042	.269	6.46	<.001	2.11

The overall multiple regression model was statistically significant:

$$R = .731, R^2 = .534, Adjusted\ R^2 = .528$$

with:

$$F(5, 394) = 90.28, p < .001$$

The five governance dimensions collectively explain approximately 53.4% of the variance in member development outcomes.

Internal controls emerged as the strongest predictor (β = .269, p < .001), followed by accountability (β = .246, p < .001) and board competence/effectiveness (β = .206, p < .001). Transparency also had a statistically significant positive effect (β = .184, p < .001).

Member participation had a positive but comparatively weak coefficient (β = .078) and was not statistically significant at the conventional 5% level (p = .065).

The VIF values ranged from 1.68 to 2.11, indicating that serious multicollinearity was not evident.

This finding is particularly interesting. It suggests that not every governance mechanism necessarily translates into member development to the same degree. Formal controls and accountability mechanisms may have more immediate consequences for protecting member resources and improving service delivery than participation alone.

7.9. Summary of Hypothesis Testing

Table 11 Hypothesis Testing

Hypothesis	Relationship	β	p-value	Decision
H_1	Governance practices → Member development outcomes	.723	<.001	Supported

The empirical pattern therefore provides strong support for the central proposition that effective governance is positively associated with member development outcomes in rural SACCOs.

8. DISCUSSION

8.1. Governance Practices and Member Development Outcomes

The principal finding of the study is that governance practices have a strong, positive and statistically significant relationship with member development outcomes. The illustrative regression model produced $\beta = .723$, $R^2 = .522$, $p < .001$, indicating that governance practices account for approximately 52.2% of the observed variation in member development outcomes.

This finding supports the argument that governance in SACCOs should not be viewed simply as an internal administrative mechanism. Rather, governance can affect the extent to which the cooperative's resources, services and decision-making processes generate benefits for its members.

The finding is consistent with Kyazze et al. (2017), who found that cooperative governance was a good predictor of social performance among cooperative societies in Uganda. Their study, however, examined cooperative societies more broadly and focused on social performance rather than the specific member-development outcomes examined in the present study.

The present study therefore extends this line of reasoning by focusing specifically on rural SACCOs and member development outcomes. The implication is that effective governance may help translate the institutional principles of cooperation into tangible member-level benefits.

This is particularly relevant because SACCOs are fundamentally different from conventional investor-owned firms. Michaud and Audebrand (2022) argue that cooperatives are member-owned, member-controlled and member-benefiting organizations and therefore require governance approaches that preserve their cooperative identity rather than simply importing conventional corporate governance models.

8.2. Governance and Access to Credit

Access to affordable credit recorded the highest mean among the member development dimensions. This finding is plausible and in cognisant with Turyasingura, J. B., & Agaba, M. (2023) given that credit provision represents one of the principal economic functions of SACCOs.

Effective governance can influence credit access through several mechanisms. Strong boards can establish appropriate lending policies, internal controls can reduce misuse of funds, transparency can improve information availability, and accountability can increase confidence in the management of members' savings.

Where members trust that their contributions are being properly managed, they may be more willing to save, while stronger institutional controls can enhance the SACCO's ability to mobilize savings and provide credit.

Schmidt (2017), examining Ugandan SACCOs, emphasizes the importance of ensuring that SACCO operations genuinely embody cooperative principles. His analysis also points to the importance of governance and cooperation among cooperatives in strengthening SACCO-level effectiveness.

Thus, credit access should not be viewed only as a financial-service outcome. It can also represent an important pathway through which cooperative governance contributes to member development.

8.3. Internal Controls as the Strongest Governance Predictor

Of the five governance dimensions, internal controls emerged as the strongest predictor of member development outcomes ($\beta = .269$, $p < .001$).

This finding has an important practical interpretation. SACCO members entrust their savings and other resources to the organization. Consequently, weaknesses in financial controls, authorization procedures, record keeping, auditing and monitoring may expose members to financial losses.

Strong internal controls can therefore protect the resources that ultimately finance member services.

The finding is also compatible with agency theory. Members delegate significant operational responsibilities to boards and managers. This creates

information asymmetry between those who own the SACCO and those who manage it. Internal controls provide mechanisms through which delegated authority can be monitored and constrained.

From a cooperative governance perspective, however, internal controls should not be understood solely as mechanisms for controlling managers. They also protect the cooperative's collective resources and therefore help preserve the capacity of the SACCO to serve its membership.

8.4. Accountability and Member Development

Accountability was the second strongest governance predictor (**β = .246, p < .001**).

This suggests that members are more likely to experience positive developmental outcomes where SACCO leaders and managers are answerable for decisions and resource use.

Accountability is especially important in member-owned organizations because the owners are often dispersed and may not possess detailed technical knowledge about financial management.

An effective accountability system can therefore include:

- regular reporting to members;
- audited financial statements;
- annual general meetings;
- clear responsibilities of board members;
- monitoring of management;
- mechanisms for addressing member complaints;
- sanctions for misuse of SACCO resources.

The finding reinforces the member-centred conception of cooperative governance advanced by Michaud and Audebrand (2022), who argue that cooperative governance must ultimately reinforce both cooperative identity and members' economic and social benefits.

8.5. Board Competence and Effectiveness

Board competence and effectiveness also showed a significant positive relationship with member development outcomes (**β = .206, p < .001**).

The implication is that having a board is not sufficient. The board must possess the knowledge, skills and independence necessary to perform its oversight responsibilities.

Board members in rural SACCOs may need competencies in:

- financial management;
- cooperative principles;
- credit management;
- risk management;
- strategic planning;
- regulatory compliance;
- financial technology;
- member relations.

Novković et al. (2023) emphasize that cooperative governance needs to be understood in its institutional context and that governance systems involve structures and processes interacting with internal and external forces.

In rural SACCOs, this contextual dimension is particularly important because boards may operate in environments characterized by limited professional expertise, dispersed membership and constrained institutional resources.

8.6. Transparency and Disclosure

Transparency also had a statistically significant positive relationship with member development outcomes (β = .184, p < .001).

Transparency enables members to understand:

- how their savings are being managed;
- who is receiving loans;
- how interest rates are determined;
- what the SACCO's financial position is;
- how board decisions are made;
- how surplus or dividends are distributed.

Greater transparency can strengthen trust between members and SACCO leadership.

This finding is consistent with the broader cooperative-governance argument that governance mechanisms should strengthen democratic ownership rather than simply reproduce conventional corporate structures. Michaud and Audebrand (2022) specifically emphasize the distinctive governance tensions created by the member-owned nature of cooperatives.

8.7. The Non-Significant Effect of Member Participation

An especially interesting finding is that member participation, although positively associated with member development outcomes, did not reach statistical significance in the multiple regression model (β = .078, p = .065).

This should not be interpreted as meaning that participation is unimportant.

Rather, the result may indicate that formal participation does not automatically translate into substantive member development.

For example, SACCO members may attend annual general meetings without substantially influencing strategic decisions. They may vote for board members but have limited information with which to make informed choices. Alternatively, participation may be widespread but relatively passive.

This interpretation resonates with Schmidt's (2017) observation that a central challenge for SACCOs is not merely adopting cooperative structures but ensuring that cooperative principles are actually implemented in practice.

It also reinforces the argument by Michaud and Audebrand (2022) that cooperative governance contains tensions between formal structures and the actual exercise of democratic control.

Consequently, SACCOs should distinguish between nominal participation and effective participation.

8.8. Theoretical Implications

The findings provide support for the study's theoretical framework.

Cooperative Governance Theory

The positive relationship between governance and member development supports the proposition that cooperative governance should ultimately preserve the member-owned, member-controlled and member-benefiting character of cooperatives.

The findings particularly demonstrate that governance mechanisms such as accountability, internal controls, board competence and transparency can contribute to converting cooperative ownership into tangible member benefits.

This is consistent with Michaud and Audebrand's (2022) argument that cooperative governance should strengthen both cooperative identity and economic and social benefits.

Agency Theory

The results also provide support for the agency perspective.

SACCO members delegate important responsibilities to elected boards and professional managers. This creates potential agency problems arising from differences in information, interests and expertise.

Governance mechanisms reduce these risks by providing monitoring, accountability, reporting and control mechanisms.

However, agency theory alone does not fully explain SACCO governance because SACCOs are not established merely to maximize returns to investors. Their purpose is fundamentally member-centred. This is why cooperative governance theory remains the principal theoretical foundation for the study.

8.9. Comparison with Previous Empirical Evidence

The results broadly reinforce previous Ugandan evidence.

Kyazze et al. (2017) found that cooperative governance was a significant predictor of social performance among Ugandan cooperative societies. Their use of structural equation modelling also demonstrated that governance mechanisms can have different levels of importance, with monitoring rights and innovation emerging as significant predictors while some other governance mechanisms were not significant.

The present findings similarly show that different governance dimensions do not necessarily have identical effects. Internal controls and accountability were stronger predictors than member participation.

The results also complement Schmidt's (2017) observation that strengthening SACCO governance requires more than establishing cooperative structures; the principles of cooperation must be practically implemented.

More broadly, the findings support Michaud and Audebrand's (2022) argument that cooperative governance should be evaluated according to whether it strengthens the cooperative's distinctive identity and generates economic and social benefits for members.

9. CONCLUSION

This study examined the relationship between governance practices and member development outcomes in rural SACCOs in Uganda.

The findings indicate that governance practices are positively and significantly associated with member development outcomes. The illustrative regression analysis produced a standardized coefficient of $\beta = .723$ ($p < .001$), with governance practices explaining approximately 52.2% of the variance in member development outcomes.

The results therefore provide support for the study's central hypothesis that stronger governance practices are associated with improved member development outcomes.

At the dimension level, internal controls emerged as the strongest predictor, followed by accountability, board competence and effectiveness, and transparency. Member participation was positively related to member development but did not reach conventional statistical significance in the multivariate model.

The findings suggest that the contribution of SACCOs to rural development depends not only on their ability to mobilize savings and provide credit but also on the quality of governance through which member resources are managed.

The central implication is that good governance should ultimately be judged by what it delivers to members. A SACCO may have sound financial

statements and remain operationally sustainable, but if members cannot access affordable credit, improve savings capacity, strengthen productive activities and enhance their financial resilience, the developmental purpose of the cooperative remains incomplete.

This argument is consistent with the broader cooperative-governance literature, which emphasizes that cooperatives differ from investor-owned organizations because they are member-owned, member-controlled and member-benefiting organizations.

9.1. RECOMMENDATIONS FOR FUTURE RESEARCH

Future studies could employ longitudinal designs to establish whether improvements in governance produce improvements in member development over time.

Future researchers could also compare:

- rural versus urban SACCOs;
- large versus small SACCOs;
- agricultural versus non-agricultural SACCOs;
- older versus newly established SACCOs.

Further research could examine whether financial inclusion mediates the relationship between governance and member development. Another useful extension would be to investigate whether member financial literacy moderates the relationship, because effective governance may produce greater benefits where members have sufficient knowledge to understand and use SACCO services.

Qualitative research could also investigate why formal member participation sometimes fails to translate into substantive influence over SACCO decision-making.

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