

Risk Avoidance Strategy And Performance Of Non-Withdrawable Deposit Taking Saccos In Nairobi City County, Kenya

Lilian Akinyi Oluoch

MBA Candidate, School of Business, Economics and
Tourism, Kenyatta University

Dr. Anne Muchemi, PhD

Lecturer, Department of Business Administration,
Kenyatta University

Abstract: Saccos provide savings and credit facilities to their members and like other organizations in the financial sector, it undergoes several economic challenges which threaten their growth. The non-withdrawable deposit taking Saccos subsector have undergone performance failures leading to some collapsing, hence the necessity of a successful risk management plan to meet their goals. The objective of this research was to investigate the effects of risk avoidance strategy on performance of non-withdrawable deposit taking Saccos in Nairobi County. The research was grounded on modern portfolio and agency theories. For this investigation, a descriptive research design was used and the target population constituted 132 non-withdrawable deposit taking Saccos in Nairobi County. A census method was employed to choose the 132 Saccos while purposive sampling was adopted to select 1 respondent in management position, from each of the Saccos. Primary data was gathered by questionnaires, and secondary data came from documented information in regulatory bodies reports, journals, books amongst others. Descriptive and inferential statistics were used in to analyse the data. The results of the investigation demonstrated that risk avoidance has a positive and significant ($p=0.0000<0.05$) relationship with performance. The study recommends that stakeholders of non-withdrawable deposit taking Saccos should focus on the use of adequate credit securities, staff and board training, and comply to regulatory laws and policies for better performance of their Saccos and other financial institutions.

Keywords: Risk Avoidance strategy, Performance of Non-Withdrawable Saccos, Nairobi County

I. INTRODUCTION

A. BACKGROUND OF THE STUDY

Saccos contribution to economic development is important; over 63% of Kenya's population currently benefits from it (Okumu & Oyugi, 2016). According to Mmari, Goodluck & Thinyane, Lebitso (2019), one of the main roles of the Saccos has been providing financial access to poor people who are excluded from the conventional lending institutions such as banks and microcredit organizations. Saccos pool savings and give credit facilities to the members, thus enabling them acquire businesses, properties amongst other gains in the society (SASRA, 2015). In Kenya, the sector is separated into Deposit Taking Saccos and Non-withdrawable deposit taking Saccos. Deposit taking Saccos accept deposits and offer banking operations, just like

commercial banks while the non-withdrawable deposit taking Saccos mobilize savings, which act as collaterals to loans advanced to the members.

It is worth noting that the Non-Withdrawable Deposit Taking Saccos subsector performance has been on a downward trend due to challenges of poor leadership, increased loan default, low profitability, financial challenges, amongst others resulting to collapse or closure of some of them. Hussein, S. S. & Muchemi, A. (2019) in his study concurs that competition in the financial sector requires Saccos to reconsider incorporating different strategies to be relevant. These challenges constitute a risk to their performance and an effective risk avoidance strategy is vital if the Saccos are to meet their objectives (Hillson, 1999).

Risk avoidance involves getting rid of a risk before it poses a threat to the organization. According to Mwangi, A. (2015), Risk avoidance seeks to eliminate uncertainty by

eradicating the root cause or evading some organisational activities. For instance, during the Covid-19 pandemic, some companies allowed staff to work from home to avoid contracting the disease. Chepkwony (2018) in his study concluded that a risk avoidance strategy is crucial during credit recovery. Examples of risk avoidance strategies include having clear policies and procedures, training staff and board, complying to industry laws and regulations, adequate internal controls amongst others.

Performance of the Non-withdrawable deposit Taking Saccos is majorly dependant on application of the appropriate risk avoidance strategies. According to Harker & Stavros (1998), financial performance evaluates how the management of a firm can create profits by utilizing its assets efficiently from its business activities. Performance measurement includes both fiscal and non-fiscal dimensions to assist managers gain broader perception on gauging and comparing performance (Ouma, Paul & Kinyua, Godfrey & Muchemi, Anne, 2022). The growth of Non-Withdrawable Deposit Taking Saccos is directly related to its ability to increase in membership numbers, savings mobilization and amount of loans issued. This is only achievable if proper risk avoidance strategies are put in place.

STATEMENT OF THE PROBLEM

Sacco membership comes from all classes (upper, middle, lower) making it a critical player in achieving Vision 2030, whose objective is to develop and better the living standards of all Kenyans. As a financial institution driven by globalization and rapid digital technology, this sector faces several risks in achieving its objectives. Deposit taking Saccos subsector performance has been impressive thus dominating the sector; however, the non-withdrawable deposit taking Saccos subsector has been undergoing dismal performance, arising from fraudulent operations and pyramid scheme-like entities, which have for long fleeced the public of their savings by falsely pretending to be Saccos, leading to collapse of most of them.

According to the Sasra Annual Supervision report (2021), non-withdrawable deposit taking Saccos have experienced little or no growth as far as performance indicators reflect. The regulated 185 non-withdrawable deposits taking saccos membership growth has been low. In year 2021, it was 460,785, being only 7.7% of total Sacco membership in Kenya. Its dormant members increased from 75,272 in 2020 to 114,930 in 2021. Their total assets were a paltry 14.37% of the total sector, while their gross loans were 14% of the total sector also. Deposits portfolio accounted for only 16% of the sector's total deposits portfolio, reaching 90.6 billion. Non-performing loans have remained high for 2021 at 9.8% of total loans portfolio, which is above the regulator limit (less than 5%). Other challenges encountered include funds misappropriation, poor governance by board members, and staff incompetence, which has led to closures of some of these Saccos, resulting in the risk of members losing their hard-earned funds.

It's crucial to remember that, with the dismal performance and shortcomings of non-withdrawable deposit taking Saccos, this subsector remains unexplored in scholarly context.

Research on risk avoidance studies by previous scholars are limited and most of them focus on Sacco sector in general, on deposit taking Saccos or specific risks. For example, Mwandau (2014) investigated risk avoidance in Saccos sector in general; Chepkwony (2018) studied strategies for risk avoidance and how they impact credit recovery in Saccos; credit risk (Gegeh, 2016), liquidity risk (Ndungu, 2013; Omino, 2014). Through guidance from extant studies, this study aims to close the current performance gap of non-withdrawable deposit taking Saccos in Nairobi by describing and linking the factors to offer a clear method of avoiding risks.

RESEARCH OBJECTIVES

The main objective of this study is to determine the effect of risk avoidance strategy on performance of non-withdrawable deposit taking Saccos in Nairobi City.

II. LITERATURE REVIEW

A. THEORETICAL LITERATURE REVIEW

AGENCY THEORY

Jensung and Meckling established this economic theory in which shareholders invest in companies or organizations by entrusting their resources to the directors and management of the company. An agency relationship is thus developed; the agent possesses business knowledge superior to the principal and so the principal assigns the agent decision-making authority. According to Munene, Ndegwa, Senaji & Mugambi (2020), agency theory supports inclusion of outside directors to be part of the boards to assist in managing the company and limit challenges associated with skills, independence, and objectivity.

Agency theory supports the independent variable of risk avoidance strategy and helps to answer the study objective. The agent is the decision maker and uses the resources of the principal to execute day-to-day transactions, but he suffers little or no risk since the principal bears all losses. Disputes in agency theory arises when the agents take up high risk ventures to gain short term profitability which may pose unjustified risk to principals (shareholders). Agency theory is applicable in the Sacco sector, whereby the members appoint directors to manage their funds in a profitable way so they can get dividends and/or rebates end of the year. In corporate risk management, agency issues impact managers attitudes regarding hedging and risk taking (Smith and Stulz, 1985).

MODERN PORTFOLIO THEORY

This is an investment theory pioneered by Harry Markowitz (1952) which provides the tools to allows investors construct efficient and diversified portfolios within a given risk level that maximizes their overall returns. This implies that if two portfolios offer the same expected return, then investors will most likely go for the less risky one. According to Markowitz (1952), diversification reduces the total risk of a

portfolio by spreading a loss in one asset with a gain in another asset which is negatively correlated thus lowering overall portfolio risk. This is also according to Omisore, Munirat & Nwufu (2012).

This theory supports the dependent variable of performance in this study by clarifying the connection between risk and return, which aids in quantifying performance (Rhoads, 2021). Otanga (2021) study also attests this theory to support performance, since it assists businesses in identifying high-return portfolios and examines investment decision on financial performance of Saccos. Modern Portfolio theory is applicable to businesses whose objective is maximizing their returns based on their risk tolerance through diversified portfolios. In relation to credit risk transfer, Ondu (2016), attests that this theory reduces credit risk through diversification of assets in diverse portfolios, hence a default in one portfolio will not affect others.

B. EMPIRICAL LITERATURE REVIEW

Mumassabba, J., Mukulu, E., Atikiya, R. (2022) conducted a study to evaluate the influence of risk avoidance strategies and competitiveness of small and medium enterprises in Kenya. This study adopted a descriptive research design and collected quantitative data from a sample of 293 SMEs using a self-administered questionnaire. Cronbach alpha value of 0.6 and above was used to determine reliability. In addition, the researcher conducted a multiple regression analysis to establish the relationship between risk avoidance strategy and competitiveness of SMEs in Kenya. Tool for data collection was a standardized questionnaire. The study findings established that risk avoidance has a significant influence on SMEs competitiveness.

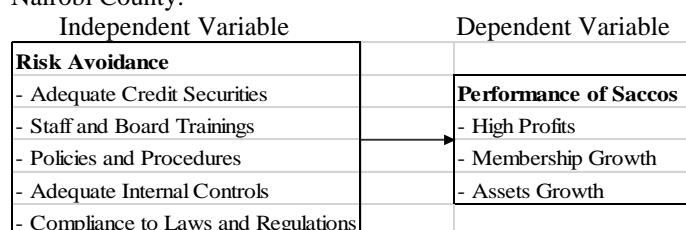
Aduma, L. K. & Kimutai, G. (2018) undertook a study to establish the effect of project risk management techniques on project performance at National Hospital Insurance Fund (NHIF) in Kenya. This study was hinged on the resource-based view theory, transaction cost economic theory, contingency theory, agency theory and uncertainty theory. The study adopted a descriptive research design. A sample population of 241 was picked using stratified proportionate random sampling technique. Primary data was obtained using self-administered questionnaires. Descriptive statistics such as frequencies, percentages, mean score and standard deviation was estimated for all the quantitative variables and information presented in form of tables and graphs. Inferential data analysis was done using Pearson correlation coefficient and regression analysis (multiple regression analysis) to establish the relations between the independent and dependent variables. The study findings indicated that NHIF project performance and risk avoidance have a positive relationship. It recommended strategies for risk avoidance which included use of contingency, work plans, detailed planning, and safety systems.

Wabomba (2015) in his study aimed to determine the impact of risk avoidance on project performance, while concentrating on sampled international development organizations in Nairobi. The researcher's independent variables were the risk response strategies while the dependent variable was duration of project. The sample size was 119

employees from 8 international organizations. Data analysis techniques utilized included Pearson Chi square and correlation analysis to test statistical significance. The study's conclusions showed a strong correlation between techniques of avoiding risk and project performance. This study recommended techniques of avoiding risk like using contingency plans, safety systems implementation, work plans in project execution and regular inspections to ensure project completion. In this study dependent variable was project duration while the current study dependent variable is Sacco performance.

C. CONCEPTUAL FRAMEWORK

The conceptual framework below provides an illustration of the relationship between risk avoidance strategy and performance of Non-withdrawable deposit taking Saccos in Nairobi County.



Source: Author (2024)

The above conceptual framework.

III. RESEARCH METHODOLOGY

This study employed descriptive research design because it describes variables of interest as they are and focuses on respondents' in-depth opinions. According to McCombes (2019), descriptive research objective is to describe a population, situation, or phenomena precisely and methodically, by answering questions relating to what, when where or how. This study's target population was 132 non-withdrawable deposit taking saccos headquartered in Nairobi County. Census sampling was used since the population is small and purposive sampling was adopted to choose the respondents who comprised at least one senior manager from each of the saccos. Purposive sampling involves selecting subject matters who possess essential information pertaining to the study and can give an advantage (Sekaran & Bougie, 2010).

Both primary and secondary structured data collection strategies were used in this study. Semi structured questionnaires were used to collect primary data because it provides a good source of first-hand information and economical. Secondary data was collected by reviewing and assessing printed materials which included published reports and circulars from regulatory bodies, online portals, books, and journals. The researcher self-administered the questionnaires to all recipients and gathered them within a predetermined timeframe. Each questionnaire had a cover letter detailing the justification of collecting the data and assuring respondents of confidentiality on their responses. A pilot study was conducted to identify any issues or obstacles and adjust accordingly before undertaking a full-scale study

(Hazzi & Maldaon, 2014). The pilot study was conducted on 13 Saccos. A recommended pilot study is estimated to be between one to ten percent of the entire population (Mugenda & Mugenda, 2003).

This study used content and construct validity to check if all relevant areas have been represented in the questionnaire. Cronbach alpha was adopted for all questions in the questionnaire to ensure data reliability. According to Cooper and Shindler (2003), 0.50 and higher Cronbach alpha levels are regarded as credible indicators. This study's Cronbach alpha values for dependent and independent variable was greater than 0.70 hence an acceptable limit as per below table 1:

Variables	Cronbach Alpha	No. of Item	Decision
Risk Avoidance	0.788	6	Reliable
Performance	0.800	5	Reliable
Overall	0.794	11	Reliable

Source: Author (2024)

Table 1

The Cronbach Alpha value of 0.7 as a benchmark has been adopted in the past as a reliability test on research instruments by Gacheru & Muchemi (2016) and Mogaka & Muchemi (2021)

The collected data included qualitative and quantitative information that was analysed using the Special Package for Statistical Science (SPSS) to give descriptive and inferential statistics. Descriptive statistics calculated the frequency, mean and standard deviation. Inferential statistics focused on correlation and linear regression analysis between variables under study.

The regression model was as below:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon_i$$

Where:

Y = Performance of non-withdrawable deposit taking Saccos

β_0 = Constant term

X_1 = Risk Avoidance

ϵ_i = Error term

The coefficients determined the dependent variable (Y) was impacted by the independent variable (X_1). The research questions of this study were investigated at 95% level of confidence. For computational purposes, it was assumed that the error term would be 0.

IV. RESEARCH FINDINGS

A. RESPONSE RATE

The researcher administered 119 questionnaires to the non-withdrawable deposit taking Saccos that operate in Nairobi City, however, only 110 questionnaires were fully completed and returned. This resulted to a 92% response rate, which was deemed to sufficiently portray the target population. A response rate of more than half (50%) is sufficient, according to Mugenda & Mugenda (2003), to represent the intended population. Therefore, this study's response rate was deemed high, when compared to other

research of a comparable nature; Saunders, Lewis and Thornhill (2011) at 81% and Ledikwe et al. 2019) at 72%.

B. DEMOGRAPHIC STATISTICS

Gender findings revealed that 65% of the respondents were males while 35% were females. This implies majority of the employees of non-withdrawable deposit taking Saccos in Nairobi County were males.

On tenure of respondents in their respective Saccos, 58% had been employed for more than 10 years, 32% for between 5 to 10 years and 10% for less than 10 years. This implies majority had adequate experience in the Sacco practises and also an indication of low staff turnover.

In addition, findings on the length of operation of the respective Saccos revealed that 76% have been in operation for more than 10 years while 24% were below 10 years. This implies the Saccos that participated in this study have diverse experience in risk performance.

C. DESCRIPTIVE STATISTICS FOR RISK AVOIDANCE

This research aimed to investigate the effect of risk avoidance on performance of non-withdrawable deposit taking saccos in Nairobi City. A descriptive statistics analysis was undertaken on the questionnaire parameters based on five-point Likert scale: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = highly agree. Findings are presented in Table 2:

	Mean	Std. Dev.
The Sacco has a risk register with all material risks to focus on.	2.1364	0.9431
Proper appraisal of loans ensures risk of default is avoided	4.7364	0.4426
Proper due diligence is done on new members and transactions to avoid regulatory risks	3.1000	1.3474
The Sacco has policies and procedures for its operations to avoid risks	4.7818	0.4955
The Sacco performs periodic trainings to staff and board on risk awareness	3.5818	1.2369
The Sacco conducts periodic member trainings to help members avoid financial risks	4.2818	0.8687
Average Score	3.7697	0.8890

Source: Survey data (2024)

Table 2

The study findings presented in Table 4 reveal that an average score of Mean= 3.77 (SD=0.89), implying majority of the respondents have a high approval rating of the statements and questions posed regarding staff training, adequate credit securities and good governance as the key indicators of risk avoidance as adopted by their respective non-withdrawable deposit taking saccos. Most of the respondents approved to a notable level, that the Saccos have policies and procedures for their operations to avoid risks (4.78); proper appraisal of loans to avoid risk of default (4.74); Sacco conducts periodic

member trainings to help members avoid financial risks (4.28); Sacco performs periodic trainings to staff and board on risk awareness (3.58) and that proper due diligence is done on new members and transactions to avoid regulatory risks (3.1).

D. DESCRIPTIVE STATISTICS FOR SACCO PERFORMANCE

Descriptive statistics analysis of the non-withdrawable deposit taking saccos' performance in Nairobi City was conducted on the questionnaire parameters based on a five-point Likert scale: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = highly agree. The outcome is displayed in Table 3

	Mean	Std. Dev.
The number of new members joining the Sacco has increased in the last 5 yrs.	4.9	0.3014
The Sacco's annual turnover has increased in the last 5 years	4.8455	0.3631
The number of members accessing loan products has increased	4.8727	0.3348
Time spent to process loans for members has reduced	3.5909	1.2656
The Sacco's dividend and interest on deposits pay-out has increased in the last 5 years	4.4364	0.6137
Average Score	4.5291	0.5757

Source: Survey data (2024)

Table 3

Results observable from Table 4.6 show an aggregate score of 4.53 (SD=0.58), suggesting that most of the participants highly approved the questions posed as indicators of performance of the non-withdrawable deposit taking saccos. The study findings suggest that most non-withdrawable deposit taking saccos surveyed have registered major performance improvement in their respective organizations in the last five years. This includes increased new customer joining the organization, increased annual turnover and increase in number of members accessing loan products.

INFERENCE STATISTICS ANALYSIS

The study performed a Pearson correlation and regression analysis between the predictor and the response variables. These statistical analyses were conducted with the presumption that the response variables and the predictor have a linear relationship and that the constructs are normally distributed for estimation accuracy.

Pearson correlation ascertained the direction and strength of the relationship between the predictors and response variable were ascertained in this study using Pearson correlation analysis. In this analysis, the correlation value (*r*) indicates the correlation's scale, while the statistical significance value (*Sig.*) indicates the association's significance. The results of the correlation analysis is presented in Table 4

		Performance	R. Avoidance
	r	1.0000	
Performance	Sig.		
R. Avoidance	r	0.9404*	1.0000
	Sig.	0.0000	
Obs.		110	110

* 2-tailed correlation with significance at 0.05

Source: Survey Data (2024)

Table 4

The results depict a significant, positive, and strong linear relationship between risk avoidance and performance ($r=0.94$; $Sig.=0.000$); The findings were in concurrence with Okumu (2014), Mukulu and Atikiye (2022), Jaber (2020), and Lambaino (2019) whose studies observed a positive correlation between risk avoidance and performance.

Regression Analysis was used to determine the significance of each criterion and the determinant concept on the dependant variable, with all other components being *ceteris paribus* and, consequently test hypotheses. The outcomes are displayed in Table 5, 6 and 7 as shown below:

Model	R	R Square	Adj. R Square	Std. Error of Estimate	Sig.
1	.9554 ^a	0.9128	0.9095	0.0989	0.0000

a. Predictors: (Constant), Risk avoidance

Source: Survey Data (2024)

Table 5

As depicted from Table 4.8, a 0.955 correlation value (*R*) was observed, illustrating a strong linear relationship between the variables; risk avoidance and performance. In addition, Adjusted R^2 value of 0.913 was established, suggesting that risk avoidance jointly explain for 91.3% of the variations in performance and the remaining 8.7% account for additional elements omitted by the regression model. Table 4.9 below depict the ANOVA test of regression analysis.

ANOVA Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	26.0408	4	6.5102	274.95	.0000 ^b
	Residual	2.4861	105	0.0237		
	Total	28.5269	109	0.2617		

a. Dependent Variable: Performance

b. Predictors: (Constant), Risk avoidance

Source: Survey Data (2024)

Table 6

According to the ANOVA test findings displayed in Table 4.9, the modelling of the association between the risk management strategies and performance was statistically significant ($F=274.95$; $Sig.<0.05$). Similarly, the results show that the regression squares sum was 26.041, based on the total squares sum (28.527) and this was calculated at 95% confidence level. This suggests the regression model explains almost 91.29% of the data variability while the remaining sum of 2.486 indicates 8.71% unexplained dataset variability.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.6969	0.0989		17.15	0.000
Risk Avoidance	0.3669	0.092	0.4639	3.99	0.000

a. Predictors: (Constant), Risk Avoidance
b. Dependent Variable: Performance

Source: Researcher (2024)

Table 7: Regression Coefficient

Table 4.10 depicts risk avoidance (B=0.367, Sig.=0.000<0.05) significantly influence performance at 95% confidence level.

The data was qualitatively analysed by the utilization of both narrative and direct quote from the participants. The participants were required to indicate other risk avoidance strategies their respective organization employ to improve performance. Majority of the participants responded in the affirmative, showcasing that risk avoidance strategies adopted in their saccos have a potential of improving performance management. A participant stated that:

“..... adopting diversification, monitoring and reporting, technology and compliance and governance strategies, our Sacco has incredibly reduced operational costs that has led to the increased improvement in the performance of our Sacco.....”.

Respondent Number 11

It is, therefore, deducible using the results, that most non-withdrawable deposit taking saccos in the study area use various risk avoidance strategies aimed at improving the performance of their respective entities. The most common among these strategies include diversification, credit policies and procedures, compliance and governance and technology adoption strategies. By adopting new risk avoidance strategies in Saccos through these new strategies, the performance of Saccos is improved.

V. CONCLUSION AND RECOMMENDATIONS

The study concluded that risk avoidance strategies were significant in predicting the level of performance among non-withdrawable deposit taking Saccos. Most Saccos have implemented measures to avoid risks to improve their performance. This includes having a risk register that documents material risks and regularly reviewing it to eliminate immaterial risks, having rules and processes for uniformity in all operational domains, training staff and board on performance, having an internal audit function that evaluates the acceptance risk levels, amongst other strategies.

With consideration to the findings, the study recommends Saccos to improve consistency in risk identification and documentation by establishing standardized procedures and guidelines. This guarantees that hazards are constantly recognized and recorded across the company. Regularly reviewing and updating the risk register is crucial to eliminate immaterial risks and focus on the most significant ones. Additionally, the study recommends that management conduct a comprehensive review of policies and procedures that will help avoid gaps or outdated practices that may leave the organization vulnerable to risks. Finally, the study

recommends that Saccos' management make significant investments in board and employee training, since it will broaden their understanding of risk management and provide them the ability to recognize and successfully manage risks effectively, thus building a culture of risk-awareness.

The study was confined to risk avoidance and performance, as independent and dependent variables respectively. There are other risk management strategies that affect performance of Non-withdrawable deposit taking Saccos. Hence further studies to assess these factors is also recommended.

REFERENCES

- [1] Aduma, L. K. & Kimutai, G. (2018). Project risk management strategies and project performance at the National Hospital Insurance Fund in Kenya. *International Academic Journal of Information Sciences and Project Management*, 3(2), 80-110
- [2] African Confederation of Co-Operative Savings and Credit Associations, ACCOSCA (2018). About Us. <https://accosca.org/about-us/>
- [3] Cooper, R.D., & Schindler, S.P. (2003). *Business Research Methods*. South Western Cengage Learning
- [4] Gacheru, C. W. & Muchemi, A. (2016) Factors affecting Strategy Implementation in Social Security's Institutions: A case study of NSSF, *Journal of Public Policy and Administration*, 1(1): 120-152
- [5] Gegeh, E. (2016) The effect of credit risk management practices on financial performance of deposit taking saccos in Kenya. *MBA, University of Nairobi*
- [6] Goodluck A. Mmari & Lebitso C. Thinyane, 2019. "Analysis of Factors Influencing Financial Performance of Savings and Credit Co-operative Societies in Lesotho: Evidence From Maseru District," *International Journal of Financial Research*, Sciedu Press, vol. 10(2), pages 121-136, April
- [7] Hillson, D. (1999). Developing effective risk responses. *Proceedings of the 30th Annual Project Management Institute Seminars & Symposium*, Philadelphia, PA.
- [8] Hussein, S. S. & Muchemi, A. (2019). Michael Porter's five forces on performance of savings and credit cooperative societies in Nairobi City County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(7), 14-35
- [9] Jaber, A (2020) The Impact of Risk Management Practices on the Organizational Performance: Field Study at Jordanian Insurance Companies, *MBA, Middle East University*
- [10] Lambaino, N.K. (2019). Influence of Risk Mitigation Strategies on Supply Chain Resilience in the Petroleum Industry in Kenya.
- [11] Ledikwe, Aobakwe & Roberts-Lombard, Prof & Klopper, Hendrik. (2018). The perceived influence of relationship quality on brand loyalty: An emerging market perspective. *African Journal of Economic and Management Studies*. 10. 10.1108/AJEMS-04-2018-0113.

- [12] Markowitz, H. (1952). Portfolio Selection. *The Journal of Finance*, 7(1), 77–91. <https://doi.org/10.2307/2975974>
- [13] McCombes, S. (2019) Correlational Research. <https://www.scribbr.com/methodology/correlational-research>
- [14] Mogaka D. & Muchemi A.W (2021). Interfirm Networks and Organizational Performance: A
- [15] Mugenda, and Mugenda, A. (2003) *Research Methods: Quantitative and qualitative approaches*. Nairobi: ACTS Press
- [16] Mumassabba, J., Mukulu, E., & Atikiya, R. (2022). Risk mitigation strategy and competitiveness of small and medium enterprises in Kenya. *Reviewed Journal International of Business Management*, 3 (1), 145 – 154
- [17] Mwandau, S. (2014), Risk Management in Savings and Credit Cooperative Societies, MBA, United States International University, Africa
- [18] Mwangi, A. (2015) Credit risk, Liquidity risk and financial performance of deposit taking savings credit and credit societies in Kenya, MBA, Kenyatta University
- [19] Okumu, O.J. & Oyugi, L. (2016). Factors Influencing Financial Performance Among Savings and Credit Cooperative Societies in Kisumu, Kenya, *International Journal of Current Research*, 8(5), 31293-31310.
- [20] Omisore, I., Munirat, Y. & Nwifo, C. (2012). The modern portfolio theory as an investment decision tool. *Journal of Accounting and Taxation*, 4(2), 19-28
- [21] Ondu P. (2016) Risk Management Strategies and Performance of Saccos in Nakuru County, MBA, Kenyatta University
- [22] Orinda, G., Chepkwony, J. & Limo, P., 2020. Organizational Learning, Employee Satisfaction and Employee Loyalty in The Banking Sector, Nairobi County, Republic of Kenya. *Journal of Business Management and Economic Research*, 4(6), p.425-440.
- [23] Otanga, G. 2021 Moderating Effect of Investment Decisions on Corporate Risk Management and Financial Performance of Deposit Taking Savings and Credit Cooperative Societies In Western Kenya, School of Business and Economics, Maseno University
- [24] Otieno Joel Okumu and Luke Oyugi, 2016. Factors influencing financial performance of Savings and Credit cooperative societies in Kisumu County, Kenya, *International Journal of Current Research*. Vol. 8, Issue, 05, pp.31293-31310
- [25] Ouma, Paul & Kinyua, Godfrey & Muchemi, Anne. (2022). What Role does Competitor Intelligence Strategy Play on Performance of Regulated Microfinance Banks in Kenya? *International Journal of Managerial Studies and Research*. 10. 44-55. 10.20431/2349-0349.1003005.
- [26] Patrick T. Harker & Stavros A. Zenios, 1998. "What Drives the Performance of Financial Institutions?," Center for Financial Institutions Working Papers 98-21, Wharton School Center for Financial Institutions, University of Pennsylvania
- [27] SASRA (2021). *Sacco Supervision Annual Report, 2021: Deposit Taking Saccos*, Nairobi: SASRA
- [28] SASRA. (2022). *SASRA Risk Management Guidelines: SASRA*
- [29] Saunders, M.N., Saunders, M., Lewis, P. and Thornhill, A. (2011) *Research Methods for Business Students*. 5th Edition, Pearson Education, Essex
- [30] Smith, C., & Stulz, R. (1985). The Determinants of Firms' Hedging Policies. *Journal of Finance and Quantitative Analysis*, 20, 391-405. <http://dx.doi.org/10.2307/2330757> Theoretical Review. *International Journal of Research Publications*, 67 (1):1-17
- [31] Thuku & Muchemi (2021) Risk Transfer Strategy and The Performance of Insurance Companies in Nyeri County, Kenya. *International Journal of Innovative Research and Advanced Studies (IJIRAS)*
- [32] Wabomba, K. (2015) Influence of Risk Management Strategies on Project Performance: A Survey of Selected International Development Organizations Based in Nairobi City, Kenya, Master of Arts, University of Nairobi.