



**DETERMINANTS OF GROWTH AND SUSTAINABILITY OF SAVING
AND CREDIT COOPERATIVE ORGANIZATIONS; EVIDENCE FROM
BUTAJIRA TOWN**

MASTER OF BUSINESS ADMINISTRATION

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**DETERMINANTS OF GROWTH AND SUSTAINABILITY OF SAVING
AND CREDIT COOPERATIVE ORGANIZATIONS; EVIDENCE FROM
BUTAJIRA TOWN**

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DECLARATION

I hereby declare that the thesis entitled the Determinants of growth and sustainability of saving and credit cooperative organizations; evidence from Butajira town submitted to the collage of Business and Economics, Department of Management, Wolkite University for the award of the Master's Degree in Business Administration is based on my original research work carried out by me under the supervision and guidance of Berhanu Tereda (Assistant Professor) and Mehariamlak Kifle (MBA). This work has not been submitted earlier in full or in a part thereof, for the award of other similar degree, Diploma, Fellowship, Associateship or any other similar titles to this or any other University or Institution.

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LIST OF ABBREVIATION

- ACSDS; Agricultural Cooperative Sector Development Strategy
- ACCOSSCA- Africa Confederation of Cooperative Society Savings and Credit association
- CA- Capital adequacy
- ESCA - Employee saving and credit Association
- GDP- Growth domestic product
- GTP- Growth and Transformation Plan
- ICA- International Cooperative Alliance
- MFI- Microfinance institutions
- REM- Radom Effect Model
- ROA- Return on asset
- ROE- Return on Equity
- SACCOS- Savings and Credit Co-operatives
- SNNPRG-Southern nation nationality people regional state
- SPSS v.25.- Statistical Packages for Social Sciences version twenty five
- WOCCU- World Council of Credit Unions

ABSTRACT

Savings and Credit Co-operative Societies (SACCOs) play an increasingly important role in the process of financial intermediation in the highly competitive financial market in Ethiopia. Growth of SACCOs is affected by several factors both internally and externally. The objective of this study was to identify the determinant of growth and sustainability of saving and credit cooperative organizations in Butajira Town. In this study both primary and secondary data has been used. The primary data were collected from a sample of 190 members of 18 saving and credit cooperative organizations found in Butajira town from the distributed 190 questioner 182 were the response rate and the analysis were carried out from these numbers. The study used both Descriptive and inferential statistics to do analysis, among the descriptive mean, standard deviation, and frequencies are the adopted whereas the inferential were correlation and multiple linear regressions, which were used the listed determinants of growth and sustainability of saving and credit cooperative organizations in butajira town. The study found that low level of Income, member participation and management skill while, technology ,political interference and growth and sustainability value was at medium levels, From the result the researcher sees that the major determinant of growth and sustainability was effect of technology, followed by management skill and political interference from internal and external parts. Therefore, SACCOS has needs to give high attention in attracting members who have great courage to adopt technology and having of enough capacity so as to facilitate the issue beside, The study recommends SACCOS better to hire train and educate their members and employees so as to make competent in managing.

Keywords, Determinants, growth and sustainability, Sacco, butajira town.

CHAPTER ONE

1. Introduction

This chapter contains the introductory part of the thesis which includes background of the study, statement of the problem, research question, research objectives both general and specific objectives, significance of the study, limitation of the study, scope of the study, and organization of the paper.

1.1 Background of the study

Saving and Credit Cooperatives (SACCOs) are member-owned financial institutions with the core objective of mobilizing savings for lending to members thereby improving people's livelihood (Miriti, 2014). SACCOs are associations of people whose common goal is to encourage savings and provide credit to members to improve their lives (Eton, BC, & Fabian, 2020). Savings mobilization should be backed by adequate institutional capital which ensures permanency, provide cushion to absorb losses and impairment of members' savings (Evans, 2001). The institutional capital which comprises the core capital and less share capital is mainly accumulated from appropriation of the surpluses. Therefore, SACCOs should strive to maximize on the earnings to build the institutional capital (Branch & Cifuentes, 2001; Ombado, 2010). This institutional capital ensures the permanence and growth of the SACCOs even in turbulent economic times (Evans, 2001). In fact, it helps the SACCOs to grow and, remain economically and financially viable (Gijssels & Devetere, 2007). Such growth is enhanced by effective financial practices.

The members of the Savings and Credit Cooperative Societies, commonly known as a credit union, own and run the financial institutions. They use these institutions to mobilize savings, provide loans, and provide financial counseling services in order to meet the members' common economic and social needs (Mmari et al, 2019). The primary duty of SACCOs is to provide financial services to their members. They are suitable for low-income households in this regard because they have a hard time obtaining bank financing. By providing members with funding to

engage in successful business projects, they promote economic growth and development. (Ochieng et al, 2018).

The cooperative movement in its varied activities is worldwide and rightly described as a movement, indicative of its social as well as economic purposes. Today it is encouraged by governments, to achieve mass participation in national development and thereby provide the means to raise the standards of living for the mass of the people and more especially so within the scattered rural areas. Since in any country the cooperative movement comprises the mass of individual cooperative societies federated as a national movement in different ways.

SACCOs were founded in 1847 in southern Germany with the help of two local business leaders, Freidrich and Herman (Tache, 2006). Father John Nenuity established the first SACCO society in Africa in Ghana in 1959. English-speaking nations such as Ghana, Uganda, Nigeria, Tanzania, and Kenya are the principal SACCO adopters in Africa (Ng'ombe and Mikwamba, 2004).

The first Co-operative Society in Kenya was Lumbwa Co-operative Society formed in 1908 by the European Farmers with the main objective of purchasing fertilizer, chemicals, seeds and other farm inputs and then marketing their produce to take advantage of economies of scale (Kenya Union of Saving and Credit Co-operatives (KUSCCO), 2006).

With cooperative proclamation number 44/1961/1953 E.C, the first SACCO in Ethiopia was established by Roads Authority employees in 1957, and the second in 1964 by Ethiopian Airlines and Telecommunication Agency employees. There have been 28 SACCOs. Those societies formed their own country wide apex body referred to as Ethiopian thrift and cooperative societies limited from 1964-1973 (Muluneh, 2012).).According to Federal Cooperative Agency (FCA) official report (2021)¹, In Ethiopia there are 21328 SACCOs, with 5384559 members (3,122,454 female and 2,262,105 male) and mobilized savings of 21.4 billion birrs and disbursed loans amounting 16.49 billion birr loans for investment and according to gurage zone cooperative development office there are 493 saccos with members (male 33985and female 14122) with a total member of 48107 the amount of saving and their capital was reached 52.9 million and 75.8 million respectively.

The long-term sustainability and viability of the finance sector are goals that can be attained through profitability. Consequently, profitability serves as a benchmark for financial sustainability and is frequently used to assess it (De Aghion, Cull et al, 2007). Additionally, a company must be profitable in order to succeed and survive over the long run (Yazdanfar, 2013).

Financial sustainability refers to the efficient operation of financial institutions with the required profitability and sufficient cash to meet any issues associated with bankruptcy. Financial sustainability which is the same as long-term profitability. Filene, (2010), is defined as the SACCO's ability to pay all of its operating and other costs from revenue generated while also creating a margin to finance its expansion.

Understanding the growth and sustainability of these institutions is important for institutional longevity and lasting services to the poor, and it is an important barometer for researchers, policy-makers, regulators, and shareholders in guiding the industry in the desired direction. Therefore the objective of this study is to identify the determinants that affect the growth and sustainability of SACCOs in Butajira town.

1.2 statement of the problem

Saving and credit cooperative societies (SACCOs) promote a savings culture among people make a significant contribution to economic growth, development and mobilize funds forth economy (Teach2006). Investigating the determinants of growth and sustainability of SACCOs is the question which is raised in this study. A number of researchers have conducted various studies on SACCOs. Studies on the determinants of SACCO growth and sustainability are numerous, but they do not place a strong emphasis on the growth and sustainability of urban primary SACCOs, and there is no comprehensive study on this topic. For instance; studies on the determinants of growth of saving and credit cooperative societies in Kenya (Hannah, 2015; Njihia and Muturi, 2016; Ndonga, 2016; Kepha & Linet, 2016; Odhaimbo (2018) were undertaken.

As the literature shows there is a variety of research on the determinants of the growth and sustainability of Sacco's in our country, with a focus on SACCO unions. The majority of previous studies in our country were based on the SACCO union. The findings do not adequately represent all primary saving and credit cooperative societies since they do not include urban primary SACCOs that are not members of the union. As a result, there is no comprehensive study on urban primary saving and credit cooperative societies in Butajira town; however many SACCOs are registered and exist only in name, but they do not operate properly; many SACCOs are organized for political purposes and do not meet the SACCO proclamation No. 985/2009 criteria. There is no recent research conducted on the determinants of growth and sustainability of SACCO's in the study area, but most of the organized SACCOs in the town were not active

and solve the economic problems of the societies. These are major problems that motivated the researcher to conduct this study, to indicate the determinants of growth and sustainability of SACCOs, solution and recommendation based on the finding of the study.

1.3 Research objectives

1.3.1 General objectives

The general objective of this study is to identify the determinants of the growth and sustainability of saving and credit cooperatives in Butajira Town Gurage Zone.

1.3.2 Specific objectives

- To identify the internal factors that affects the growth and sustainability of saving and credit cooperative organization in butajira town.
- To identify the external factors that affects the growth and sustainability of saving and credit cooperative organization in butajira town.
- To assess the current status of saving and credit cooperative organization in butajira town.

1.4. Research questions

The study was answer the following research question

- ❖ What are the internal factors that affect the growth and sustainability of saving and credit cooperative organization in Butajira Town?
- ❖ What are the external factors that affect the growth and sustainability of saving and credit cooperative organization in the study area?
- ❖ Does the current status of saving and credit cooperative organization in the town productive?

1.5. Scope of the study

This study was geographically limit to butajira town administration in gurage zone which is found in southern nation's nationality people and regional sate of Ethiopia .the area is located 130km south of aids Ababa and 107 km to the east of wolkitee town.it is bounded by mesakan werda and the town has five kebeles. This study was adopted a descriptive and explanatory research design and to identify the determinant of growth and sustainability of all saving and

credit cooperatives in case of Butajira town administration. the period of the study was covers from 2020 to 2022 which is intended to identify the determinants that are internal (management skill, members participation, Income level of members) and external factors (political interference and technology adoption) was used as independent variables and growth and sustainability as dependent variable This is mainly because of limited availability of resources and time to undertake the study on a wider scale.

1.6. Significance of the study

The research was conducted to investigate the determinants of growth and sustainability of SACCOs and the survey was conducted in Butajira city administration. Hence, the study has the following significance. The finding of this study was significant to management of SACCOs. The management of SACCOs was able to appreciate how the growth and sustainability of their SACCOs is influenced by the study variables and understand the strategies to be designed so as to improve the performance of their SACCOs.it provides insight on issues that affect the growth and sustainability of SACCOs and assists with how to promote that growth and sustainability, rectify deviations, and serve the interests of members for cooperative officials, practitioners, policy implementers, decision-makers, and managers. It helps Federal and regional governments to designing SACCOs' growth strategies and evaluating plat forms that are used to strengthen their growth and sustainability. More over academicians and other researchers, it shed light on the determinant of growth and sustainability's of SACCOs and may be used as a source for other researchers and reference for related studies.

1.7. Limitation of the study

The determinants of growth and sustainability of SACCOs is very broad, and it is difficult to generalize the findings of the study to others. The town cooperative office lacks a well-organized written document, and the SACCO's office has little online information about Ethiopian SACCOs. The most expected difficult challenge during this study has been gathering the necessary data in a well-organized manner. These constrain the researcher to addressing all SACCOs in the study areas in order to produce completed findings that can be generalized to others.

1.8. Organization the paper

The research paper was organized in to five chapters. The first Chapter comprised the introduction part of the paper explaining the background of the study, statement of the problem, research questions, objectives, significance and scope of the study. The second chapter is a review of various literatures pertaining to the research objective. The methodology of the study is presented in chapter three. Data presentation, discussion, and analysis can be found in chapter four. Chapter five, the study's findings are used to draw conclusions and recommendations.

CHAPTER TWO

2. Introduction

The second chapter contains theoretical literature review, empirical literature review, and summary of literature and knowledge gap; finally it includes conceptual frame work.

2.1 Theoretical literature review

2.1.1. Definition of Cooperatives

According to the International Cooperatives Alliance, a cooperative is a self-governing group of individuals who come together voluntarily to pursue common goals in the spheres of economic, social, and cultural development (ICA, 2019). This suggests that cooperatives are primarily voluntary business associations established by people of modest means through the investment of share capital, which serves as the basis for the distribution of profits created by the enterprise. Depending on their purpose, cooperative societies may be established at various levels, from primary to federal (Ethiopian Federal Negarit- Gazeta cooperative societies). No. 985/2009, a proclamation Individuals form cooperative societies at the primary level, whereas cooperative societies form cooperative unions at the secondary level with cooperative societies as members. People join cooperatives with the aim of addressing shared needs, and cooperatives are democratically created (ICA, 2019). It is an egalitarian idea that elevates the current economic, social, and cultural climate in order to better understand peoples' ambitions. Savings and credit cooperative organizations have been emphasized as essential pathways for economic advancement in the majority of nations worldwide.

The foundation of human civilization has always been cooperation. Human interdependence and assistance to one another have been the cornerstones of society. The lesson of human social history is that man cannot exist only for himself (Biruk Ayalew and Sambasivam Yuvaraj, Dr, 2013).

Cooperatives are owned, governed, and run for the benefit of their members, according to Andrew (2006) the majority of corporations are managed according to the number of shares held, and profits are distributed according to investment. Co-ops, on the other hand, function on the principle of one member, one vote, and pay dividends depending on patronage.

Cooperatives are not owned by anybody other than their members and are not governed by the government. They are organizations that may contain members that are associations of persons, which can refer to both "legal persons" and individual people (Johnston, 2003).

The Rochdale Equitable Pioneers Society was founded in Rochdale, England, in 1844, marking the beginning of the "modern cooperative era." They implemented the key precepts around which cooperatives are built today by documenting the guidelines by which they would run their food cooperative (Babajid, 2013).

2.1.2 Cooperatives' guiding principles

The seven cooperative principles that are universally acknowledged are: open and voluntary membership; democratic member control; member economic participation; independence and autonomy; provision of education, training, and information; cooperation among cooperatives; and concern for the community (King et al., 2007).

Cooperatives have a number of benefits, including open and voluntary membership, democratic member control, economic involvement based on membership rather than level of investment, and independence and autonomy. They must pledge to investing in the education and training of their members because they are member-owned enterprises, and they are expected to work together because they have similar ideals. Last but not least, although while they operate primarily for the sake of their members, they also owe duties to the larger community (Johnston, 2004).

The seven cooperative principles are explained as follows by the International Cooperatives Alliance (2014):

- **Open and Voluntary Membership**

Co-operatives are nonprofit organizations that welcome anybody who can use their services and is prepared to take on the obligations of membership, regardless of gender, socioeconomic class, race, political affiliation, or religion.

- **Democratic Member Control**

Cooperatives are democratic businesses that are run by its members, who take an active role in deciding on policy and other matters. Men and women serving as elected representatives are accountable to the membership. One member, one vote is the rule in primary co-operatives, and democratic governance is also a feature of co-operatives at higher levels.

- **Member Economic Participation**

Equitable member contributions and democratic member control over the co-capital operatives are both practices. Typically, a portion of the capital belongs to the cooperative as common property. As a requirement of participation, members often receive minimal compensation, if any, on capital subscribed. Surplus funds are allocated by members for any or all of the following purposes: expanding the co-operative, possibly by creating reserves, at least a portion of which would be indivisible; providing benefits to members in proportion to their interactions with the cooperative; and funding any other activities that have been approved by the membership.

- **Autonomy and Independence**

Co-operatives are independent, self-reliant businesses that are run by their members. They do so on terms that guarantee democratic governance by their members and maintain their co-operative autonomy whether they enter into agreements with other organizations, including governments, or generate money from other sources.

- **Education, Training, and Information**

In order for their members, elected officials, managers, and staff to effectively contribute to the development of their co-operatives, cooperatives provide them with education and training. They educate the public about the nature and advantages of cooperation, focusing in particular on young people and opinion leaders.

- **Co-operation among Co-operatives**

By cooperating through local, national, regional, and worldwide structures, cooperatives best serve their members and advance the cooperative movement.

- **Concern for Community**

Co-operatives implement member-approved policies to promote the sustainable development of their local communities

2.1.3 Meaning and Concepts' of SACCOs

Savings and credit cooperatives are democratic, member-owned financial cooperatives that exist to support their members and communities by offering easy-to-access financial services, according to the World Council of Credit Unions (WOCCU). They are user-owned financial

cooperatives that provide its members with credit, savings, and other financial services (WOCCU 2005). According to this description, SACCOs' main goals are not profit.

Savings and Credit Cooperatives (SACCOs) are defined by Ouma, (1989) as cooperatives with employment as a common bond. All members who work for the same employer collectively form a savings and credit cooperative society, and they are encouraged to save through a check-off system from their monthly salaries. On this basis, consistent savings are accumulated, and loans are funded from these savings.

According to Were (2009), SACCOs are member-owned organizations whose main goal is to promote financial responsibility among their members. Members pool their resources into savings, and the SACCO leverages the monies that have been mobilized to offer members limited loan facilities. These definitions make a number of realities crystals plain. Savings and Credit Cooperatives (SACCOs) are cooperative financial intermediary organizations that are owned and managed by the members who use their services

SACCOs are institutions with a membership base that convert savings into loans. SACCOs are typically independent, modestly sized financial organizations. The majority of SACCOs operate under the principle of gathering member funds and converting them into loans. This makes it possible for the poor and rural communities to borrow money and deposit savings (Markus et al, 2011).

Even in some instances, SACCOs provide members with micro insurance products that are appropriate for the members' day-to-day needs and may be affordable for the community they serve.

According to Dessalew A, (2014) one of the functions of SACCOs is to influence the expansion of youth entrepreneurship through their access to capital. SACCOs, and specifically SACCOs for traders, may be of great assistance to traders who face the fundamental problem of a lack of working cash.

SACCOs offer loans to all members, regardless of gender, and members can use micro and macro financing to launch or grow small businesses (Dessalew A, 2014).

Financial intermediation and investing are listed as the SACCO Society's two main roles by Ergetew, (2015) bringing together savers and borrowers in a system that enables them to pool their funds as saves and shares, and then seizing monies converted into loans by accounting for

all business costs in order to make this business successful or useful for both parties (the SACCO Society and its members (Getachew, 2006).

2.1.4 History of SACCOs

African SACCO adoption began with English-speaking countries. Ghana, Uganda, Nigeria, Tanzania, and Kenya were among the first nations to join the SACCO community. All in all, Ghana was where the first SACCO Society in Africa was introduced in 1959. The majority of the African countries that do not speak English began to value SACCOs in the 1960s, with a significant influx into the SACCO community in the 1970s.

Mwakajumilo S.L.I.,(2011) In Africa, the concept of savings and credit societies was reportedly first explored in 1955 in Jirapa, a tiny town in Ghana, which at the time was the Gold Coast Alila (P.O. and Obado P.O., 1990). Father John McNulty, an Irish Roman Catholic priest, introduced the concept. He had learned about SACCOs while studying in Canada. Father McNulty decided to assist the Jirapa villagers to form a savings and credit Co-operative. The cooperative had a specific aim of assisting the members to address their financial problems which they could hardly do individually.

African nations established the Africa Confederation of Cooperative Society Savings and Credit Organisation (ACCOSSCA) as a continental association of SACCOs in 1965 as a result of the rapid growth of SACCOs throughout the continent (Olando C.O, et al, 2012).

Beginning in the middle of the 1960s, cooperative societies for saving and credit were established in Ethiopia. There were 28 saving and credit cooperative societies between 1964 and 1973, and these societies established Ethiopian Thrift and Cooperative Societies Limited as their own national governing body (Muluneh, 2012).

2.1.5 Role of SACCOs

. The increased financial access made possible by SACCOs has an impact on the growth of youth entrepreneurship. There has been an increase in the number of young people launching their own businesses as a result of the several tactics SACCOs have taken to improve access to capital (Mwangi I.W and Wanjau K.W., 2013). Lack of operating capital is the largest problem for traders, and SACCOs, particularly those of merchants, may be highly beneficial. The creation of

microbusinesses in urban and rural regions has raised the standard of living for the populace and provided financial services to all underserved groups, including women, children, and persons with disabilities their economic and social standing. SACCOS have made saving possible. SACCOS have enabled members to put some of their loans in agricultural development thereby increasing the productivity in the agricultural sector and enhancing food security (G.Okoye, 2009).within the members as well as the community by teaching wise use of their money and efficient management of their limited resources, teaching people how to create an asset that helps them to have a guarantee and collateral for future loan access, Making finance more accessible for members when they need it, and developing a linkage between the rural people and urban banks in order to have broader financial flows into the community and a safe haven for rural peoples' savings (Getachew, 2006).

2.1.6 Saving and credit cooperatives and growth

With few studies using consistent definitions and measures, the definition of "growth" from a performance-based perspective is still up for debate. P. Musyok (2013) asserts that there are three distinct areas of firm outcomes that encompass growth: financial performance, as demonstrated by profits, return on assets, and return on investment; market performance, as demonstrated by sales versus market share; and shareholder return, underpinned by total shareholder return and added economic value.

Ofei K.A.(2001) asserts that SACCO growth is evaluated by looking at changes in membership and savings rates. SACCOs rely on member savings to make loans and turn a profit. As a result, in order for a Sacco to expand, its lender must also grow, and this depends on member savings. A rise in SACCO membership corresponds to greater savings. After joining a Sacco, a member must save money before being eligible for a loan. As a result, if membership grows, Sacco savings grow as well, which benefits the lender. When evaluating SACCO growth, loan portfolio management is a key component. To prevent losses, a Sacco must be able to recoup the loans from its members.

According to A World Bank publication (2011), the process of capacity building of individuals or groups to make choices thus, transforming the very choices into expected actions and results may as well be termed as growth.

2.1.7 Saving and credit cooperatives and Sustainability

Sustainability refers to the ability of an organization to survive over the long term. Critical aspects of sustainability include the permanency or stability of ownership, governance, management, and financial viability. Despite its service orientation, a financial cooperative must be profitable; otherwise it will not be able to cover its costs and provide its members with financial services over the long term (Turto, 2008). According to Turto,(2008) described improved operational systems and governance, increased capacity building, Clear regulations and better supervision and improved financial performance are some of the key factors facilitating sustainability and allow expansion of outreach--for financial cooperatives in developing countries. Jonathan et al, (2005) mentioned the flexibility of the repayment schedule is theoretically expected to influence financial sustainability to the extent that it affects the effective rate of interest, which in turn has an effect on the break-even interest rate. To the extent that a more frequent repayment schedule generates a higher effective interest rate, a weekly payment schedule should be negatively (positively) associated with financial unsustainability (sustainability).

According to Ssebaale, (2008) sustainability is defined as the ability of a SACCO to cover its operating and other costs from generated revenue and provide for profit. It is an indicator showing how the SACCOS can run independent (free) of subsidies (Basu J. C. &Woller, G., 2004).

(Basu J. C. &Woller, G., 2004) and (Ssebaale M. , 2011) defined Sustainability as the ability of a SACCO to cover its operating and other costs from generated revenue and provide for profit. It is an indicator showing how the SACCOs can run free of subsidies.

The financial performance of financial cooperatives is an important indicator because it shows the sustainability of current outreach as well as the potential for additional outreach.

2.2 Empirical Review

A number of studies on SACCOS have been carried out globally, in Africa, and in Ethiopia

2.2.1 Empirical Literature Review in World Wide/ Globally

Different studies on SACCOS and sustainability have been carried out globally as follows:

Dhakal,(2001) related to MFIs sustainability revealed that most of the MFIs operating in Nepal have been experiencing difficulties on attaining sustainability over the long run due to limited outreach and poor financial management. In assessing financial sustainability of MFIs, financial sustainability indicators used were financial performance, operating performance, operating and financial self-sufficiency ratio, portfolio quality ratio, administrative efficiency and staff productivity of the leading MFIs. Meyer (2002) carried out a study in Bolivia on factors that hamper sustainability of SACCOS found out that the financial un-sustainability in the SACCOS arises due to low repayment rate or un-materialization of funds promised by donors or governments. Hermes et al, (2008) on a number of SACCOS in Bolivia to determine factors that affect their sustainability came up with a conclusion that the objective of the SACCOS had an impact on the way SACCOS carried out their operations, that is, there are some SACCOS that aiming at making profit (financial objective) and those that whose objective is reaching the poorest. The authors came up with a conclusion that a SACCOS that abandons the poor by selling big loans and big deposit is not a suitable SACCOS, an argument supported by Schreiner, (2000), because, as Hulme, D. & Mosley, P., (1996) argue, without the poor, a supposed SACCOS is no longer different from bank. On the other hand, studies carried out in Bangladesh by Paxton (2003), supported by Navajas,S, et al,(2012) provide a contradictory view on the objectives of SACCOS by arguing that without profits SACCOS will be unable to sustain their operations. Robinson (2001) carried out in India came up with the conclusion that financial sustainability is attributed to its conformity to the perspective that only independent, financially sustainable microfinance institutions will be able to attain the wide outreach necessary to achieve the highest level of impact on their target population, based on a globally affordable model that does not depend on long-term support, either from donors or the government (Robinson, 2001). Mark (2001) in Bolivia investigating challenges microfinance sustainability in Peru revealed that to achieve true financial sustainability, a credit programme must be able to cover the following costs from the income it receives from fees and interest: its cost of funds, its operating costs and its loan write-offs.

2.2.2 Empirical Literature Review in Africa

Several studies on MFIs sustainability including SACCOS have been carried out by a number of scholars in the context of Africa.

The study carried out by Orlanda, et al (2008) in Ghana revealed that lack of sufficient growth of SACCOS' wealth has made it difficult for them to absorb their operational losses, which has threatened their sustainability. This has led to the losses being absorbed by members' savings and share capital, hence loss of members' savings. The growth of SACCOS' wealth significantly depends on financial stewardship, capital structure, and funds allocation strategy. The study further recommended that the use of institutional capital as a mode of financing SACCOS' activities would ensure their sustainability in the competitive co-operative sector.

The study carried out by Fiorillo, (2006,) in Uganda on the effect of multiple borrowing on clients and the MFIs, in which he revealed that multiple borrowing had a positive effect on loan repayment and sustainability of MFIs. This was also supported by Krishnaswamy,(2007) who reported that multiple borrowers have been found to have equal or better repayment records than their single borrowing peers in the same villages. However, studies s by Chaudhury, et al (2002). Rhyne, (2001), Johnson (2004), and Wisniwski,(2010) show the opposite.

Using panel data collected from 53 MFIs in Uganda over a period of six years, Okumu, (2007) examined the determinants of financial sustainability and outreach of MFIs. The study indicates that sustainability is negatively and significantly related to the ratio of gross outstanding loan portfolio to total assets. However, as the loan market, especially credit to households and firms, is risky and has a greater expected return than other assets, one would expect a positive relationship between loans intensity (loans/total asset) and profitability (Bourke, 1989).

Related to ways in which SACCOS thrive to become sustainable, the study by Fiorillo, (2006) revealed that in ensuring financial sustainability of the SACCOS, members in some SACCOS were required to purchase an additional share every time they applied for a loan. This deliberate increase in share capital was used to increase resources for on lending as well as to increase members' sense of ownership and investment in the institution. For Bunyaruguru SACCOS, this new initiative was seen as a way to reach self-sufficiency and sustainability, although it increases the effective cost of borrowing substantially.

The study carried out by Adongo J., Stork C.(2005) who investigated factors influencing the financial sustainability of selected microfinance institutions in Namibia. The finds revealed that donor involvement in providing start-up funds for the loan portfolio is positively associated with financial sustainability. The study recommended that to ensure in order the microfinance

institutions (SACCOS) to become financial sustainable, the cost of providing non-financial services should be managed and separated from that of providing financial services.

The study carried out by Skosana (2007) the study carried out to find out whether the microfinance organizations (SACCOS) organizations in rural South Africa are sustainable. In this study self-reliant, self-sufficient and ultimately self-sustaining were used to check its sustainability. The study came up with recommended the usage of the micro – credit. Then it advised the retaining and attacking donor funds in order to ensure the financial sustainability of SACCOS.

2.2.3 Empirical Literature Review in Ethiopia

As the literature indicated in Ethiopia, there is no enough empirical literature directly addressing the current topic. However, the following studies in Ethiopian context were conducted on saving and credit cooperatives.

The study by Tadael (2017) on the determinants of financial performance of employees' saving and credit associations was conducted with the general object of determining the performance of employees' SACCOS, and the study would also offer knowledge about ESCAs. The study was aimed at investigating to what degree the loan management, saving capacity, technology and literacy level of management and members had affected the overall performance of ESCAs. Descriptive research design and inferential statistics were employed for the study and multiple regression analysis was applied to data to examine the effect of explanatory variables on the performance of ESCAs. The data collected was both primary and secondary data from Ethiopia Telecommunications Corporation ESCAs. The findings of the study state that loan management, saving capacity of members, technology adoption and literacy status of workers and members have a positive significant effect on the performance of ESCAs. This study was not comprehensive. It used Ethiopian telecommunications corporation employee saving and credit cooperative association societies only as a sample. It is a very narrow scope and it's difficult to generalize the finding to the other SACCOS in Addis Ababa, and as well as Ethiopia.

The study conducted by Ergetew,(2015) on the determinants of financial performance of SACCO union in the South Wollo zone addressed different issues related to the current research topic. The research is descriptive and analytical in nature and the secondary data collected was analyzed by using simple statistical analysis like percentages, tables, and financial ratio analysis tools such as liquidity ratios, leverage ratios, profitability ratios, and trend analysis of balance

sheets. The liquidity level of the SACCO unions is fairly high, but at a decreasing rate, and the leverage ratio of SACCO unions is highly leveraged. Their profitability rate is below the minimum required rate. This study focused on the internal determinant factors of the financial performance of the SACCO union. It doesn't consider external factors and emphasis only on Sacco's union data.

The study was conducted by Yitayaw, (2017) on determinates of financial performance of saving and credit cooperative unions in three zones of Amhara regional state, Ethiopia. The study investigates the effect of operational efficiency, management efficiency, capital adequacy, gearing ratio, the size, long-term debts, and growth of domestic products on the financial performance of SACCO unions. A quantitative research approach can be used and an explanatory research design can be employed. The total population of the study is 10 SACCO unions in the study area. A Purposive sampling technique was employed to determine sample size. Secondary data is a source of data that is collected through document review. The collected data was analyzed using descriptive statistics, correlation, matrix and multiple linear regression analysis. The impact of determinant variables on financial performance was tested by using the Radom Effect Model (REM). The findings of the study conclude that SACCO unions were averagely generating positive ROA and ROE during the study period. The regression results show that operational efficiency, management efficiency, capital adequacy, greening ratio, and loan to total debt ratio have a positive and statistically significant impact on ROA. OPE, LTD ratio, and GDP have a positive and statistically significant impact on ROE. CA and size have a negative and statistically significant impact on ROE. This study considers the SACCO union and secondary data was only used as a source of data, since it ignored primary SACCOs which are not members of the SACCO union in the study area, so it's not a comprehensive study.

Abeje,(2020), study on the determinants of financial performance of SACCOs in Sodo Zuria woreda, Wolaita zone. To achieve the objective, the study looked at the factors influencing Sacco's financial performance, like: competition from Omo microfinance institution, internal politics, saving culture, liquidity management, operating costs, and financial reporting. SACCOs in Sodo Zuria woreda were the target population of the study. Stratified and simple random sampling techniques were used for sample selection. The study found that competition from Omo microfinance, internal politics, and operating costs have negative and statistically significant effects on the financial performance of SACCOs. Whereas saving culture, liquidity

management, and financial reporting have positive and significant effects on the financial performance of SACCO. The study recommends that SACCOs should: prioritize the interests of members when facing competition in the market, have effective policies and strategies to handle internal politics, update minimum monthly and annual saving targets of members and societies on a timely basis, minimize time taken for loan processing, set effective policies which could be used in reducing operating costs, and follow standard internal and external reporting of cooperatives. This study was conducted at primary level SACCOs, but it covered only two woredas.

Negalign, (2020) identified factors influencing the financial performance of the saving and credit cooperative societies of Derash and Alle-woreda in SNNPR, Ethiopia. To achieve the objective, the study looked at the factors influencing SACCOs' financial performance, like the interest rate charged, membership enrollment, duration of loan processing, and management of loan defaulters. A descriptive research design and a quantitative research approach were used for the study. The primary sources of data were collected from staff members of Study area SACCOs Derash and Alle woreda in the southern region. The stratified sampling method was used and data collected was analyzed by descriptive statistics like; mean standard deviation, frequency, and percentages. The findings of the study indicated that loan repayment, interest rates, membership enrolment, duration of loan processing, and management of loan defaulters were identified as major factors. The researchers suggest that to improve the financial performance of SACCOs in the region, they should strengthen their applicant screening criteria and due diligence assessments to select potential risk-taking applicants and adopt appropriate pre and post credit assessments.

Kifle, (2011) conducted a research entitled Management of Savings and Credit Cooperatives from the Perspective of Outreach and Sustainability: Evidence from Southern Tigray of Ethiopia and concluded that There is a substantial growth in outreach and improvement of operational Self-Sufficiency and grassroots and member-owned financial institutions called the saving and credit cooperatives were able to mobilize huge financial resources and to provide credit and savings services to a large mass base at a standard compared to that of formal financial institutions.

Kifle,T.(2012) also conducted a research entitled The Impact of Savings and Credit Cooperatives in Ofla Wereda Tigray Region of Ethiopia. The study examined the Pearson test used to determine correlations between income as well as profit and the independent variables.

Only four variables deserve attention (seniority, saving, loan size, and number of times loan availed). The study comes out there is significant Positive correlation have been observed between seniority, saving, size of loan, number of times loan availed and post income of the respondents. Similarly for profit, there is significant and positive correlation between seniority, the size of loan and number of times loan availed and profit from economic activities while the variable saving had significant negative correlation with the profit The study also came out with a range of reasons in response to the question ‘why have non-members not joined the SACCO?’. Nonmembers stated that no perceived benefits, lack of information and high interest on loan are the critical problems of SACCO.

Nigusie, (2015) discussed on the determinants of Savings and Credit Cooperatives Societies outreach in Addis Ababa. The general objective of this research is to identify and examine the Determinants of Saving and credit cooperatives outreach in Addis Ababa. The research followed exploratory research design. The study used secondary data source. The panel data parameters can be estimated using fixed effect or random regression models. There is a positive relationship between income per capital of the country and dividend. And there is a negative relationship between interest rate on borrowing and loan size.

Abayneh, (2011) studied about factors influencing saving and credit in the case of saving and credit cooperatives of North shewa Zone Amhara national regional state. The study analyzed factors influencing saving and credit of saving and credit cooperatives in North Shewa Zone Debre Birehan city and woreda Amhara region Ethiopia. Mixed method approach of both qualitative and quantitative is adopted. The data is gathered through both interview and questionnaire methods. The sample population is selected by random sampling method. Both primary and secondary source of data were used. In order to analyze the data both descriptive and inferential statistics were used. Factors that mostly influence the saving of people in saving and credit cooperatives are marital status, consumptions plane, awareness, trust and loan use. But educational level, income and family size are not significantly influence the cooperative saving and credit.

2.3 Research gap

As mentioned above there were various studies conducted on management, impact, role, financial performance, source of fund, influence, contribution, effect, etc. of SACCO's. A number of researchers have conducted various studies on SACCOs in union. Studies on the

determinants of SACCO growth and sustainability are very few, and they do not place a strong emphasis on the growth and sustainability of primary SACCOs. Therefore, this study was critical in bridging the knowledge gap by investigating the determinants of growth and sustainability of primary SACCO's in Butajira town.

2.4 conceptual frame work

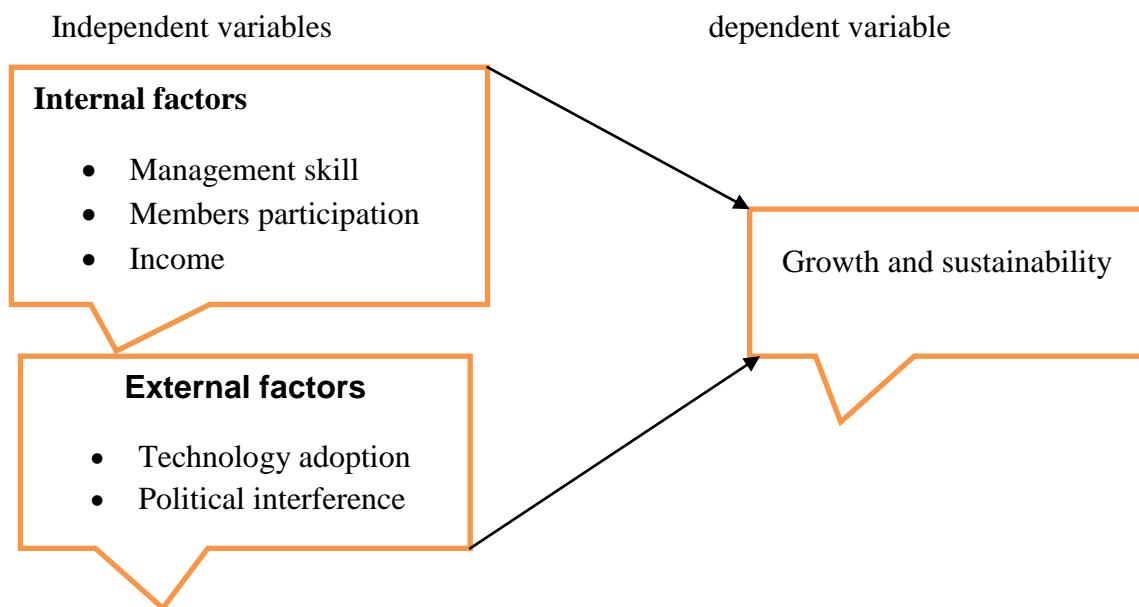


Figure2. 1 conceptual frame work

Source: adapted from Nassazi, 2013.

CHAPTER THREE

3. Research Methodology

3.1. Research Design

The purpose of the study was to investigate the determinant of growth and sustainability of saving and credit cooperatives in case of Butajira town administration. This study was adopted a descriptive and explanatory research design to find out the determinant of growth and sustainability of saving and credit cooperative in case of Butajira town administration and to answer the research questions of the study. According to Orodho (2003), descriptive survey is a method of collecting data by interviewing or administering a questionnaire to a sample of individuals which can be used when collecting information about peoples' attitudes, opinions, habits or any other social issues. Descriptive research is a description of the state of affairs as it exists (Orodho and Kombo, 2002). Sekaran and Bougie (2011) concurs with Orodho and Kombo (2002) by asserting that descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation. According to Kothari (2004) the emphasis of explanatory research is on studying a situation or a problem in order to explain the relationships between variables. In this case the researcher was used to examine the relationship between demographic, internal and external factors on growth and sustainability of Saccos. In addition to seen their cause and effect relationship on each other.

3.2. Target population:

The target population contains members of a group that a researcher is interested in studying. The results of the study are generalized to this population, because they all have significant traits in common. The target populations of this study were all employees and members of all the **18** saving and credit cooperatives in Butajira town. There are 2930 members of saving and credit cooperative organization (refer to table in appendix I).

3.3. Sampling size and sampling technique

According to Orodho and Kombo (2002) view a sample as a finite and representative number of individuals or objects in a population to be studied. Kombo and Tromp (2009) also define a sample as a finite part of a statistical population whose properties are studied to gain information

about the study. By studying the sample one is able to draw conclusions that are generalizable to the population of interest. The study was conducted at Butajira Town Administration; also the town is purposively selected from Gurage zone, Southern Nation Nationality People's Region. The study was carried out in 18 saving and credit cooperatives in Butajira Town administrations. A total of 13 employees and 18 saving credit cooperatives leaders in each saccos and 1 town administration cooperative development office head has been involved purposively for interviewee, because this sampling technique used to select respondents based on their knowledge and convenient accessibility to the study problem. The knowledge of these respondents measured by their way of life expectancy, effectiveness in their farming or job, the ability to interact with other people and based on their attitude towards saving and credit cooperatives.

The 18 saving and credit cooperatives have the total of 2930 members. It is obvious that taking all population in research is very difficult because of time and resource constraints. It becomes more difficult to take the whole population; as a result the researcher was used sample for the study. Therefore, the sample size for collecting quantitative and qualitative data for this research was determined by using (Yamane, 1977) formula

The study used the following formula to calculate sample size;

The researcher were took 190 individuals as a sample from the whole population in the study area. This formula used to calculate the sample size by using level of confidences as one want. For this research with level of precision equal to 7% used to obtain a sample size required to represent the true population will be selected purposively for the sake of enough sample size.

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, e is the level of precious. Accordingly, the researcher sampled from 2930 respondents, which is the total number of members of saving and credit cooperatives By using level of precision equal to 7% would be calculated as follow:-

$$n = \frac{2930}{1+2930(0.07)^2} =$$

Thus, out of (2930), 190 has been taken as a sample in the study. To give equal distribution of members between saving and credit cooperatives proportional allocation to size of members in each Sacco has been done. To represent equal

proportion of sample members in each Sacco William (1977) formula utilized. Hence it is done by dividing the targeted sample members (190) with the total number members in the sample Sacco's (2930) and multiplied by total number of members in each Sacco's.

Mathematically; $P_s = \frac{n}{N} \times \text{no of members in each cooperatives}$ Where, P_s = Proportional allocation to size n =Total members" sample size (190).

N = Total number of members in eighteen Saccos (2930).

Thus $P_s = \frac{n}{N} \times \text{no of members in each Sacco's} = \frac{190}{2930} \times \text{no of members of the Sacco's} = 0.065 \times \text{no of members of each Sacco's}$

After this, the researcher employed simple random sampling technique, it is based on the assumption that gives equal chances for the respondents to participate in the research, therefore, especially lottery method employed, to select the representative of the members of saving and credit cooperatives in each selected cooperatives.

Table 3.1. Size of Population and sample size of respondents by saving and credit cooperatives

Kebele	Name of saving and credit cooperatives	Establishment date /mont/year	Number of employee	Member of Sacco's			Sample	%
				M	F	T		
01	Meseret	04/07/2000	3	215	106	321	21	11
02	Tsedeye	23/10/1996		25	39	64	4	2
03	Nigat	20/11/1998	2	382	224	606	40	21
04	Ehitimamach	16/04/2008		-	107	107	7	3.7
05	Shonike	28/03/2006		304	133	437	28	16.4
06	Agar	10/06/1990		77	50	127	8	4.2
07	Wegagen	13/05/1992		86	70	156	10	5.3
08	Ediget fana	14/09/1994		140	80	220	14	7.4
09	Wastina	27/06/1994		85	140	225	15	7.9
10	Muday	27/07/1998		32	18	50	3	1.6

11	Akal Gudategna	18/06/2001	1	25	28	53	3	
12	Raeye	17/12/2005	7	85	140	225	15	7.9
13	Maremiya	18/07/2006		23	21	44	3	1.6
14	Gelila	10/04/2008			58	58	4	2.1
15	Atu	23/02/2010			78	78	5	2.6
16	Areniguade limat	16/04/2008			50	50	3	1.6
17	Armoni	16/04/2008			68	68	4	2.1
18	Adey	16/08/2008		24	17	41	3	1.6
total			13	1503	1427	2930	190	100

3.4 .Sources and Methods of data collection

The Data has been collected in the 18 saving and credit cooperatives of Butajira town, beside, the researcher used both primary and secondary data sources.

3.4.1. Primary source of data

Primary sources of data were members and employee of saving and credit cooperatives and head of town cooperative office.

3.4.2. Secondary source of data

The secondary data has collected from documents; plans and statistical data report obtained from Butajira town administration office department of cooperative development. In addition to these, policies, books and journals has been used as secondary sources of data to supplement the findings of the study

The study employed both quantitative and qualitative data. Both types of data was gathered by using appropriate data collecting tools in order to obtain ample information from respondents.. Thus, questionnaires were the major data collecting tool from members of saving and credit cooperative organizations. Interview for employee and management bodies of saving and credit cooperatives and document analysis was the other data gathering tools employed which has

helped the researcher for enrichment the data obtained from questionnaires and provide in-depth information on the issue under investigation.

The following data collection method (instrument) was used for study

3.5 .Data collection instrument

3.5.1 Questionnaire

Self-administered questionnaires has been used in the study as the major data collection tool from the respondents, who was allowed at least one week to respond to the questionnaires after exchanging telephone contacts with the researcher. To note, where the researcher felt there was need for guidance on completion of the questionnaires, this would be done. Where applicable, the services of a research enumerator who make follow-up of the administered questionnaires have observed by the researcher.

3.5.2 Interview

The researcher has also used interview data collecting instrument from where activity of research to get clear and perfect data to collect from the respondent of the study. These tools used for face to face interview. .Leedy and Ormrod (2005) described that interview is a major tool in which a qualitative evaluator seek to understand the perceptions, feeling and knowledge of people in program through in-depth, intensive interviewing. Key Informant Interview (KIIs): was conducted with key government stakeholders at town level and employee of saving and credit cooperatives. The discussions were guided using checklist/interview guide developed for this purpose. Semi structured questions were used to guide the interview in the study. After explaining the purpose of the interview, for the interviewees and getting their consent, the researcher was conducted the interview.

3.5.3. Document Analysis:

The secondary sources of data include: reviews of relevant policy documents, directives, guidelines, by-laws, design and evaluation reports, best practices documented locally and internationally.

3.6. Methods of data analysis

According to Zikmund et al (2010), data analysis refers to the application of reasoning to understand the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation.

Both descriptive and inferential statistics have been used in the study to analyze data from the questionnaires. To establish the nature and magnitude of the relationship between variables, multiple regression analyses would be used. Descriptive statistics such as frequencies mean and percentages has been computed, from the inferential statistics correlation and multiple linear regressions have been utilized. Statistical package for social sciences (SPSS) version 25 has been used for the purpose.

3.7 Model Specification

Multiple Linear regressions have been employed to examine the effect that the listed determinants on growth and sustainability of Sacco. The reason behind using multiple regressions is mainly due to the nature of the dependent variable that is continuous which measured using Likert scale questions. The multiple linear regression models took the form of:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \sum$$

Where;-

Y= growth and sustainability

X1=management skill

X2 = members participation

X3= income

X4= Political interference

X5= technology

3.7. Ethical Consideration

To assure respondent's security, their name and other private information's which describe about the respondents' identify were not conduct, and the data obtained from the respondents confidential. Once the study will accomplish the data will never over handed for anybody else.

The obtained data will only use for this academic purpose. The privacy and morality of the respondents will preserve in a good manner.

3.8. Reliability and Validity of the Instruments

Reliability and validity are two of the most vital factors that may be potentially considered in the process of evaluating or formulating a specific instrument (Ihantola and Kihn, 2011). Reliability is the extent to which a particular instrument is capable of measuring a set topic or Reference phenomenon through population groups and time in a consistent manner (Drost, 2011) Reliability is “concerned with the consistency of measures” thus; the level of an Instrument’s reliability is dependent on its ability to produce the same score when used repeatedly. In this study as mentioned above the instrument was taken from previous scholars so it was pre tested for reliability. To do this the researcher distributes questionnaires and Finally, computes the data to see the alpha value and the value for all of the Measurement is more than the minimum threshold which is ≥ 0.7 while reliability is necessary, it alone is not sufficient. For a test to be reliable, it also needs to be valid. Validity on the other hand refers to whether an instrument actually measures what it is supposed to measure, given the context in which it is applied (Babbie, and Mouton, 1998). For this study the instruments were the most frequently used measures which were developed by prominent scholars, though it was assumed to be valid. Actually, there is no statistical tool to measure the validity of instruments rather it is based on experts. The followings are the result of reliability test for each of the variable;-

Table 3.2 the result of reliability test for each of the variable

NO	Variable	No_ items	Cronbach’s Alpha
1	Income	2	0.816
2	Members participation	5	0.739
3	Effects of technology	5	0.730
4	Management skill	5	0.740
5	Political interference	5	0.791
6	Growth and sustainability	5	0.803

Source: own survey, 2023

CHAPTER FOUR

4. RESULTS AND DISCUSSION

Introduction

This chapter presents the analysis and findings of the study as set out in the research methodology. The data was gathered exclusively through a questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study. The discussion begins with the questionnaire's response rate followed by both the descriptive statistics and econometrics analysis of the responses related to the questions.

4.1. Questionnaires response rate

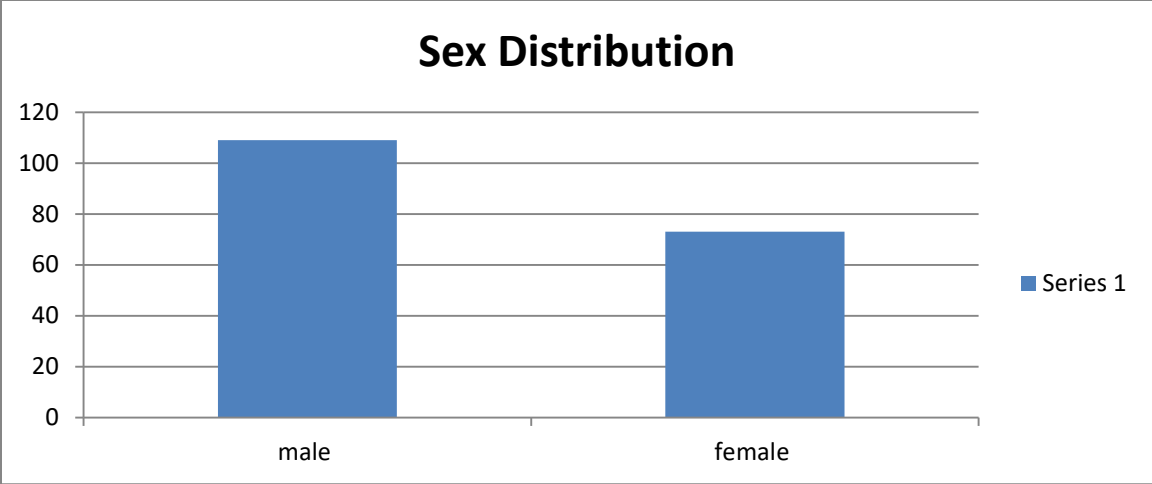
The main aim of the study was to identify determinants of growth and sustainability of saving and credit cooperative organizations in butajira town, .To achieve this objective, the researcher distributed 190 questionnaires for members in butajira town, Out of the total distributed questionnaire of 190, 182 returned and this much number is valid for analysis with the response rate of 95.7%. Due to that the non-response rate doesn't have, a significant effect on the representativeness or on the finding of the study. Altogether the 95.7% response rate is within the acceptable threshold, of course even though there seems to be a lack of consensus across disciplines on the question of acceptable response rate in research. According to Mundy (2000) lies within reasonable margins, although not inside the brackets of what would be considered as good (80%) or excellent (90%). However going by the acceptable thresholds provided by (Mugenda and Mugenda, 2003), the above-given response rate of 95.7% lies with excellent margins (90 and above).

4.2. Demographic Characteristics of Respondents

In this part researcher describes about the respondent's gender, age, marital status, and educational level. These social attributes are relevant to the study because they enabled the respondent to provide information that is valid, reliable and relevant to this study.

4.2.1 Sex of respondents

Figure 4.1 Gender of respondent



As it sees in the above figure 4.1, the respondent's sex, 60% of them are male and the remaining 40% of the respondents are females. Therefore, majority of respondents are male, it implies that most members in the credit cooperatives are males.

4.2.2 Marital status of respondents

Table 4.1 marital status information

Table 4.1 marital status of respondents				
Marital Status	Frequency	Percent	Valid Percent	Cumulative Percent
Married	109	59.8	59.8	59.8
Single	62	34	34	93.06
Widowed	3	1.65	1.65	94.7
Divorced	8	4.3	4.3	100.0
Total	182	100.0	100.0	

Source; own survey 2023

The above table 4.1 indicates respondent's percentage of marital status, 59.8% of the respondents are married , 34% of the respondent are single, 1.65% of the respondent widowed and the remaining 4.3% of the respondents were divorced situation of marital status. Therefore, more than half of the respondents were married. It implies that, above half of

the saving and credit cooperative members in the town are married hence, majority of members are married.

4.2.3 Educational back ground of respondents

Table 4.2 Educational back ground of respondents

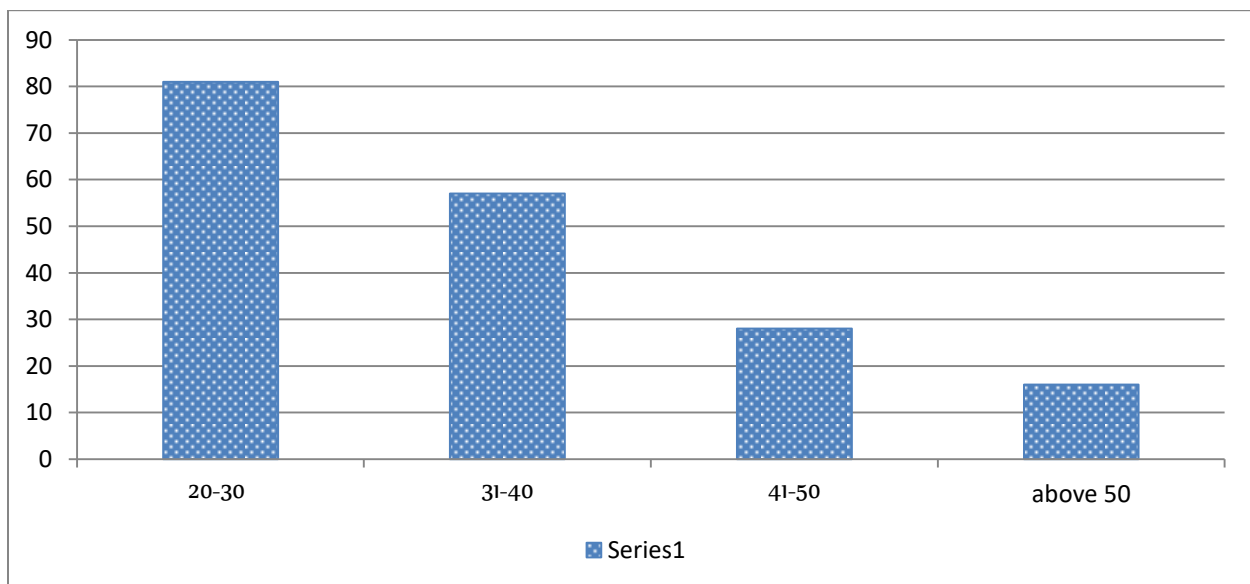
Education	Frequency	Percent
Illiterate	20	10.9
Primary education	33	18.1
Secondary education	38	21
Degree and above	91	50
Total	182	100.0

Source; own survey 2023

The majority 91(50%) of the respondents were in degree and above, 38(21%) of respondents were secondary school, 33(18.1%) respondents are primary school and 20 (10.9%) of respondents have illiterate respectively. The implication is that degree and above are dominated the sampled respondent in the study.

4.2.4 Age of Respondents

Figure 4.2 age information



Source; own survey 2023

Figure 4.2 ages of respondents

As indicated in the figure 4.2, the age distributions, 44.5% of the respondents laid in between 20-30, 31.31% of the respondents are found between,31-40, 15.4 % of the respondents are between 41-50, and only 8.79% of the respondents laid in above 50. Therefore, majority of respondent’s ages were laid in 20-30. It indicated that, they are young group who mostly engage in the cooperative.

Table 4.3 Analysis of general questions

No	Questions	Yes	Percentage	No	Percentage
1	Do you save regularly? If your answer is yes ?	121	66%	61	34%
2	When you pay your monthly saving, does the management committee or Cashier present on the right time?	45	25%	76	75%
3	Do you know the rights and responsibilities of a member?	86	47%	96	53%
4	Do you have written by laws stating the duties and responsibilities of members?	84	46%	98	54%
5	Does government have role in your cooperative leadership election?	98	53%	84	47%

Source; own survey 2023

Regarding table Number 4.3 for the question raised to know the saving habit of respondents 66% of the respondents save regularly while only 34% of the respondents were doesn’t have this habit. Therefore, majority of the respondents have a good saving practice. Beside, among the individuals who have a good saving practice 25% of them pay at the right time and the majority (75%) of them pays after.

The 3rd question is about the understanding of respondents about the right and responsibilities of the member, the respondents replied that 47% of them know the right and responsibility and the remaining 53% of the respondents doesn’t know the right and responsibility. Therefore, approximately half of the respondents know the right and responsibility. Inline 46% of the

respondents replied they do have written laws which stating the right and responsibilities of members while, 54% of them don't have the written low to state the right and responsibilities.

The last general questions is focused about the role of government in their cooperatives to leadership elections, the respondent 53% of them agreed that the governments have a role in their election system and the remaining 47% said that the government doesn't have role in their leadership election.

4.3 Descriptive analysis of the variable

4.3.1 Mean and standardivation of the variables

Table 4.4 mean and standard deviation for each variable

Determinant Factors	Descriptive Statistical Output	
	Effect of members participation	2.9951
I got the opportunity to participate in the SACCO annual general assembly and urgent meeting		
SACCO activities are transparent to all members		
Regulations and policies of SACCOs like reports and financial activities are applied transparently		
management committee members are elected democratically by the majority vote of member		
I actively participate while decisions are made by general assembly		
Grand mean/standard deviation		
Effects of technology	3.1658	1.27379
Technological innovations need to be accepted and actually used by the Sacco to enhance growth and sustainability.		
Promoting their service by using social media are supports growth and sustainability of Sacco.		
Using website enhances the growth and sustainability of the Sacco.		

Using internet supports growth and sustainability of the Sacco.		
Adoption of modern technology supports growth and sustainability of the Sacco		
Grand mean/standard deviation		
Effect of management skill	2.7641	1.16237
management committee and staff of the society have managerial skills		
SACCO often offers management training to the co-operative officials to impact skills.		
The Sacco's survival will depend on what kind of skills management has.		
Lack of co-operative training in management skills to society officials leads to mismanagement of the Sacco.		
Staff training in management helps to improve growth in the Sacco.		
Grand mean/standard deviation		
Effect of political interference	3.4733	1.08115
Politicians cause wrangles in the assembly and affecting the growth of Sacco.		
External political pressure from the opposition has an effect on growth of Sacco.		
The wrangles between the politicians and the top management usually have an effect on the performance of Sacco.		
In the Sacco the annual general meetings are normally chaotic due to external politics.		
Interference of political person has affected the growth and sustainability of Sacco.		
Grand mean/standard deviation		

Source; own survey 2023

Based on the above table 4.4 it is summarized to the major determinants of growth and sustainability of saving and credit cooperatives of Butajira town based on the questionnaires distributed and collected to 182 respondents respectively and the following is summary of descriptive statistics of the major variables.

Variables	Descriptive Statistics		
	N	Mean	Std. Deviation
Income	182	2.6351	1.17320
members participation	182	2.9951	1.35106
Effects of technology	182	3.1658	1.27379
management skill	182	2.7641	1.16237
political interference	182	3.4733	1.08115
growth and sustainability	182	3.32	.92

According to the above table 4.4, the members perceptions on the income based on mean and standard deviation were, the mean is **2.63** and standard deviation of **1.17**, this indicated that, there is low level income perception in their organization/SACCOs.

The mean and standard deviation of members participation **2.99** and standard deviation of **1.35** this indicated that the member participation of the SACCO become relatively at the medium amount the raised question to got the perceptions where like SACCO activities are transparent to all members regulations and policies of SACCOs like reports and financial activities are applied transparently, and management committee members are elected democratically by the majority vote of member are the majors. Hence the members' perceptions level for the above raised questions where to the medium level.

Regarding to technology, the mean for technology as a factor is, **3.16** and standard deviation of, **1.27**, this indicated that there is medium level perception regarding of the technology. of Technological innovations need to be accepted and actually used by the Sacco to enhance growth and sustainability and other questions like Promoting their service by using social media are supports growth and sustainability of Sacco. Therefore, the members' perception regarding the adoption of technology on SACCO is to the medium extent.

Regarding to, management Skills, the mean score of the management’s skills found that indicated the lower level which is 2.76 with SD **.1.16** which is also shows as low-level implementation which indicated that the management committee and staff of the society have low levels of managerial skills.

The mean for political interference is found that, 3.47 and standard deviation of **1.08**, which also shows that, at the medium level perception the members perceive that External political pressure from the opposition has an effect on growth of Sacco. Which means Interference of political person has affecting the growth and sustainability of Sacco. Regarding the trend of growth and sustainability in Sacco the mean score **3.32** and standard deviation of, **0.92** this shows that, the Sacco members perceive medium level of organizational growth and sustainability.

4.4. Inferential statistical value of the research variable

4.4.1 Correlation Analysis

The study's statistical methodology involved determining the relationship between variables. The level of relationship is determined using Pearson's correlation coefficients. The strength and direction of the connection between the two variables is evaluated by Pearson's coefficient, which lies between -1.0 and +1.0 (Field, 2005). This study used Pearson's correlation coefficient to do a correlation analysis. The correlation coefficient (r), according to (Field, 2005), whose rules for interpreting the strength of a relationship between variables, are as follows: The correlation coefficient ranges from 0.1 to 0.29 for weak links, 0.3 to 0.49 for moderate associations, and greater than 0.5 for strong ones.

Table4.5 Correlation result between independent and dependent variables

	Income	members participation	Effects of technology	Management Skill	political interference	growth and sustainability
Income	1.0000					
members participation	0.272	1.0000				
Effects of technology	0.3247	0.0128	1.0000			
Management Skill	0.3295	0.1671	0.1190	1.0000		
political interference	0.0337	0.0592	0.0635	0.0096	1.0000	
Growth and sustainability.	0.3270	0.6633	0.7230	0.4720	0.6197	1.0000

Source: Own survey result (2023)

According to the correlation matrix Income, members participation, technology, Management Skill, and political interference or all explanatory variables are positively correlated outcome variable or with growth and sustainability of saving and credit. This meant that increasing these positively correlated independent variables would result in increased Sacco's growth and Sustainability, while decreasing them would result in decreased Sacco's growth and sustainability.

4.2. Multiple Liner Regression Analysis

To investigate the significant effect of independent variable on growth and sustainability in saving and credit cooperatives, multiple regression models was computed. This multiple regression analysis was conducted to know how much the independent variable explains the dependent variable. Regression analysis is a statistical method to deal with the formulation of a mathematical model showing relationship amongst variables which can be used for the purpose of prediction of the values of the dependent variable, given the values of the independent variables; income, member's participation, technology, management skill and political interference. According to (Field, 2005) regression analysis is a model that is used to predict the value of the dependent variable from one or more independent variables. Therefore, regression analysis is conducted to test the effect of independent variables (income, member's participation, and effects of technology, management skill and political interference) on the dependent variable (growth and sustainability). Firstly, the assumptions of the variables were checked before the regression analysis. Therefore, the study has gone through the most critical regression diagnostic tests consisting of multicollinearity, normality, and linearity diagnostic tests. Accordingly, the results for the tests are presented below.

4.2.1 Multicollinearity test

Multicollinearity can be found in SPSS by looking at Collinearity diagnostics in the Statistics command box, and in the Collinearity statistics, one should look at the Tolerance column on the output, according to (Cohen, Janicki-Deverts, & Miller, 2007). He states that values will range from 0 to 1, and the greater the value, the less the Collinearity, whereas a number close to 0 suggests that the other factors in the model account for nearly all of the variance in the variable.

According to (Arslan & Altuna, 2010), a multicollinearity problem exists when the VIF value is greater than 10 and the tolerance value is less than 0.10. In this study, the results of collinearity statistics analysis show that, below table the VIF value varies between 1.12 and 2.42. The tolerance value is in the range of 0.413-0.896. These values (both VIF and tolerance level) imply that there is no multicollinearity problem in this study.

Table4.6: Summary Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
Income	.683	1.46
member's participation	.896	1.12
Effects of technology	.578	1.73
Management skill	.421	2.37
Political interference	.413	2.42

Source: Survey result (2023)

4.2.2 Normality test

According to (Gujarati, 2011) in testing the normality assumption, tests of normality could be considered by histogram of residuals, normal probability and PP-plot test. Hence, histogram of residuals is a simple graphic device that is used to learn something about the shape of the probability density function of a random variable. Therefore, the distribution of scores on the dependent variable should be normal describing asymmetrical, bell-shaped curve, having the greatest frequency of scores in the middle around the mean of zero, with smaller frequencies towards the extremes. To check these assumptions, the study was used the histogram normal distribution, normal probability plot (P-P) of regression standardized residual and the scatter plot of the standardized residual.

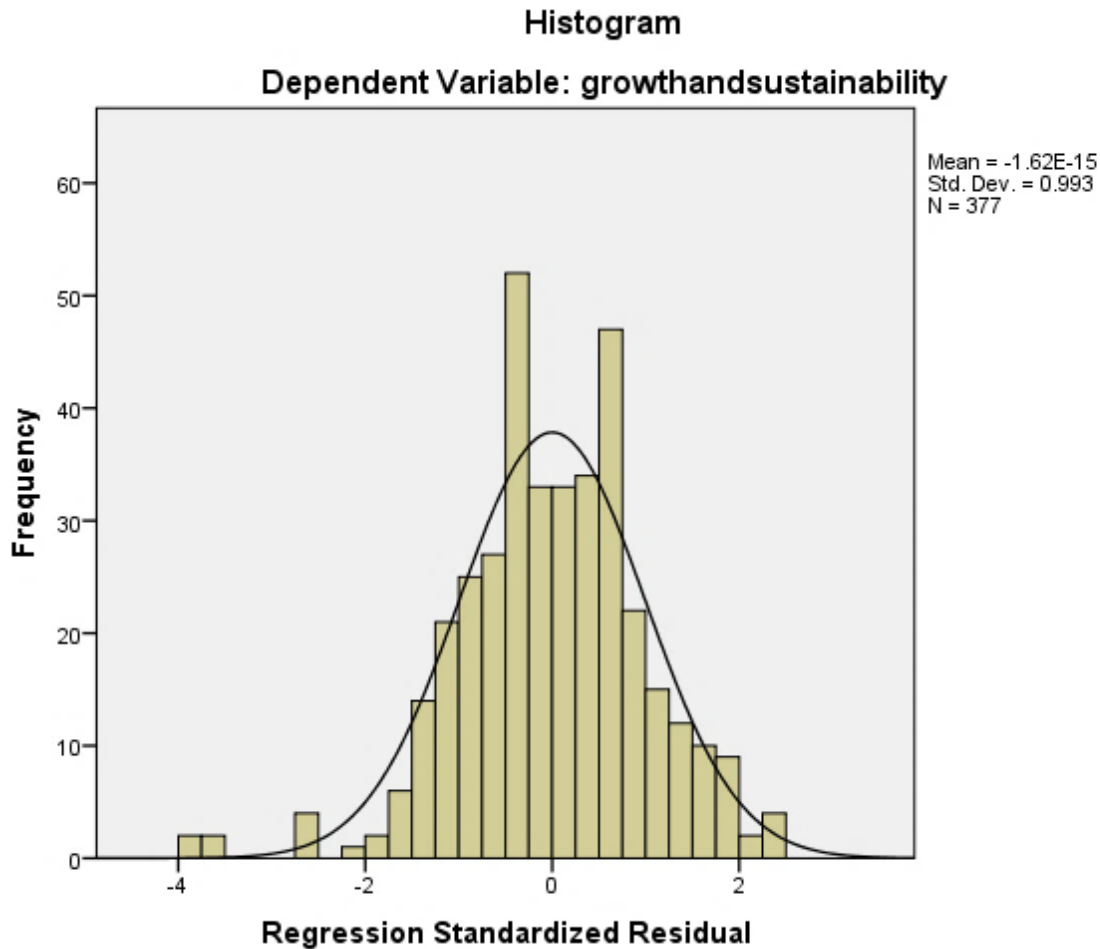


Figure4. 3: Histogram with Normal Distribution

Source: Survey result (2023)

In order to test normality of the data, observation on the shape of the histogram was checked and the result indicates that data used in the study is normally distributed. In depth test of the residual plot and scatter plot reachable or to be in most statistical software program packages may even suggests the linear relationship (Ishak & Ahmad, 2018). A residual plot is a graph that suggests the residual on the vertical axis and the independent variables on the horizontal axis. If the thing in a residual are randomly dispersed or spread across the horizontal axis, a linear regression model is suitable for the data in any other case a non-linear version is better appropriate.

Furthermore, the study used the normal probability plot (P-P) of regression standardized residual and the scatter plot of the standardized residual. The (P-P) plot suggested no major deviations

from normality when the points lie on straight diagonal line. Therefore, the result of this study as shown from results of SPSS software on figure No (4.4). Normal P-Plot shows linearity with standardized residuals by predicted values and the P-P points lie on straight diagonal line, which shows no major deviations from normality. Then, the researcher can say that the assumptions for linearity have been met.

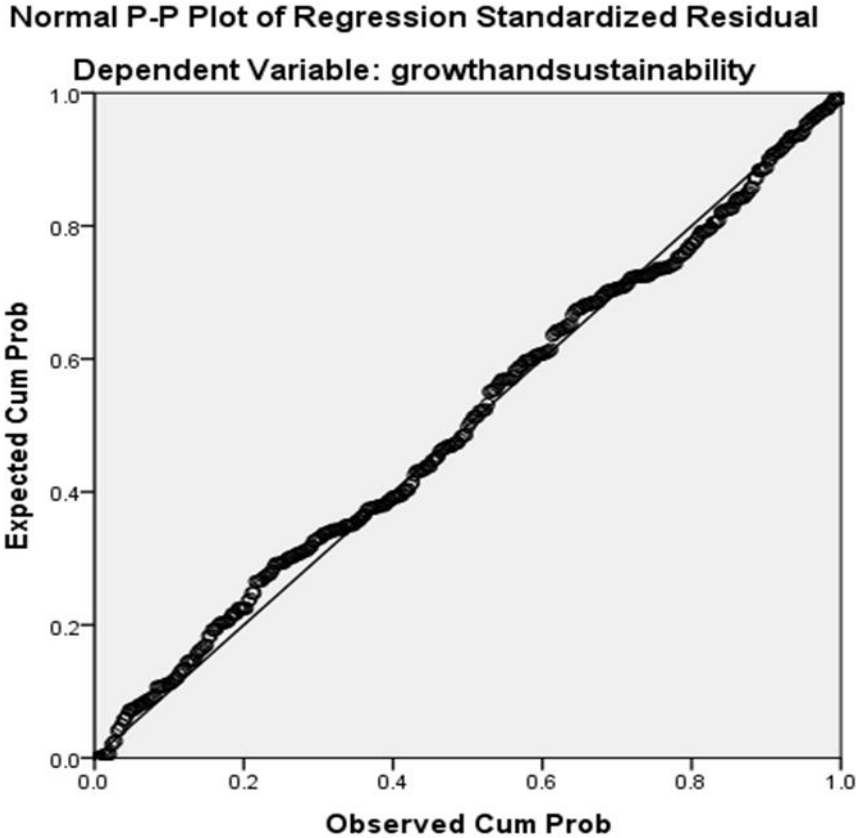


Figure4. 4: Normal P-Plots shows linearity

Source: Own survey result (2023)

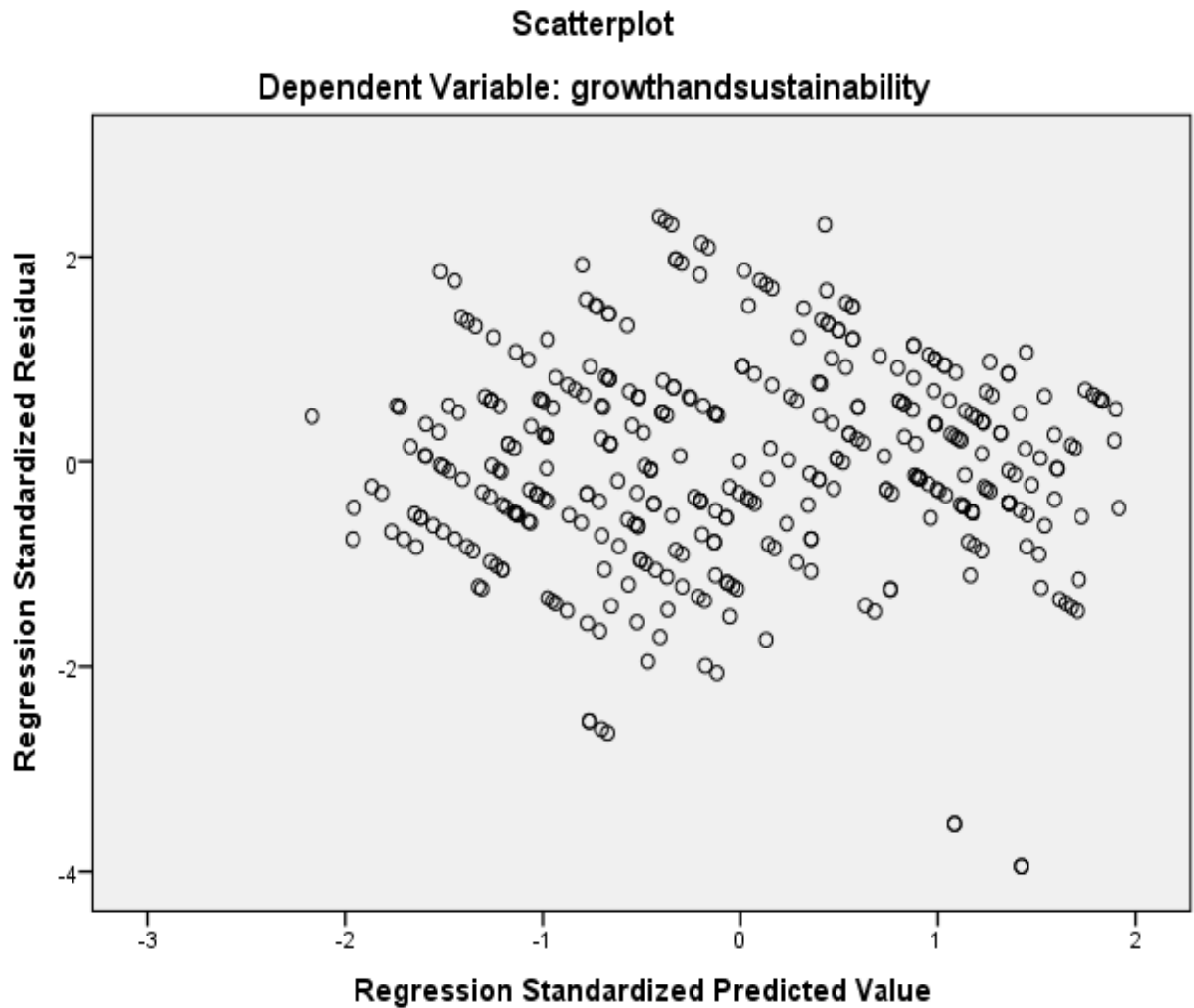


Figure4. 5: Scatterplot

Source: Own survey result (2023)

4.3 Multiple Linear Regression Analysis

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Field, 2005). Multiple linear regressions was conducted in order to determine the explanatory power of the independent variables (income, member’s participation, and effects of technology, management skill and political interference) to identify the relationship and to determine the most dominant variables that influenced the growth and sustainability. The significance level of 0.05 with 95% confidence interval was used. The reasons for using multiple regression analysis was to assess

the direct identify the determinant of the growth and sustainability of saving and credit cooperatives. The following table shows the model summary of the regression analysis.

Table4.7: Regression Model Summary

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.781 ^a	.611	.604	.62877	.611	96.705	6	370	.000	1.911

a. Predictors: (Constant), Income, members' participation, effects of technology, management skill, political interference

b. Dependent Variable: growth and sustainability

Source: Own survey result (2023)

As it is revealed in the above regression table, **R**: Indicates the value of the multiple correlation coefficients between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger correlation and 1 representing an equation that perfectly predicts the observed value (Pedhazur & Kerlinger, 1982). From the model summary (R=.781a) indicated that, the linear combination of the five independent variables (income, member's participation, and effects of technology, management skill and political interference) strongly predicted the dependent variable (growth and sustainability).

R Square (R²): Indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In another word, R² is a measure of how much of the variability in the outcome is accounted for by the predictors. The values of R² also range from 0 to 1 (Pedhazur & Kerlinger, 1982). The linear combination of independent variables or predictors" i.e. income, member's participation, and effects of technology, management skill and political interference explains 61.1% of the variance in growth and sustainability and the remaining 38.9% is explained by extraneous variables, which have not been included in this regression model. On another word, 61.1% of the variation in the growth

and sustainability is explained by the changes in the aforementioned independent variables while the rest 38.9% is explained by other factors.

Adjusted R Square (R2): The adjusted R2 gives some idea of how well the model generalizes and its value to be the same, or very close to the value of R2. That means it adjusts the value of R2 to more accurately represent the population under study (Pedhazur & Kerlinger, 1982). The difference for the final model is small (in fact the difference between R2 and Adjusted R2 is $(0.611 - 0.604 = 0.007)$ which is about 0.7%. This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.7% less variance in the outcome.

Durbin-Watson: The Durbin–Watson statistic expresses that whether the assumption of independent errors is acceptable or not. As the conservative rule suggested that, values less than 1 or greater than 3 should definitely raise alarm bells (Field, 2005). So that the desired result is when the value is closer to 2, and for this data, the value is 1.911, which is so close to 2 that the assumption has almost certainly been met

Table 4.8 Analysis of variance (ANOVA) of growth and sustainability

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	229.398	6	38.233	96.705	.000 ^b
Residual	146.282	370	.395		
Total	375.680	376			

a. Dependent Variable: growth and sustainability

b. Predictors: (Constant), income, member’s participation, and effects of technology, management skill and political interference

Source: Own survey result (2023)

To set up the significance of regression table, the researcher used ANOVA. The ANOVA test tells whether the overall model is acceptable from a statistical perspective i.e. whether the independent variables are in a significantly good degree of prediction of the dependent variable. In testing its significance level, the study considered significant if the p value is less than or equal to 0.05. Therefore, as it is depicted in the above analysis of variance table, the significance

of the regression of p value of 0.000 which is < 0.05 . Consequently, it shows that the regression model is statistically significant as a result showed and it is right for prediction.

As it can be seen from the table above, the independent variables which affect the growth and sustainability significantly predicted with $F = 96.705$ and $\text{sig} = .000$. (I.e. the regression model is the good fit of the data). F tests used to find out overall probability of the relation between the dependent variable and all the independent values occurring by chance. The F test result of the study was 96.705 with a significance value of 0.000, which means that the probability of this result occurring by chance was less than 0.05, which means the variation explained in the model not simply brought by chance. The overall ANOVA result suggest that the model become significant or substantial at $F = 96.705$, $P = .000$. Hence, accept the alternative showing that all independent variables affect growth and sustainability at $P < 0.05$. According to the above table, we can see that the Mean Square of Regressions is more than Mean Square of Residual and the $\text{sig} = 0.000 < 0.05$. Thus for this research Regressions is significant at a confidence level of 95%.

Table: 4.9 multiple regression analysis test result

Coefficients^a						
Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-.110	.161		-.683	.495
	Income	.165	.038	.169	4.301	.000
	Members participation	.090	.035	.088	2.583	.010
	Effects of technology	.332	.044	.324	7.583	.000
	Management skill	.233	.053	.221	4.416	.000
	political interference	.189	.054	.178	3.515	.000
a. Dependent Variable: growth and sustainability Source: Own Survey result (2023)						

The results of the above regression table the beta coefficients that present the contribution positive or negative effect of each variable to the model. The beta coefficients with its

significance level P values showed the influence of the independent variables on the dependent variable. The beta coefficient of the model in the above regression table indicates the beta value of the constant was -0.110 whereas the predictor variable (income, member's participation, and effects of technology, management skill and political interference) of unstandardized beta coefficients and p-value in the table above, the largest predictor coefficient is 0.332, indicates effects of technology, followed by management skill with coefficient of 0.233. Political interference the third rank with beta coefficient of 0.189. Income has come on the fourth rank with beta coefficient of .165 and members' participation has come on the last rank with coefficient of .090. This indicates income, member's participation, and effects of technology, management skill and political interference variables from the above table were positive with a significant relationship with growth and sustainability in saving and credit cooperatives in Butajira their p values are < 0.05. The beta value implies that, the predictor variables increased by each unstandardized beta coefficients on average growth and sustainability increased by one as per the study. Since the regression equation was:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where: Y, growth and sustainability, a, is the constant, β_1 , β_2 , β_3 , β_4 , β_5 are estimated regression coefficients. X1 = income, X2 = members participation, X3 = effects of technology, X4 = management skill, X5 = political interference and e = error term.

Equation: Growth and sustainability = -0.110 + .165I + .090 MP + .332ET + .233 MS + .189PI + e.

In general, the beta coefficient tells us about the cause and effect between the outcome and each predictor. If the value is positive, it is said that there is positive effect between the predictor and the outcome, whereas a negative coefficient represents a negative effect. For these data all predictors, has positive beta values, indicating positive relationships with the outcome.

4.4 Interview discussion

Conducting an interview was important to assess the status of Sacco and with respect to investigate factors that affect that growth of Sacco. this also strengthened the reliability of finding. an interview were conducted to gather qualitative information's from 32 respondents: 18 Sacco manager 13 employee of the Sacco and 1 head of butajira town cooperative development office. According to the result of respondents 46.5% of the respondent explain Sacco

management committee facilitates service according to the need of members the remaining 54.5% complain service provision. Because Sacco executive do not provide equal service to all members and they have not present on time to deliver saving and loan service. The researcher also gathers information from the respondents' strategies to adopt to ensure growth and sustainability of saving and credit cooperatives. Most respondents suggested that Sacco's should explore new source of fund and some of the respondents mentioned involvement of members on the issue of the Sacco and More over some respondents mentioned upgrading Sacco's staff skills. in principle cooperatives are free from political interference 84% of the respondents said there were interference in Sacco's and the remaining 16% are explain it free from government interference. therefore if it is beyond the technical support it affects negatively the management efficiency and delivery of Sacco's .according to the respondent government involved in the administrative affaires of the Sacco especially in decision making which discharges members moral in their Sacco's business operation. Good management skill is important in management of any business entity for long term survival and growth. the majority 88% of the responded interview supported that management skill affects growth and sustainability of Sacco's and they said the member of the committee abusing their power to gain unfair advantage over other in the Sacco's, lack of commitment, miss management of financial resource and lack of accountability of to the shareholders. Some management committee member does not act in the best interest of the Sacco's. the researcher wanted to find the effect of technology on the growth and sustainability of Sacco out of 32 respondents interviewed 26(81.25%) agreed that technology has effect on growth and sustainability of Sacco 6(18.75%) of them said that it has no effect. among the respondents 78% of them said income level of the members has effects on the growth and sustainability of Sacco. The amount of money contributed by members to a Sacco influences its financial base and thus sustainability. Respondents of the interview have also made some recommendation to improve the service and growth of Sacco's .all recommended that the period should be flexible in accordance with the type of the business they run and the type of income generating activities it refers the training that are provided for Saco members and leaders with any concerned bodies training and awareness helps improving the skills of managements and members to understand their duties and responsibility and act accordingly to discharge the responsibility expected from them.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 Introduction

In this chapter major conclusion, recommendations, suggestion and limitation to further research are discussed coherently. So as to make clear the purpose of the study, the conclusions are based on the research objectives, the study recommendations are made to organizations, to employees and vivid suggestion for other researchers was discussed.

5.2 Major findings of the study

The main aim of the study was to identify determinants of growth and sustainability of saving and credit cooperative organizations in butajira town. To achieve this objective, the researcher distributed 190 questionnaires for members in butajira town, Out of the total distributed questionnaire of 190, 182 returned and this much number is valid for analysis with the response rate of 95.7%.

Regarding to the respondent's sex, 60% of them are male while, the remaining 40% respondents were females. Therefore, majority of respondents are male, it implies that most members in the credit cooperatives are males.

Majority of the saving and credit cooperative members in the town are married hence, majority of members are married. Majority of the saving and credit cooperative members in the town are married. Majority of respondent's ages were laid in 20-30. It indicated that, they are young group who mostly engage in the cooperative.

Majority of respondents are first degree holders and above. It indicated that majority the members are literate. When we come to the conclusion from the variables value, Income, member participation and management skill found to have low level current statuses while, technology political interference and growth and sustainability value was at medium level of perception.

The result of the correlation analysis has shown that, the independent variables: "members participation, effects of technology, and political interference" have the strong correlation with dependent variable "growth and sustainability" with 95% confidence interval & at 0.00 p-value

2-tailed, by scoring a Pearson Correlation Coefficient “R-value” of 0.6633**, 0.7230** and 0.6197** respectively. Even though all variables except management skill and income variable were strongly correlated with the dependent variable but management skill and income has moderate correlation with dependent variable “growth and sustainability” with 95% confidence interval & at 0.00 p-value 2-tailed, by scoring a Pearson Correlation Coefficient “R-value” of 0.472**, and 0.3270**, respectively there was the difference in their strength of the relationship. Accordingly, the effects of technology had the highest strong relationship with growth and sustainability than the rest four variables i.e. $r=0.7230^{**}$ at the $p \leq 0.00$.

Finally, the regression analysis result revealed that all independent variables were statistically significant at p-value $< .05$. The score of the coefficient correlation determination (R^2) is 0.611 which indicate 61.1% of the variability of overall growth and sustainability was explained by the five independent variables. The other variables that were not considered in this study contribute about 38.9% of the variability of growth and sustainability. In this study, the Beta weight score indicated that the effect of technology is greater than other independent variables. Accordingly, the study model fits regression equation become $Y = 0.110 + .165I + .090 MP + .332ET + .233 MS + .189PI + e$.

5.3 Conclusion

The overall objective of this study was to examine determinants of growth and sustainability of SACCOs in the case of Butajira town. Having this in mind, the data were analyzed through descriptive and inferential statistics. As per the results of descriptive statistics members of the SACCOs opined that they have low level perception about income, member participation and management skills and medium level perception of technology, political interference and growth and sustainability, hence the cooperatives are in the medium level of the determinant in relation they are having the medium level of growth and sustainability.

Regarding the models conclusion technology become the top significant variable in predicting the growth and sustainability of SACCOs through Promoting their service by using social media are supports growth and sustainability of Sacco allowing reduction in transactions costs, improved access to timely and usable knowledge, improved communications with markets and within supply chain, acquisition of appropriate skills for enhancement of productivity and improved information about new opportunities. New technologies create new markets and

opportunities. Income also has positive and significant effect on growth and sustainability of the firms.

External political pressure from the opposition has an effect on growth of Sacco beside, Management skills play a key role in growth of SACCOs. The study conclude that the management should ensure that all SACCOs have strategic objectives, ensure they come up with common objectives for all members and to make sure all members are treated equally when accessing the products. Hence, SACCO often offers management training to the co-operative officials to impact skills and The Sacco's growth and sustainability depend on what kind of skills that the management has.

5.4. Recommendation

This study examined determinants of saving and credit cooperatives on the growth and sustainability in Butajira town. On the basis of the findings and conclusions reached, the following recommendations were forwarded

From the result the researcher sees that the major determinant of growth and sustainability was effect of technology, followed by management skill and political interference from external parts. Therefore, SACCOS needs to give high attention in attracting members who have great courage to adopt technology and having of enough capacity so as to facilitate the issue, SACCOs have to focus on delivering training and awareness program in order to improve the management skills of members, through distribution of brochure and at the time of general assembly meeting to members etc. for the technology purpose.

The study recommends SACCOs to adopt new technology. SACCOs need to use new technologies to create new markets and opportunities. By linking ICT providers to acquire compatible computer software for their operations at a competitive price; and to save on costs.

Income also has positive and significance effect on the growth and sustainability of SACCOs; hence the participants better to focus on generating it through diversified ways including mobilizing saving, improving credit performance from credit union or other financial institutions and selling additional shares to the new entry or the existing members

Members participation also found to have a positive and significant impact in cooperative growth and sustainability therefore, The study recommends SACCOS have to hire trained and educate

their members and employees, as well informed members are more versatile in understanding the advantages of cooperatives and could easily decided to take part actively in governance and doing business in cooperatives.

5.5. Scopes for further research

The researcher suggests future researchers to use other variables and sectors beside, it is recommended for SACCOs in other sectors in order to test whether the conclusions of this study will hold true. Study to find out factors that may influence the growth and sustainability of SACCOs, Future studies could also focus on banking sectors and other non financial organization to test whether some of the listed variable has enough effect on growth and sustainability. Future studies should apply different research instruments.

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APPENDIX 1. Sample SACCOs used for the study

APPENDIX table I Saving and credit cooperatives in Butajira Town Administration

No	kebele	name	Date of establishment	Employees	members		
					male	female	total
1	O1	Agar	10/06/1990		77	50	127
2	01	wegagen	13/05/1992		86	70	156
3	03	Ediget fana	14/06/1993		140	80	220
4	03	wastina	27/06/1994		85	140	225
5	02	Tsedeye	23/10/1996		25	39	64
6	03	Mudaye	27/07/1998		32	18	50
7	03	Nigat	20/11/1998	2	382	224	606
8	01	Meseret	04/07/2000	3	215	106	321
9	02	Akal gudategna	18/06/2001	1	25	28	53
10	03	Raeye	17/12/2005	7	85	140	225
11	05	Shonike	28/03/2006		304	133	437
12	01	Maremiy	18/07/2006		23	21	44
13	04	Ehitimamach	16/04/2008			107	107
14	04	Gelila	10/04/2008			58	58
15	05	Atu	23/02/2010			78	78
16	03	Arengwade limat	16/04/2008			50	50
17	04	Armoni	16/04/2008			68	68
18	01	Adeye	16/04/2008		24	17	41
	total			13	1503	1427	2930

APPENDIX 2; ENGLISH QUESTIONNAIRE



WOLKITEE UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

Dear participant/respondents:

I am Abeyneh Teshoma postgraduate student in the Department of management, at Wolikite University. The purpose of this questionnaire is to collect information on — *Determinants of growth and sustainability of saving and credit cooperative organizations in butajira town, Ethiopia*”. the information that you share with me will be kept confidential and only used for academic purposes and cannot affect you in any case. So, your genuine, honest, and timely response is vital for the accomplishment of this study on time. Therefore, I kindly ask you to give your response to each item/question carefully.

Your honest and thoughtful response is valuable!!

Thank you in advance for your support and participation

With best regards,

ABAYNEH TESHOME

Mobile: [+251- 974-05-45-24](tel:+251-974-05-45-24)

Email: abaytg83@gmail.com

General Instruction

- Please no need of writing your name
- For each question please indicate (✓) sign in the appropriate block.
- ❖ Name of Kebele _____
- ❖ Date of interview _____

SECTION A Demographic Information

1. What is your gender? Male Female
2. What is your age in years? 20-30 31-40 41-50 above 50
3. Level of Education a) Illiterate b) Primary education c) Secondary education
d) College /University and Above
4. Marital status Married Single Widowed Divorced
- 5 what is your annual income level? Below 10000 10000-30000 31000-50000
51000-70000 71000-100000 Over 100000
- 6 what is your source of income Agriculture Livestock production civil servant
trade others

SECTION B General Questions

1. Do you save regularly? 1) Yes 2) No
2. If Yes to question 1, when you pay your monthly saving, does the management committee or Cashier present on the right time? 1) Yes 2) No
3. Do you know the rights and responsibilities of a member? 1) Yes 2) No
4. Do you have written bylaws stating the duties and responsibilities of members? 1) Yes
2) No
5. Does government have role in your cooperative leadership election?
A. Yes B. No

SECTION C: BASIC RESEARCH QUESTIONS

Tick mark (√) appropriately where you strongly agree (5) you agree (4) neutral (3) disagree (2)

And strongly disagree (1) with the statement

no	Effect of members participation	5	4	3	2	1
1	I got the opportunity to participate in the SACCO annual general assembly and urgent meeting					
2	SACCO activities are transparent to all members					
3	regulations and policies of SACCOs like reports and financial activities are applied transparently					
4	management committee members are elected democratically by the majority vote of member					
5	I actively participate while decisions are made by general assembly					

no	Effects of technology	5	4	3	2	1
1	Technological innovations need to be accepted and actually used by the Sacco to enhance growth and sustainability.					
2	Promoting their service by using social media are supports growth and sustainability of Sacco.					
3	Using website enhances the growth and sustainability of the Sacco.					
4	Using internet supports growth and sustainability of the Sacco.					
5	Adoption of modern technology supports growth and sustainability of the Sacco					

no	Effect of management skill	5	4	3	2	1
1	management committee and staff of the society have managerial skills					
2	SACCO often offers management training to the co-operative officials to impact skills.					

3	The Sacco's survival will depend on what kind of skills management has.					
4	Lack of co-operative training in management skills to society officials leads to mismanagement of the Sacco.					
5	Staff training in management helps to improve growth in the Sacco.					

no	Effect of political interference	5	4	3	2	1
1	Politicians cause wrangles in the assembly and affecting the growth of Sacco.					
2	External political pressure from the opposition has an effect on growth of Sacco.					
3	The wrangles between the politicians and the top management usually have an effect on the performance of Sacco.					
4	In the Sacco the annual general meetings are normally chaotic due to external politics.					
5	Interference of political person has affected the growth and sustainability of Sacco.					

no	What is the trend of growth and sustainability in your organization	Greatly Improved (5)	Improved (4)	Constant (3)	Decreasing (2)	Greatly Decreasing (1)
1	No. of members					
2	Share Capital					
3	Deposits					
4	Loans Issued					
5	Rate Of Dividend					

SECTION D'' INTERVIEW QUESTION

1. From your experience, how does political interference affect the growth of SACCOs?
2. From your experience, what do you say about the effect of members' participation on growth and sustainability of Saccos?
3. What do you think about the SACCOs' management efficiency?
4. Please express your opinions do you think that income level of members does affect the growth of Sacco.
5. How does technology affect the growth and sustainability of SACCOs?
6. Does the SACCO management committee facilitate services according the request of the member? 1) Yes 2) No
7. If "no" for Q. 6 what is the reason?
8. Are there any conditions where government comes and interferes in the affairs of SACCO?
1. Yes, 2. No
9. If yes, what are those affairs?
10. What are your views on what should be done to ensure growth and sustainability of this SACCOS?

Amharic Questionnaire

የጥናት መጠይቅ

ውድ ተሳፊዎች/መልስ ሰጪዎች፡-

እኔ አባይነህ ተሾመ በወልቂጤ ዩንቨርሲቲ የማኔጅመንት ትምህርት ክፍል የማስተርስ ድግሪ ተማሪ ነኝ። የዚህ ጥናት እና በተለይም የዚህ መጠይቅ ዋና አላማ- "በኢትዮጵያ በቁጠባና ብድር ህ/ ማህበራት እድገትና ቀጣይነት ላይ ተጽኖ የሚሰድሩ በሚል አርዕስት ለማከናወኑ ጥናት ግብአት የሚውል ሲሆን ይህም በቢዝነስ አድሚንስትሬሽን የማስተርስ ድግሪ ማሟያ ተደርጎ ይወሰዳል። ይህ ጥናት ትምህርታዊ ለሆነ አላማ ብቻ የሚያገለግል ሲሆን በወልቂጤ ዩንቨርሲቲ በኩል የተፈቀደ ነው። ስለሆነም የእርስዎ ሃሳብና አስተያየት በጣም ከፍተኛ ያለ ክብር የሚሰጠውና በሚስጢር የሚያዝ ይሆናል። ስለዚህ ይህንን አጠር ያለ መጠይቅ በጥንቃቄና የተቻሎዎትን እውቀት በመጠቀም እንዲሞሉ በትህትና እና በላቀ አክብሮት እጠይቃለሁ። ጥራትና ብዛት ያለው መረጃ መስጠትዎ ለጥናቱ ተአማኒነት የበኩሉን ሚና ይጫወታል። ነፃና ግልፅ የሆነ ሃሳብዎን እንዲሰጡን በማሰብ ስምዎትን አይጥቀሱ። ለምታደርጉት ድጋፍ እና ተሳትፎ በቅድሚያ እናመሰግናለን።

➤ አድራሻ

- ❖ አባይነህ ተሾመ
- ❖ ስ.ቁ +251- 974-05-45-24
- ❖ ኢ-ሜይል abaytg83@gmail.com

ክፍል 3 የጥናቱ መሰረታዊ ጥያቄዎች

❖ በሚከተሉት ጥያቄዎች እስከምን ድረስ ትስማማለህ? በጣም እስማማለሁ = 5 እስማማለሁ = 4

ገለልተኛ = 3 አልስማማም = 2 በጣም አልስማማም = 1

ተ.ቁ	የአባላት ተሳትፎ ተጽዕኖ	5	4	3	2	1
1	በመሀበሩ አመታዊ ጠቅላላ ጉባኤ እና አስቸካይ ስብሰባ የመሳተፍ እድል አግኝቻለው.					
2	የቁጠባናብድር ህብረት ሥራ ማህበራሩ እንቅስቃሴዎች ለሁሉም አባላት ግልጽ ናቸው					
3	እንደ ሪፖርቶች እና የገንዘብ እንቅስቃሴዎች ያሉ የማህበሩ ደንቦች እና ፖሊሲዎች በግልጽ ይተገብራሉ					
4	የስራ አመራር ኮሚቴ አባላት በአብላጫ ድምጽ በዲሞክራሲያዊ መንገድ ይመረጣሉ					
5	በጠቅላላ ጉባኤ ውሳኔዎች ላይ በንቃት እሳተፋለሁ					

	የቴክኖሎጂ ተጽዕኖ	5	4	3	2	1
1	የቁጠባ ማህበራት እድገት እና ዘላቂነት ለማጎልበት የቴክኖሎጂ ፈጠራዎችን መቀበል እና በትክክል መጠቀም ያስፍልጋል					
2	ማህበራዊ ሚዲያን በመጠቀም አግልግሎታቸውን ማስተዋወቅ የቁጠባናብድር ህብረት ሥራ ማህበራት እድገትና ዘላቂነትን ይደግፋል					
3	ድህረ-ገጽን መጠቀም የቁጠባናብድር ህብረት ሥራ ማህበሩን እድገትና ዘላቂነትን ይጨምራል					
4	ኢንተርኔት መጠቀም የቁጠባናብድር ህብረት ሥራ ማህበራት እድገትና ዘላቂነትን ይደግፋል					
5	አዳዲስ ቴክኖሎጂን መቀበል የቁጠባናብድር ህብረት ሥራ ማህበራት እድገትና ዘላቂነትን ያርጋግጣል					

	የአስተዳደር ችሎታ ተጽዕኖ	5	4	3	2	1
1	የስራ አመራር ኮሚቴዎችና የማህበረሰብ አሰሪዎች የአመራር ክህሎት አላቸው					
2	የቁጠባ ማህበራት የአመራር ክህሎትን ለማዳበር ለማህበራት ሃላፊዎች የአስተዳደር ስልጠና ይሰጣሉ					
3	የቁጠባ ማህበራት ህልውና የሚውሰነው ኮሚቴዎችና ስራተኞች ባላቸው የአስተዳደር ችሎታ ላይ ነው።					
4	የማህበሩ ሃላፊዎች የአስተዳደር ክህሎት ስልጠና ማነስ የማህበሩን አስተዳደር በአግባቡ አለመቆጣጠርን ያስከትላል					
5	ለሰራተኞች የአስተዳደር ስልጠና መስጠት የቁጠባ ማህበራት እድገት ለማሻሻል ይረዳል					

	የፖለቲካ ጣልቃ ገብነት ተጽዕኖ	5	4	3	2	1
1	የፖለቲከኞች በጉባኤ ውስጥ ጣልቃ መግባት በቁጠባ ማህበራት እድገት ላይ ተጽዕኖ ያሳድራል።					
2	ከተቃዋሚዎች የሚመጣ ውጫዊ የፖለቲካ ጫና በቁጠባ ናብድር ማህበራት እድገትና ቀጣይነት ላይ ተጽእኖ አለው					
3	በፖለቲከኞች እና በማህበሩ ከፍተኛ አመራር መካከል ያለው አለመግባባት ብዙውን ጊዜ በማህበሩ አፈጻጸም ላይ ተጽዕኖ ያሳድራል					
4	በቁጠባና ብድር ህ/ስ/ማህበሩ ውስጥ አመታዊ አጠቃላይ ስብሰባዎች በውጫዊ ፖለቲካ ምክንያት የተመሰቃቀሉ ናቸው					
5	የፖለቲካ ሰዎች ጣልቃ ገብነት በቁጠባና ብድር ህ/ስ/ማህበሩ እድገትና ዘላቂነት ላይ ተጽእኖ ያሳድራል					

	በድርጅቶች ውስጥ የእድገትና ቀጣይነት አዝማሚያ ምን ይመስላል	በጣም እየተሻሻለ ነው (5)	እየተሻሻለ ነው (4)	ቋሚ ነው(3)	እየቀነሰ ነው(2)	በከፍተኛ ሁኔታ እየቀነሰ ነው (1)
1	የአባላት ቁጥር					
2	የካፒታል መጠን					
3	ቁጠባ/ተቀማጭ ገንዘብ					
4	የብድር ስርጭት					
5	የትርፍ ክፍፍል መጠን					

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