

Financial Management Practices on the Performance of Saccos in Kenya

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Abstract

The determination of this study was to investigate the effects of financial management practices on the financial performance of Saccos in Kenya. The study was aimed at attaining three specific objectives; to evaluate the effects of credit risk management, cash management and dividend policy on the financial performance of Saccos. The researcher of the study used descriptive research methodology. The study used a sample population of 25 respondents who were supposed to provide responses through questionnaires. This study was guided by a stratified random sampling procedure and a structured questionnaire was used for data collection, the data was examined by means of Microsoft Excel to calculate the mean and frequency percentages as a measure of the central tendency. The researcher used various methods in this study to establish the correlation between the respondents' view and the three research objectives. The findings were presented in tables and figures as well as bar graphs and pie charts.

The study established that most saccos had embraced financial management practices that boosted their financial performance. Cash management has led to adequate liquidity of saccos making it possible for the members to acquire loans and mortgages upon approval to increase the worth of the saccos. The study also found out that most saccos partake a credit management procedure which is very important in the supervision of loans offered to members and minimize the credit risk