

Stakeholder Management Strategies and Deposit Taking SACCOs' Bottom Line in Kenya

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ABSTRACT

This study sought to establish the relationship between stakeholder generic strategies and the financial performance of deposit taking Savings and Credit Co-operatives societies in Kenya. The SACCO subsector is part of the Kenyan Co-operative sector comprising of both financial and non financial cooperatives. Saving and credit co-operative (SACCO) are the financial cooperatives. They are an important part of the financial sector in Kenya, providing savings, credit and insurance services to a large portion of the population. Stakeholder management is paramount in creating trust and confidence to key stakeholder especially in deposit taking SACCOs, and in keeping them satisfied. It has been argued that stakeholder management is decisive in determining whether or not a company is or remain successful and that it has direct environment and bottom line result of an organization. Systematic attention to all parties who affect or may be affected by the organization's behavior is critical to that organizations success. Stakeholder management studies have mostly concentrated on normative branch of stakeholder management theory. It is however important to extend the study to member - based co-operatives. Descriptive research method was employed in this study. Questionnaires were used to collect primary data. To ensure that the research instrument yields valid data, the researcher engaged expert in the relevant field in scrutinizing it. Pilot study was carried out to check on the reliability and validity of the instrument and a Cronbach's Alpha of 0.915 was obtained. Data was collected from a sample of 64 Deposit taking SACCOs out of a population of 180 licensed DTS. This made a sample of 130 respondents Data analysis was done using Statistical Package of Social Science (SPSS) Version 20.

Key words:

Deposit Taking SACCOs, Financial Performance, Stakeholder Management generic strategies

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