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Assessing the Influence of Market Competition on the Growth of Deposit-Taking Savings and Credit Cooperative Societies in Meru County

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Abstract

The study sought to assess the influence of market competition on the growth of deposit-taking Savings and Credit Cooperative Societies in Meru County. A mixed-method approach using both quantitative and qualitative data was employed. Data were gathered from 10 DT-SACCO headquarters in Meru County through a descriptive survey design. Respondents included 10 purposively sampled branch managers and 170 randomly sampled officers. Data collection methods included interviews, questionnaires, and secondary financial reports. Validity and reliability were assessed using various methods, including Cronbach's alpha. SPSS version 27 was used for both descriptive and inferential statistical analysis. Data collected through questionnaires established that the management had consciously worked to make sure that DT-SACCOs were known as customer-focused to provide products and services effectively. To be able to accomplish this, the institutions employed qualified professionals with expertise in cost management, which encouraged the effective use of resources. However, the study found that staff members were not included in the decision-making process. Interview replies indicated that marketing campaigns, joint ventures with other corporations to boost sales, and cost leadership were the kinds of market competitiveness tactics used in DT-SACCOs. At a 99% significance level and $\alpha < 0.001$, the market competition correlation coefficient value was r = r=0.609. This showed that market competition had a moderately high influence on growth. The coefficient for market competition is 0.490 with a significance value of 0.01. Therefore, the model was Y = 19.601 + 0.490X1 + 3.063e. Notably, without the inclusion of the market competition, the growth of DT-SACCOs would be 19.601. The outcome noted from the findings recommends the need for the management to develop policies to emphasize on how staff can be included in making decisions to improve their commitment level to the organization and take advantage of market competition. If there are policies that encourage staff involvement in decision-making, it will enhance cohesion and effective operations. The study recommends that, in terms of technology adoption, there is a need to give priority to cybersecurity and consistent training in technology, to reduce operational risk exposure. Therefore, the solidification of IT is expected to uphold the reputation of the DT-SACCOs as key financial providers.

Keywords: *Market Competition, Growth of Deposit-Taking Savings and Credit Cooperative Societies, Meru County.*

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1. Introduction

Growth of a DT-SACCO is defined as the consistent development of products and services that are governed by an internal institutional policy framework in promoting efficiency, reducing overall costs of operations, and addressing the dynamic needs of the customers. Growth of a DT-SACCO was measured through total assets, number of members, customer deposits, and loan book portfolio. These measures were adopted by SASRA to ascertain the growth of both deposit and non-deposit SACCOs in the most recent report of 2023. However, growth was not always assured, as witnessed in global, regional, and local financial institutions.

Globally, Diaspora's financial institutions in France faced increased competition from other financial institutions, which included commercial banks and digital lenders (United Nations Capital Development Fund [UNCDF], 2021). Their competitors had been providing similar products and services in a more efficient method that resonated better with clients.

Regionally, DT-SACCOs in South Africa underwent digital insecurities that exposed the institutions to loss of funds through hacking and unauthorized access to the client's financial data (Rawal, 2022). Furthermore, in Zambia, the increased number of dormant accounts increased the operational costs of the DT-SACCOS in the management of the accounts (Shilimi, 2021). In the West Africa region, weak capital bases due to an alarming declining rate of new customers negatively affected the liquidity status of DT-SACCOs in a nation like Senegal (Mondato, 2022).

Locally, tough regulatory measures in Kenyan DT-SACCOs caused most of them to scale down their operations, such as in the marketing of their products and services (Wanjiru et al., 2024). This resulted in poor resource utilization, hence interfering with the general growth and development of the institutions. Furthermore, increased non-performing loans [NPLs] and inadequate bad debt provision exposed the DT-SACCOs to liquidity risk. These issues could be resolved through the implementation of adaptive capabilities (Waithaka & Odollo, 2024).

Market competition is the process of developing unique policies and strategies in a DT-SACCO to enhance volume of sales, market share, and general profits (Kathimuuri, 2023; King'ori et al., 2023). This process is quite engaging since it promotes critical financial approaches that can be used to turn around low growth. The ability of the DT-SACCO to structure a unique method of increasing sales creates a demand niche that enhances its market share in the economy. According to King'ori et al. (2023), SACCOs operate in a market that is already occupied by other financial institutions that also seek to sell and generate revenue from the same targeted customers. This, therefore means that competition can only be overcome when DT-SACCOs are keen to consistently develop new ways of reaching out to different categories of clients.

According to a Gazette notice no. 657 of the Kenya Gazette (2025), there were 10 licensed DT-SACCOs that are currently operational in Meru County. According to Raiji and Lumwagi (2022), there was an increase in political interference, especially in the leadership structures of Meru County's DT-SACCO. This was noted to cause excessive bureaucracies and inefficiencies among the management, hampering the provision of resources meant for expansion purposes to cover more areas in Meru County.

1.1 Problem Statement

Establishment Attainment of growth in a DT-SACCO should be consistently witnessed due to the huge number of customers who make deposits and save their financial resources through these financial institutions. Therefore, the management should seek to strengthen the working policies to increase sales, reduce risky products, and incorporate the latest technology to support efficient processes (Muathe, 2020).

That notwithstanding, the number of DT SACCOs in Kenya declined from a total of 359 in 2022 to 357 in 2023 (SACCO Societies Regulatory Authority [SASRA], 2023). This is a partial indication that DT-SACCOs have been struggling with growth, whereby in 2023, there was an increase of 1.45 million (18.6%) dormant accounts, whereas the number of new customers has been declining over the years. For example, the latest SASRA report for 2023, published in September 2024, noted that there were 194,923 new customers in 2023 as compared to 382,315 in 2022 and 442,285 in 2021. Waithaka and Odollo (2024) noted that the failure of DT-SACCOS to innovatively restructure their products and digitalize their services perpetually exposed them to tough market competition from other financial institutions. Failure to resolve the downward trajectory of DT-SACCOs would result in low public confidence in the ability of these institutions to manage their investments, hence declining deposits.

Previous global studies, such as Messabia et al. (2023) and Ruan & Jiang (2024), concentrated on management strategies and the minimization of credit risk through digital inclusivity in areas such as Haiti and China, respectively. However, Messabia et al. (2023) did not address market competition, whereas Ruan & Jiang (2024) addressed their study from a commercial bank's perspective.

Local studies such as Ntoiti (2024), Waithaka and Odollo (2024), Wanjiru et al. (2024), and Said (2023) considered different approaches such as dynamic capability, market expansion, asset quality, and product positioning strategies in addressing growth prospects of DT-SACCOs, respectively. Nevertheless, a study such as Ntoiti (2024) considered marketing, technology, and management capabilities but failed to articulate product innovation. Waithaka & Odollo (2024) considered diversification, acquisition, and market leadership but concentrated on DT-SACCOs in Nairobi and not in Meru County.

1.2 Purpose of the Study

To assess the influence of market competition on the growth of deposit-taking Savings and Credit Cooperative Societies in Meru County.

1.3 Research Hypothesis

$H_0$1: Market competition has no significant influence on the growth of deposit-taking Savings and Credit Cooperative Societies in Meru County.

2. Literature Review

2.1 Dynamic Capabilities Theory

Dynamic Capabilities Theory was developed by Teece et al. (1997). It stated that organizations that can integrate, build, and reconfigure internal and external competencies to address rapidly changing environments achieve sustainable competitive advantage (Teece et al., 1997). Therefore, organizations were obligated to come up with dynamic capabilities that sought to adjust to swiftly shifting business environments, which included how they competed in the market and the technology employed to spur innovation. In the context of DT-SACCOs, market competition required these institutions to continuously reconfigure their resources and

capabilities to sustain growth. This was through promoting sustainable risk management measures that sought to reduce any eventualities that may lead to losses while dispensing various operations (Nadzua et al., 2025). Additionally, attaining a competitive approach encompassed differentiating various products from those of the rival financial institutions. This had to be as a result of redesigning, improving, and incorporating new products. Furthermore, Waithaka and Odollo (2024) noted that the management developed financial strategies that were used to expand their market by either incorporating new products or opening more branches to attract customers in new regions. What mattered was keen attention to cost leadership and incorporating all the staff through various assignments of various roles. This meant that the approach that was selected to guarantee market competitiveness had to ensure that it was cost-effective and allowed different proficiencies of the staff to excel (Mweu & Mung'ara, 2021).

Dynamic capabilities theory had the limitation of requiring long-term investments, which proved risky, particularly when the business environment was not static but dynamic as well (Collis & Anand, 2021). Nevertheless, this weakness did not affect the study since the DT-SACCOs had established robust financial strategies that were embodied in the formation act, stipulating what constituted both short- and long-term commitments. This, therefore, guided the management decision-making to qualify decisions that required different levels of commitment in changing business environments.

2.2 Empirical Review

Wahyuningtyas et al. (2021) assessed how cooperatives were competing for society's economic development in West Java. Questionnaires were used to collect quantitative data from three hundred and eighty-six leaders from various cooperatives. The results of the study pointed out that when there was digital positioning, government support, and digital skills among the staff, cooperatives became more competitive with less resistance. This was because the presence of digitalization encouraged quicker development of unique policies and strategies in the cooperatives, hence promoting market competitiveness. That notwithstanding, Wahyuningtyas et al. (2021) did not gather input from the employees who were the implementers of competitive strategies and the challenges they faced. Therefore, the current study included the staff of the SACCOs through the use of questionnaires, whereas the managers were interviewed.

Olujimi et al. (2021) evaluated how Nigerian cooperatives were willing to enhance the sponsorship of home ownership programs. Adopting a social survey design, the study used two questionnaires, which collected data from 683 homeowners and government officials, respectively. It was proclaimed that cooperatives were able to establish a niche in the home ownership programs through maximizing the personal savings of the individual and group members and also other revenue sources of the cooperative societies. These members were offered building loans to build houses and also mortgages to buy houses that are already built. Therefore, since the study was conducted among Nigerian cooperatives, there was the need to ascertain various programs established to capture the real estate market by the DT-SACCOs in Kenya.

Nawal (2023) espoused how Kenya's DT-SACCOs were growing amid the inclusion of strategies related to product market. A correlational design was consulted when involving one hundred and seventy-four DT-SACCOs. They were later sampled from seventy DT-SACCOs whose chief executive officers were issued questionnaires to provide their views. Sixty-five of the participants agreed to take part in the study, and they revealed that when products were

positioned accordingly, they promoted the growth of the DT-SACCOs. This was through consistent evaluation of products, focusing on brand imaging, considering various expectations of customers, quality of products, and involvement of the staff before innovation is implemented. Nevertheless, Nawal (2023) failed to include other strategies related to the decision-making process by the management in enhancing the growth of the DT-SACCOs.

3. Methodology

Mixed method approach was used in the study to gather quantitative and qualitative data. Further, descriptive survey research design was used in the process of collecting data from the 10 headquarters of DT-SACCOs in Meru County. The respondents included 10 branch managers, 35 senior cash officers, 31 loan department supervisors, 46 cash officers/tellers, and 82 loan officers, the branch managers were sampled using the purposive sampling method while other respondents were sampled through simple random method and their sample sizes determined through Slovins formular. The entire sample population included 10 branch managers, 32 senior cash officers, 29 loan department supervisors, 41 cash officers/tellers, and 68 loan officers. Qualitative data was collected through use of interview guides while quantitative data was collected through questionnaires and secondary data. Branch managers were interviewed while closed-ended questionnaires were administered to all other respondents.

Secondary data from financial reports like DT-SACCO's documents, income statements and balance sheets were also collected for a period of five years from 2020-2024. A pre-test study was conducted in Trans Nation DT-SACCO in Tharaka Nithi County. Four types of validity which were content, criterion, construct and face validities were examined. Cronbach alpha coefficient was the method used to test the reliability of the questionnaires and interview guides. When analyzing quantitative data, SPSS version 26 was used to analyze descriptive statistics like frequencies, percentages, and mean. Thereafter inferential statistics like Pearson correlations was used to test the hypothesis of the study. Further, multiple regression such as model, summary, ANOVA and regression weights were used. The data from reports was analyzed through horizontal method while thematic method was used when analyzing interview responses.

4. Results and Discussion

4.1 Response Rate

The study sampled 10 managers and 170 officers. Managers participated through interviews, while officers completed structured questionnaires. Their response rates to the participation request are presented in Table 1.

Table 1: Response Rate

Data Collection Tools	Respondents	Sampled	Response	Percentage
Interviews	Branch Managers	10	7	70%
Questionnaires	Senior cash officers	32	29	
	Loan debt officers	29	21	
	Cash Officers	41	35	
	Loan officers	68	54	
	Total	170	139	82%
Grand Total		180	146	81%

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The data in Table 1 reveals that 7(70%) branch managers agreed to be interviewed, whereas 139 (82%) officers answered the questionnaires. Therefore, since the response rate was 70% or above, the study was considered the study successful. This was about convincing the respondents to provide information that would address the influence that adaptive capability had on the growth of DT-SACCOs. Changing business demands have caused financial institutions to rethink strategies that can be applied in restructuring market competition, technology, management capabilities, and product innovations (Karimi et al., 2024).

4.2 Reliability Results

After a pilot study was conducted in Trans Nation DT-SACCO in Tharaka Nithi County, the study examined the reliability of the data instruments before they were administered in the main study. The results are provided in Table 2.

Table 2: Reliability Results

Instrument	Cronbach's Alpha
Market Competition	0.895
Growth of DT-SACCOs	0.873
Average	0.884

Table 2 reveals that the Cronbach Alpha coefficient for the market competition variable is 0.895, growth of DT-SACCOs is 0.873. The outcome indicates that the instruments used to gather data were considered reliable for use. The overall average coefficient was 0.884, which was greater than 0.7. As per Shatri et al. (2024), when the coefficient was greater than 0.7, it indicated reliability. Based on the results, it was ascertained that the questionnaires used were trusted to provide similar outcomes when used more than once and also attained reliable internal consistency. As per Shatri et al. (2024), when the coefficient was greater than 0.7, it indicated reliability.

4.3 Descriptive Statistics of Growth of DT-SACCOS

Growth of DT-SACCOs was the dependent variable measured through total assets, number of members, customer deposits, loan book portfolio, and market share. The ordinal Likert scale used indicated that 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree, as noted in Table 3. The interview and secondary data are also provided thereafter.

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Table 3: Growth of DT-SACCOS

Statements N=139	1	2	3	4	5	Mean	SD
Increase in total assets	3 (2%)	5 (4%)	11 (8%)	39 (28%)	81 (58%)	4.25	0.82
Technology has eased the transaction process.	8 (6%)	11 (8%)	53 (38%)	49 (35%)	18 (13%)	3.82	1.16
Customer deposits have increased	78 (56%)	42 (30%)	10 (7%)	5 (4%)	4 (3%)	2.45	1.74
The loan book portfolio has improved	85 (61%)	39 (28%)	8 (6%)	4 (3%)	3 (2%)	2.23	1.86
Market share strategies have improved performance	3 (2%)	6 (4%)	4 (3%)	36 (26%)	90 (65%)	4.41	0.70
There is are qualified strategic management team	10 (7%)	9 (6%)	62 (45%)	46 (33%)	12 (9%)	3.53	1.32

Table 3 reveals that 90 (65%) of the respondents strongly agreed and 36 (26%) agreed, with a mean of 4.41 and an SD of 0.70, that market share strategies implemented through specific products had improved the performance of the bank. In addition, 81 (58%) strongly agreed and 39 (28%) of the respondents agreed on a mean of 4.25 and an SD of 0.82 that the total assets had increased due to the experienced capabilities of the management. However, 85 (61%) of the respondents strongly disagreed and 39 (28%) disagreed on a mean of 2.23 and an SD of 1.86 that the loan book portfolio had improved due to quality assessment measures. The interpretation is that the DT-SACCOs had management to not only develop but also implement viable market share strategies. This was majorly implemented by coming up with unique DT-SACCO products that directly addressed the specific needs of the clientele (Waithaka & Odollo, 2024).

There were interviews conducted with 7 managers, and their responses are coded as BM1 to BM7. A total of four questions were asked regarding the growth of DT-SACCOs. The first question required them to explain the measures in place to support increased customer deposits in the DT-SACCOs. The provided feedback is based on four themes, which were provision of

competitive interest rates, provision of different products, quality services, and ensuring that the process of opening cash deposit and savings accounts was easy. It was noted that the DT-SACCOs ensured that the competitive interest rates issued on both loans and cash deposits were one of the major reasons why customers increased. An interviewee, BM3, was directly quoted as saying that.

"Our interest rates on any saved money in the DT-SACCO attract reasonable annual rates as compared to other financial institutions."

The attractive rates assured customers that their investments would increase their personal revenue. Additionally, giving the customers the alternative to select from multiple products enabled them to assess whether their demands would be met by any of the products. Furthermore, the DT-SACCOs also guaranteed quality services that comprised both human interactions and technology. This is so as to increase efficiency in communication and delivery of specific requests within a short timeline. An interviewee, BM2, was directly quoted as saying that.

"In simplifying the process of account opening, you can do it wherever you are and do not have to come to the DT-SACCO branch."

Past studies like Kathimuuri (2023) revealed that the presence of different products, well-experienced staff, and clear processes were major factors that enabled the increment of deposits in DT-SACCOs. Additionally, assurance that the customers' savings would attract higher interest enabled them to develop trust that would see to it that the amounts saved were increased (Mugendi, 2023). On the one hand, there were customers whose interest related to the products being issued, while on the other hand, there were customers whose interest was based on the ability of smooth transaction processes found in the DT-SACCO (Kihara & Bett, 2023).

The study also collected secondary data to assess the performance of the DT-SACCOs, as shown in Table 4.

Table 4: Growth Parameters- Secondary Data

No.	Growth Parameters	2020	2021	2022	2023	2024	Mean	SD
1.	Total assets	3.23	3.84	3.88	4.08	4.10	3.83	1.26
2.	Number of Members	3.21	3.68	4.02	3.87	4.11	3.78	1.29
3.	Customer deposits	3.30	3.42	3.62	3.57	3.66	3.51	1.38
4.	Loan book portfolio	2.92	3.01	3.17	3.38	2.40	2.98	1.54
5.	Market share	3.40	3.52	3.64	3.72	3.88	3.63	1.31

The outcome in Table 4 points out that total assets, number of members, and market share had attained relatively high average means of 3.83 (SD, 1.26), 3.78 (SD, 1.29), and 3.88 (SD, 1.31), respectively, over the last 5 years. This is interpreted to mean that DT-SACCOs' ability to establish its operations within the scope of Meru County had gained a resounding growth, with more members, assets, and market share improving. Nevertheless, the loan book portfolio's average mean of 2.98 (SD, 1.54) indicates a struggle in ensuring NPLs remain within manageable levels.

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4.4 Descriptive Statistics of Market Competition

Market competition had indicators like risk management, product diversification, market expansion, cost leadership, and teamwork. The descriptive results are provided in Table 5, and thereafter, the interview results.

Table 5: Market Competition-Officers

Statements N=139	1	2	3	4	5	Mean	SD
Implementation of risk management measures	10 (7%)	8 (6%)	58 (42%)	35 (25%)	28 (20%)	3.52	1.34
Existence of different diversified products	0 (0%)	3 (2%)	9 (6%)	40 (29%)	87 (63%)	4.39	0.87
Employees involved in the decision-making process	90 (65%)	35 (25%)	7 (5%)	3 (2%)	4 (3%)	2.18	1.96
Cost leadership is done	3 (2%)	5 (4%)	6 (4%)	50 (36%)	75 (54%)	4.13	0.90
Staff are duly informed on market trends	65 (47%)	40 (29%)	19 (14%)	9 (6%)	6 (4%)	2.85	1.42

According to Table 5, 87 (63%) of the respondents strongly agreed and 40 (29%) agreed on a mean of 4.39 and an SD of 0.87 that the management had allowed the existence of different diversified products to suit clients' needs. Additionally, 75 (54%) strongly agreed and 50 (36%) agreed on a mean of 4.13 and an SD of 0.90 that cost leadership was done to promote efficient use of resources. Nevertheless, 90 (65%) of the respondents strongly disagreed and 35 (25%) disagreed on a mean of 2.18 and an SD of 1.96 that employees were involved in the decision-making process on market expansion. The interpretation of the results is that there were different SACCO products that were based on clients' demands. These products enabled the institutions to develop a competitive market in the financial sector.

The management had made deliberate efforts to ensure that their institutions were recognized as customer-oriented DT-SACCOs for effectiveness in product and service provision. Therefore, to achieve this goal, the institutions had competent experts who specialized in managing costs, hence promoting efficient use of resources. According to Jamaluddin et al.

(2023), use of organizational resources in a manner that is efficient requires balancing business demands and response patterns to address the needs. If the response pattern is not yet well developed, excessive use of resources or misappropriation is expected.

Nevertheless, the study discovered that the decision-making process on how, when, and where to conduct market expansion did not involve the staff. According to Muteshi et al. (2024), poor involvement of staff in a decision-making process is linked to low experience and exposure to making informed decisions that can sustain the growth objective of the DT-SACCO. In disagreement, Kihara and Bett (2023) indicated that within the Kenyan context, most roles assigned to the staff are similar to what the management does. The only exception is the supervisory roles, which may be effectively learned with time.

There were interviews conducted with 7 managers, and their responses are coded as BM1 to BM7. A total of four questions were asked regarding the growth of DT-SACCOs. The first question required them to highlight the types of market competition strategies implemented in DT-SACCOs. Through three themes, the feedback noted included increased marketing initiatives, partnering with other corporations to increase sales and cost leadership. The DT-SACCO's main strategy was to increase sales through direct marketing of products and services to various potential clients. This was done through the services of sales and operational staff. They took their time to explain and influence the customer's decisions on organizational products and services. Their wealth of experience enabled them to become more aggressive and committed towards increasing the total sales of the DT-SACCOs. An interviewee, BM6, was directly quoted as saying that.

"Sales and marketing are a critical department that is fully supported to ensure we become competitive in the market."

Comparing this finding with Gupta and Nath (2024), increased sales and marketing initiatives enabled the SACCO staff to reach out to community members for more customer numbers and quality savings pools, especially when dealing with group members. Further, the DT-SACCOs were also able to partner with various corporations that would enable increased sales of assets and business accounts, hence attracting mutual benefit with these organizations. The other market competition strategy included the use of a cost leadership approach, which entailed providing various SACCO accounts and loans at suitable charges and rates, respectively. By positioning themselves as cost-efficient institutions, different customers considered them as reliable and effective in addressing their financial problems (Mbokazi & Maharaj, 2024).

4.5 Hypothesis Testing Through Correlation Analysis

In testing of hypotheses, Pearson correlation was used to examine whether to reject or fail to reject the four null hypotheses that indicated that market competition, technology adoption, management capability, and product innovation did not influence the growth of DT-SACCOs. Table 6 provides the hypothesis test outcome.

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Table 6: Correlation Analysis

		Growth of DT-SACCOs	Market Competition
Growth of DT-SACCOs	Pearson Correlation	1	.609
	Sig. (2-tailed)		.001
	N	139	139
Market Competition	Pearson Correlation	.609	1
	Sig. (2-tailed)	.001	
	N	139	139

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation coefficient value of market competition, as noted in Table 6, is r = 0.609 at $\alpha < 0.001$ and a 99% significance level. This value was an indication of the moderately high influence of market competition on growth. Therefore, the study's null hypothesis, whereby market competition did not have an influence on growth, was rejected. In a more overt explanation, the study noted that the ability of the DT-SACCOs to become competitive in the market was strong enough, resulting in organizational growth. According to Achieng (2021), the emergence of the SACCO sector had set the pace for tough competition with the existing financial institutions. This may have been associated with unique entrepreneurial strategies adopted to ensure that customer numbers subsequently increase over time.

4.6 Regression Coefficient Analysis

The study had a model which indicated: $Y = \beta_0 + \beta_1 X_1 + e$

Where:

Y = Growth of DT-SACCOs

βi = Coefficients to be estimated

β_0= Constant

X_1= Market competition

e= error

To determine the coefficients of the model, regression weights were computed as indicated in Table 7.

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Table 7: Regression Weights of Market Competition on Growth of DT- SACCOS

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	19.601	3.063		6.400	.000
Market Competition	.490	.183	.485	2.689	.001

a. Dependent Variable: Growth of DT-SACCOS

Table 7 shows that the coefficient for market competition is 0.490 with a significance value of 0.01. Therefore, the model was Y = 19.601 + 0.490X1 + 3.063e. Notably, without the inclusion of the market competition, the growth of DT-SACCOs would be 19.601. A further increment of market competition by 1% increased growth by 0.490, at a significance value of 0.001. Market competition in the DT-SACCOs led to increased growth due to quality risk management measures. According to Wawire (2022), the presence of different products in financial institutions was also noted to boost expansion strategies in different markets for increased revenue. Furthermore, incorporated teamwork between the management and the officers led to work efficiency, since all the team members felt that their contributions to the organization were valued.

5. Conclusion

It was concluded that market competition influenced growth positively due to the ability of the management to establish customer-focused operations that were implemented by quality staff. The DT-SACCOs were also able to capitalize on marketing campaigns and partnerships to improve sales. Nevertheless, the decisions made in the DT-SACCOs to adopt different market competition methods did not involve the staff. This, therefore, led to increased staff turnover, as they mostly joined other financial institutions that would incorporate their opinion in the decision-making process.

6. Recommendations

The study recommends that to improve market competition, the board of management in DT-SACCOs should consider developing a policy framework that offers guidelines on the inclusivity of the staff in decision-making. The policy should provide long-term direction on the quorum of staff needed at any decision-making process, conflict resolution on decisions, and the system of staff training, particularly in determining the quality of decisions made. This aligns with dynamic capabilities theory from the perspective of stressing the need for DT-SACCOs to restructure internal capabilities for continued growth. The staff also recommended to collaborate with the management through official communication channels from a short-term perspective, before making decisions to leave the organization. In terms of practice and policy, the management of DT-SACCOs should ensure that staff feedback systems are institutionalized to align strategies with demands from the market. The outcome noted from the findings recommends the need for the management to develop policies to emphasize on how staff can be included in making decisions to improve their commitment level to the organization and take advantage of market competition. If there are policies that encourage staff involvement in decision-making, it will enhance cohesion and effective operations.

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