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Strategic Orientation Practices and Performance of Savings & Credit Co-Operatives (SACCOS) in Kiambu County, Kenya

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ABSTRACT

Purpose: The study sought to establish the influence of strategic orientation practices on performance Of Savings & Credit Co-Operatives (SACCOs) In Kiambu County, Kenya. Specifically, the study sought to assess the influence of knowledge management on the performance Of Savings & Credit Co-Operatives (SACCOs) In Kiambu County, Kenya and to establish the influence of customer focus on the performance Of Savings & Credit Co-Operatives (SACCOs) In Kiambu County, Kenya.

Methodology: The study adopted descriptive research design. The target population was therefore 258 management employees working in the 43 deposit-taking SACCOs in Kiambu County, Kenya. The Yamane formula was adopted to calculate the study sample size. Therefore, the study sample size was 157 respondents. The stratified random sampling method was adopted to select the study sample size. . Data collected was analyzed through the use of Statistical Package for Social Sciences (SPSS version 26). Multiple regression model was applied to inspect the direction and strength of influence of the independent variables on the dependent variable. Data was presented in tables, charts, and figures.

Findings: The study concludes that knowledge management has a positive and significant effect on performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya. The study also concludes that customer focus has a positive and significant effect on performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya.

Unique Contribution to Theory, Policy and Practice: The study advances the Knowledge-Based View and Relationship Marketing theories by empirically validating their integrated role in driving SACCO performance within a developing-economy context. It informs SASRA and financial policymakers that strategic orientation is crucial for mitigating rising non-performing loans and ensuring sector stability. SACCO managers are equipped with actionable strategies to institutionalize knowledge-sharing for improved credit decisions and adopt member-centric feedback mechanisms to enhance retention, service quality, and overall financial sustainability.

Keywords: *Knowledge Management, Customer Focus, Strategic Orientation Practices, Savings & Credit Co-Operatives (SACCOs), Kiambu County*

Background of the Study

Member-owned financial cooperatives (commonly called savings & credit cooperatives, credit unions or similar names) are a substantial and enduring pillar of global financial intermediation (Han & Zhang, 2022). By pooling member savings and offering affordable, relationship-based lending, these institutions extend financial services into communities and sectors that mainstream commercial banks often underserve notably micro-enterprises, informal workers and rural households (Yu, Khan & Ahmed, 2022). The World Council of Credit Unions' (WOCCU) 2024 Statistical Report shows the global cooperative financial movement remains very large: as of December 31, 2024 there were approximately 412.7 million members across ~67,000 credit unions with more than US$3.8 trillion in combined assets (WOCCU, 2024). These aggregates underscore that cooperatives are not marginal actors but a major source of savings mobilisation and localized credit worldwide

The cooperative network operates alongside banks and mobile-money providers as a core pathway to financial inclusion. Global data from the World Bank's Global Findex indicate that about 79% of adults globally had an account at a bank, other financial institution, or with a mobile-money provider by 2024, up from roughly 74% in 2021 evidence that formal access to financial services has continued to expand (Komara, Susilo & Putra, 2025). Digitally enabled accounts and mobile payments have been especially important in expanding reach: studies and sector summaries report large increases in digitally enabled account use and rapid uptake of mobile-money payments in low- and middle-income countries (LMICs), with many African markets seeing major increases in digital payment activity among account holders (Yu, Khan & Ahmed, 2022). Together, these trends show how cooperatives which often combine local presence with digital channels and community trust help translate account access into savings, credit, payment and risk-management outcomes for member households and micro-businesses (Mahmoud & Hinson, 2023).

Business environment is dynamic and it's becoming more complex day by day dictating the need of organizations to develop strategies that can help them survive and corresponds to the changes, the nature of competition and the changing scope and intensity (Wright, Gadner, Moynihan & Allen, 2020). This demands organizations/businesses to undertake new and improved approaches to management by adopting appropriate strategy. This has forced organizations to re-adjust and adopt strategies that make them improve their performance and performance (Huff, Floyd, Sherman & Terjensen, 2019).

The modern-day economic conditions are characterized with rapid and often unforeseen changes in the external environment which results from the major shifts in economic and political forces that change the rule of the game and bring a lot of uncertainty to organizations (Manno, et al., 2022). These conditions create a need for organizations to respond and adjust their strategies and behavior to the environmental challenges and if they do not realign with the existing realities this may be a threat to the firm's survival, performance and viability in the long run as observed by Fischer, Lee and Johns (2023).

Strategic orientation practices refer to the deliberate organisational behaviours and decision-making approaches that guide how a financial institution positions itself, responds to environmental changes, and creates value for its members. Four core components commonly define this orientation (Oke *et al*. 2022). Market intelligence involves the continuous gathering, analysis and dissemination of information on member needs, competitor activities and market trends to support informed strategic decisions. Product innovation refers to the development, improvement and diversification of financial products and services such as new savings instruments, loan packages or digital solutions to enhance member satisfaction and competitiveness (Danso & Adomako, 2021). Knowledge management entails the systematic capture, storage, sharing and application of institutional knowledge and staff expertise to improve service delivery, efficiency and organisational learning. Finally, customer focus emphasizes placing members at the centre of strategic and operational activities by prioritising service quality, responsiveness, trust-building, and long-term relationship management (Oppong & Appiah, 2023).

In Kenya, strategic orientation practices have been found to significantly influence organisational performance across multiple sectors. Wanjohi and Mugambi (2022) found that market intelligence and product-innovation practices positively influence the performance of manufacturing SMEs in Nairobi. The study concluded that firms that actively gather market information, analyse competitor strategies, and develop innovative products achieve higher sales growth and operational efficiency.

In the retail sector, Omondi and Ochieng (2023) established that customer-focused strategies, including customer engagement, service quality, and feedback management, significantly enhance firm performance. Their study indicated that firms prioritising customer satisfaction and service customization experienced higher customer retention and profitability.

In the Kenyan service industry, Mwaura and Karanja (2021) reported that knowledge management practices such as systematic documentation of organisational processes, staff training, and internal knowledge sharing contribute positively to innovation capacity and overall firm performance. The authors concluded that firms that integrate knowledge-management systems into their operations are better positioned to adapt to market changes and sustain competitive advantage.

Similarly, Njoroge and Mutiso (2022) found that combined strategic orientation practices, including market intelligence, customer focus, product innovation, and knowledge management, are significant predictors of organisational performance in Kenyan SMEs. The study concluded that firms adopting a holistic approach to strategic orientation achieve superior operational outcomes and long-term growth.

Savings and Credit Co-Operatives (SACCOs) are member-owned financial institutions that provide an alternative source of savings mobilisation and credit facilities, particularly to individuals and small enterprises who may be underserved by commercial banks. In Kenya, SACCOs play a critical role in the financial sector by mobilising savings, providing affordable credit, and supporting economic development through microfinance and investment initiatives. They are considered an essential component of the financial inclusion framework, especially in peri-urban and rural counties such as Kiambu.

Kiambu County has witnessed significant growth in SACCO membership and activities over the past decade. According to the Sacco Societies Regulatory Authority (SASRA, 2023), there are over 150 registered SACCOs in the county, serving more than 250,000 active members and mobilising total assets exceeding KES 25 billion. The SACCOs in the region operate in various segments, including agricultural, transport, teacher-based, and multi-purpose SACCOs, reflecting the diverse economic activities of Kiambu residents. This wide membership base indicates the role of SACCOs as not just financial service providers, but also as social institutions fostering collective savings and mutual support (SASRA, 2024).

Statement of the Problem

The performance of SACCOs, measured by financial sustainability, asset quality, member growth, and portfolio quality (particularly non-performing loans), remains a persistent concern in Kenya (KNBS, 2024). Although SACCOs have historically mobilised significant savings and extended credit to millions of members, recent industry data show rising stress on key performance indicators. For instance, the regulated SACCO sector's non-performing loans ratio surged from around 8.4% in 2022 to above recommended prudential benchmarks in 2023, with some segments reporting even higher default rates especially among agriculture-based SACCOs where NPL ratios exceeded 18% for crop-focused institutions and over 12% for dairy-focused ones, far above the maximum 5% limit advised by regulatory guidelines. Such asset quality deterioration directly undermines profitability, member confidence and long-term viability of SACCOs (KNBS, 2024).

SACCOs are essential components of Kenya's financial sector and socio-economic development, serving as critical conduits for savings mobilisation, affordable credit and financial inclusion, particularly for lower-income and informal economy participants. Regulated SACCOs accounted for membership growth from approximately 6.84 million in 2023 to over 7.39 million by 2024, with total deposits rising from Ksh. 682 billion to Ksh. 749 billion and total assets growing from about Ksh. 972 billion to more than Ksh. 1.07 trillion in the same period, reflecting their expanding role in the financial landscape (SASRA, 2024). Despite this growth, industry performance challenges have intensified. Sector reports highlight widening loan–deposit gaps, rising provisions for bad loans, increased liquidity pressures and persistent high default levels, indicating that many SACCOs struggle to convert their significant scale into stable and improving performance outcomes. These trends are mirrored in counties such as Kiambu, where anecdotal and emerging empirical evidence suggests declines in returns on assets, high loan defaults, liquidity constraints, and difficulties in meeting member expectations for credit and dividends (SASRA, 2024).

While these performance issues are evident, there is a critical gap in understanding the role of strategic orientation practices in shaping SACCO performance in Kenya. Studies outside the SACCO context—such as those examining banks and other financial institutions—have shown that systematic practices like market intelligence, product innovation, knowledge management and customer focus can enhance organisational responsiveness, portfolio quality, member retention and competitive positioning. This study therefore sought to establish the influence of strategic orientation practices on performance Of Savings & Credit Co-Operatives (SACCOs) In Kiambu County, Kenya

General Objective

The study sought to establish the influence of strategic orientation practices on performance Of Savings & Credit Co-Operatives (SACCOs) In Kiambu County, Kenya.

Specific Objectives

i. To assess the influence of knowledge management on the performance Of Savings & Credit Co-Operatives (SACCOs) In Kiambu County, Kenya
ii. To establish the influence of customer focus on the performance Of Savings & Credit Co-Operatives (SACCOs) In Kiambu County, Kenya.

Theoretical Review

Theories are analytical tools used for understanding, explaining and making predictions about a given subject matter (Hawking, 2023). Theoretical framework is a collection of related thoughts grounded on theories. This study was guided by Knowledge-Based View (KBV) Theory and Relationship Marketing Theory

Knowledge-Based View (KBV) Theory

The Knowledge-Based View (KBV) Theory, developed by Grant (1996), posits that knowledge is the most strategically significant resource of a firm, and its effective management leads to sustainable competitive advantage and improved performance (Grant, Lee, & Kim, 2021). KBV suggests that firms that can acquire, store, share, and utilize knowledge efficiently are better positioned to innovate, adapt to changes, and achieve superior organizational outcomes. Knowledge is considered a key driver of decision-making, learning, and problem-solving within organizations (Adebayo, Oladipo, & Salami, 2022).

Grant (1996) identifies three critical dimensions of knowledge management: knowledge acquisition, knowledge integration, and knowledge application. Knowledge acquisition involves sourcing and capturing relevant information from internal and external environments; integration refers to the coordination and dissemination of knowledge across functional units; and application pertains to using knowledge to make informed strategic and operational decisions (Chowdhury, Hasan, & Rahman, 2023). Firms that manage knowledge effectively can improve innovation, reduce operational inefficiencies, and enhance overall performance (Munyoki, Mwangi, & Wanjiru, 2024).

In SACCOs operating in Kiambu County, knowledge management practices can improve performance by enabling staff to make informed lending decisions, identify risks, and implement efficient operational processes. For instance, by documenting best practices, sharing lessons learned, and leveraging expertise across branches, SACCOs can enhance member service, reduce non-performing loans, and improve financial sustainability. Therefore, the KBV Theory provides a strong theoretical foundation for analyzing how knowledge management influences SACCO performance.

Relationship Marketing Theory

The Relationship Marketing Theory, proposed by Morgan and Hunt (1994), emphasizes the importance of building long-term relationships with customers to achieve sustained organizational performance (Morgan, Hunt, & Patterson, 2021). The theory posits that fostering trust, commitment, and loyalty among customers leads to repeat patronage, higher customer satisfaction, and improved financial outcomes. Organizations that prioritize customer relationships over short-term transactions tend to achieve superior performance and competitive advantage (Al-Haddad, Al-Shammari, & Saleh, 2022).

Morgan and Hunt (1994) outline four critical components of relationship marketing: trust, commitment, communication, and satisfaction. Trust refers to confidence in the organization's reliability and integrity; commitment indicates the willingness of both parties to maintain the relationship; communication ensures transparency and information sharing; and satisfaction reflects the perceived value received by customers (Patel, Mehta, & Kumar, 2023). Firms that integrate these components into their strategic orientation are more likely to retain customers and build a loyal member base (Adebayo, Owusu, & Mensah, 2024).

In the context of SACCOs in Kiambu County, customer focus involves understanding member needs, providing personalized services, and maintaining open communication channels. Applying Relationship Marketing Theory, SACCOs that actively engage with members, build trust, and ensure satisfaction are likely to achieve higher performance outcomes, such as increased member retention, higher savings mobilization, and improved repayment rates. This theory therefore supports the examination of customer focus as a key determinant of SACCO performance.

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Conceptual Framework

Conceptual framework is a tool used by a researcher to develop awareness and understanding of the situation under scrutiny and to communicate (Kombo & Tromp, 2019). It can also be defined as a concise explanation of an occurrence accompanied by a visual or graphic representation of major variables of the study (Mugenda, 2018). Figure 2.1 below shows the relationship between the study variables;

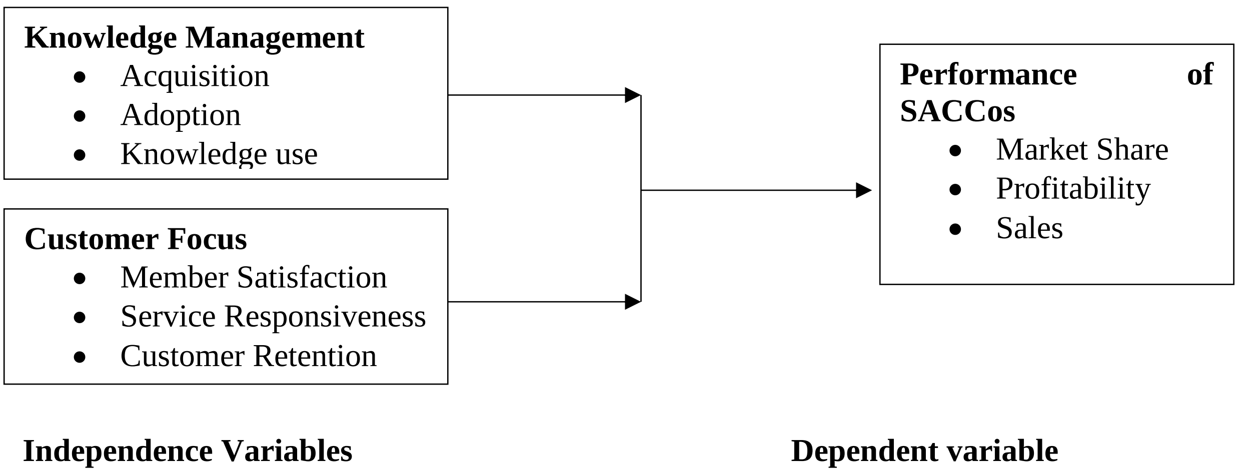

Figure 2.1: Conceptual Framework

Knowledge Management

Knowledge management refers to the systematic process through which organizations create, acquire, organize, disseminate, and apply knowledge to enhance decision-making, innovation, and overall performance (Grant, Lee, & Kim, 2021). It emphasizes the strategic importance of intellectual resources as critical assets that drive organizational learning and competitive advantage. Conceptually, knowledge management enables organizations to leverage information and expertise effectively, transforming it into actionable insights for improved outcomes (Adebayo, Oladipo,& Salami, 2022).

The core components of knowledge management include acquisition, adoption, and knowledge use. Acquisition involves the systematic gathering of relevant information and expertise from internal and external sources to support organizational objectives (Chowdhury, Hasan, & Rahman, 2023). Adoption refers to the integration of acquired knowledge into organizational processes, structures, and routines to ensure it is effectively institutionalized. Knowledge use encompasses the practical application of knowledge in decision-making, problem-solving, and operational activities to achieve desired performance outcomes (Munyoki, Mwangi, & Wanjiru, 2024).

Knowledge management contributes to organizational effectiveness by ensuring that valuable information and expertise are efficiently captured, shared, and utilized. Conceptually, it emphasizes continuous learning and the creation of mechanisms that facilitate the flow of knowledge across all levels of the organization (Adebayo, Oladipo, & Salami, 2022). Through effective knowledge management, organizations can enhance innovation, responsiveness, and strategic alignment, which collectively support sustainable performance and growth (Chowdhury, Hasan, & Rahman, 2023).

Customer Focus

Customer focus refers to an organizational strategy that prioritizes understanding, anticipating, and meeting the needs and expectations of customers. It involves aligning organizational processes, products, and services with customer preferences to enhance satisfaction, loyalty, and long-term engagement (Morgan, Hunt, & Patterson, 2021). Conceptually, customer focus is seen as a critical determinant of organizational performance, as it strengthens relationships with stakeholders and fosters a competitive advantage (Al-Haddad, Al-Shammari, & Saleh, 2022).

The core components of customer focus include member satisfaction, service responsiveness, and customer retention. Member satisfaction reflects the degree to which customers' expectations are met or exceeded by organizational offerings and interactions (Patel, Mehta, & Kumar, 2023). Service responsiveness involves the speed, effectiveness, and efficiency with which an organization addresses customer inquiries, complaints, or requests. Customer retention refers to the organization's ability to maintain long-term relationships with customers by consistently delivering value and ensuring positive experiences over time (Adebayo, Owusu, & Mensah, 2024).

Customer focus contributes to organizational success by promoting loyalty, repeat engagement, and sustainable performance (Morgan, Hunt, & Patterson, 2021). Conceptually, it emphasizes the need for organizations to actively monitor customer needs, respond proactively to changes in expectations, and develop mechanisms that strengthen trust and commitment. Through effective customer focus, organizations can enhance satisfaction levels, improve retention rates, and ultimately achieve better operational and strategic outcomes (Patel, Mehta, & Kumar, 2023).

Empirical Review

Knowledge Management and Organization Performance

Grant, Lee, and Kim (2021) examined the effect of knowledge management practices on organizational performance in multinational firms using a quantitative research design. The study found that knowledge acquisition, integration, and application positively influence decision-making, innovation, and overall organizational efficiency. The study concluded that effective knowledge management enhances organizational performance by enabling firms to leverage intellectual resources strategically.

Adebayo, Oladipo, and Salami (2022) investigated the relationship between knowledge management and firm performance in Nigerian manufacturing companies. Using a sample of 120 firms and structural equation modeling, the study established that knowledge sharing and utilization significantly improve operational efficiency and financial outcomes. The authors concluded that knowledge management practices are critical for fostering organizational learning and achieving sustainable competitive advantage.

Chowdhury, Hasan, and Rahman (2023) conducted a study on the impact of knowledge management systems on the performance of service organizations. The study employed cross-sectional data from 200 firms and found that knowledge acquisition, adoption, and use significantly enhance productivity, innovation capacity, and employee effectiveness. The study concluded that integrating knowledge management into organizational strategy is essential for improving performance metrics.

Munyoki, Mwangi, and Wanjiru (2024) examined knowledge management practices and organizational performance in East African SMEs. Using survey data from 150 SMEs and regression analysis, the study found that effective knowledge acquisition, sharing, and application positively influence innovation, customer satisfaction, and financial performance. The study concluded that firms that institutionalize knowledge management practices achieve better operational outcomes and long-term growth.

Customer Focus and Organization Performance

Morgan, Hunt, and Patterson (2021) examined the effect of customer focus on organizational performance in service firms using a quantitative research design. The study found that prioritizing customer satisfaction, responsiveness, and retention significantly enhances profitability, operational efficiency, and competitive advantage. The study concluded that customer-focused strategies are essential for improving overall organizational performance.

Al-Haddad, Al-Shammari, and Saleh (2022) investigated the relationship between customer orientation and performance in retail organizations. Using survey data from 180 firms and regression analysis, the study established that firms emphasizing customer satisfaction and responsiveness achieved higher market share, improved loyalty, and better financial outcomes. The authors concluded that customer focus directly contributes to superior organizational performance.

Patel, Mehta, and Kumar (2023) conducted a study on customer-centric practices and performance in technology-based firms. Using cross-sectional data from 200 firms, the study found that organizations that actively monitor customer needs, respond quickly to feedback, and maintain long-term relationships experienced increased retention rates, revenue growth, and enhanced operational performance. The study concluded that customer focus is a significant driver of sustainable organizational success.

Adebayo, Owusu, and Mensah (2024) examined the impact of customer relationship management and service responsiveness on performance in SMEs. Using survey data from 150 firms and structural equation modeling, the study found that organizations emphasizing customer satisfaction, responsiveness, and retention improved profitability, operational efficiency, and customer loyalty. The study concluded that customer-focused strategies are critical for achieving competitive advantage and long-term performance.

RESEARCH METHODOLOGY

Research Design

The study adopted descriptive research design. The descriptive research design allows the researcher to gather information, summarize, present and interpret it for purpose of clarification (Karama, Iravo, & Shale, 2019). The design is suitable for the study since it enables description of both dependent and independent variables. Therefore, this design is appropriate for this study which extensively tested the analysis of the relationships between variables (Amuhaya, Namusonge, & Nthigah, 2018). Descriptive research design is therefore appropriate since the study intends to establish the effect of strategic orientation practices on performance of savings & credit co-operatives (SACCOs) in Kiambu County, Kenya. The descriptive studies are more formalized and typically structured with clearly stated hypotheses or investigative questions.

Target Population

The unit of analysis for this study was SACCOs in in Kiambu County, Kenya. Kiambu County, Kenya was selected because it has thigh concentration of deposit taking SACCOs (SASRA, 2024). The unit of observation of this study was management employees in the selected 43 deposit-taking SACCOs in Kiambu County, Kenya. The target population was therefore 258 management employees working in the 43 deposit-taking SACCOs in Kiambu County, Kenya.

Table 3.1: Target Population

Department	Population
Top Managers	43
Middle Level Managers	86
Lower Level Managers	129
Total	**258**

Sample Size and Sampling Technique

According to Eric and Marko (2019) sampling is the process of selecting a few individuals for a study in such a way that the individual represents a larger group from which they are selected. A sample is a small group obtained from accessible population (Mugenda & Mugenda 2019). The Yamane formula was adopted to calculate the study sample size as follows;

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

Where n is the sample size, and N is the population size, e- acceptable sampling error (0.05)

$$= \frac{258}{1+258\,(0.05^2)}$$

$$= \frac{258}{1.645} = 156.84$$

n≈ 157

Therefore, the study sample size was 157 respondents.

Table 1: Sample Size

Department	**Population**	**Sample Size**
Top Managers	43	26
Middle Level Managers	86	52
Lower Level Managers	129	79
Total	**258**	**157**

The stratified random sampling method was adopted to select the study sample size. Stratified random sampling is a method of sampling that involves the division of a population into smaller sub-groups known as strata. In stratified random sampling or stratification, the strata are formed based on members' shared attributes or characteristics such as income or educational attainment (Creswell, 2019).

Data Collection Instruments

This research used a questionnaire to collect primary data. According to Patton *et. al (*2019), a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection. Structured questions were used to collect primary data from the field. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the research problem (Dempsey, 2019). According to Kothari (2019), the information obtained from questionnaires is free from bias and researchers' influence and thus accurate and valid data was gathered. The preference for the questionnaire is based on the premise that it gives respondents freedom to express their views or opinions more objectively.

Pilot Study

A pilot test was conducted to assess the questionnaire's validity and reliability of the data that was collected. According to Copper and Schindler (2019), a pilot test is conducted to detect weaknesses in the design and instrumentation and provide a proxy data for selection of probability sample. According to Leedy and Ormrod (2019), a pilot study is an excellent way to determine the feasibility of the study. The subjects participating in the pilot study were not included in the final study to avoid survey fatigue. In this study, 10% of the sample size participated in the pilot study.

Data Analysis and Presentation

The researcher collected questionnaires, code them, and enter them into the Software Package for Social Sciences (SPSS version 26) for analysis. The sort function was used to perform the initial screening. The data was based on the study's objectives and research hypothesis. The descriptive statistical techniques of frequency, mean, and standard deviation was used to analyze the quantitative data acquired. The results were displayed using frequency distribution tables, which keeps track of how many times a score or response appears.

Inferential statistics including regression and correlation analysis was used in the study. According to Saunders *et al.* (2019), correlation is a statistical tool that helps to determine the relationships between two or more variables. Cooper and Schindler (2019) indicate that correlation, as measured by a correlation coefficient, is the degree to which a linear predictive relationship exists between random variables. Pearson correlation coefficient was used for testing associations between the independent and the dependent variables.

A multiple regression model was used to test the significance of the influence of the independent variables on the dependent variable. Regression analysis attempts to determine whether a group of variables together predict a given dependent variable and, in this way, attempts to increase the accuracy of the estimate (Mugenda & Mugenda, 2019). The use of regression model is ideal due to its ability to show whether a positive or a negative relationship exists between independent and dependent variables (Mason, Lind, & Marchal, 2019).

The regression model was as follows;

$Y = \beta o + \beta_1 X_1 + \beta_2 X_2 + \epsilon$

Where: - Y = Performance of savings & credit co-operatives (SACCOs) in Kiambu County, Kenya,

X_1 = Knowledge Management

X_2= Customer Focus

βo = Intercept,

β = Coefficient of independent variables, and €= error term

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Response Rate

The sample size of the study comprised of 157 respondents. The selected sample was issued with questionnaire out of which 138 were completed and returned representing 87.9% response rate. Lawoko (2019) posits that a response rate of 50% is sufficient for analysis and reporting while a response rate of 60% is good. A response rate of 70% and above according to the researchers is excellent. The response rate for this study was therefore satisfactory to make inference and conclusions.

Descriptive Statistics

Knowledge Management and Organization Performance

The first specific objective of the study was to assess the influence of knowledge management on the performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to knowledge management and performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 2.

From the results, the respondents agreed that the organization systematically acquires relevant knowledge from internal and external sources (M=3.866, SD= 0.818). In addition, the respondents agreed that knowledge is effectively adopted and integrated into organizational processes (M=3.847, SD= 0.866). Further, the respondents agreed that employees are encouraged to share knowledge across departments (M=3.822, SD=0.533).

From the results, the respondents agreed that knowledge is applied to improve decision-making and problem-solving (M=3.804, SD= 0.770). In addition, the respondents agreed that lessons learned from past experiences are documented and utilized (M=3.797, SD0.628). Further, the respondents agreed that knowledge management practices are regularly reviewed to enhance organizational performance (M=3.772=, SD=0.755).

Table 2: Knowledge Management and Organization Performance

	Mean	Std. Deviation
The organization systematically acquires relevant knowledge from internal and external sources.	3.866	0.818
Knowledge is effectively adopted and integrated into organizational processes.	3.847	0.866
Employees are encouraged to share knowledge across departments.	3.822	0.533
Knowledge is applied to improve decision-making and problem-solving.	3.804	0.770
Lessons learned from past experiences are documented and utilized.	3.797	0.628
Knowledge management practices are regularly reviewed to enhance organizational performance.	3.772	0.755
Aggregate	**3.818**	**0.728**

Customer Focus and Organization Performance

The second specific objective of the study was to establish the influence of customer focus on the performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to customer focus and performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 3.

From the results, the respondents agreed that the organization prioritizes understanding and meeting customer needs (M=3.884, SD= 0.758). In addition, the respondents agreed that customer feedback is actively used to improve services and processes (M=3.867, SD= 0.518). Further, the respondents agreed that services are delivered promptly and responsively to customer requests (M=3.842, SD=0.884).

From the results, the respondents agreed that the organization regularly measures customer satisfaction (M=3.829, SD= 0.608). In addition, the respondents agreed that efforts are made to retain customers through loyalty and relationship-building initiatives (M=3.807, SD= 0.775). Further, the respondents agreed that customer concerns are addressed promptly to maintain long-term relationships (M=3.802=, SD=0.738).

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Table 3: Customer Focus and Organization Performance

	Mean	Std. Deviation
The organization prioritizes understanding and meeting customer needs.	3.884	0.758
Customer feedback is actively used to improve services and processes.	3.867	0.518
Services are delivered promptly and responsively to customer requests.	3.842	0.884
The organization regularly measures customer satisfaction.	3.829	0.608
Efforts are made to retain customers through loyalty and relationship-building initiatives.	3.807	0.775
Customer concerns are addressed promptly to maintain long-term relationships.	3.802	0.738
Aggregate	**3.839**	**0.714**

Organization Performance

The respondents were requested to indicate their level of agreement on various statements relating to performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 5.

From the results, the respondents agreed that the organization consistently achieves its financial performance targets (M=3.810, SD= 0.772). In addition, the respondents agreed that operational efficiency in the organization has improved over time (M=3.764, SD= 0.590). Further, the respondents agreed that customer satisfaction levels have increased in the organization (M=3.749, SD=0.845).

From the results, the respondents agreed that the organization has experienced growth in membership or client base (M=3.722, SD= 0.885). In addition, the respondents agreed that the organization effectively manages resources to achieve its objectives (M=3.702, SD= 0.777). Further, the respondents agreed that overall organizational performance has improved in the past three years (M=3.667=, SD=0.626).

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Table 5: Organization Performance

	Mean	Std. Deviation
The organization consistently achieves its financial performance targets.	3.810	0.772
Operational efficiency in the organization has improved over time.	3.764	0.590
Customer satisfaction levels have increased in the organization.	3.749	0.845
The organization has experienced growth in membership or client base.	3.722	0.885
The organization effectively manages resources to achieve its objectives.	3.702	0.777
Overall organizational performance has improved in the past three years.	3.667	0.626
Aggregate	**3.736**	**0.749**

Correlation Analysis

This research adopted Pearson correlation analysis determine how the dependent variable (performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya) relates with the independent variables (knowledge management and customer focus).

Table 6: Correlation Coefficients

		Organization Performance	Knowledge Management	Customer Focus
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	138		
Knowledge Management	Pearson Correlation	$.861^{**}$	1	
	Sig. (2-tailed)	.001		
	N	138	138	
Customer Focus	Pearson Correlation	$.879^{**}$	.265	1
	Sig. (2-tailed)	.000	.017	
	N	138	138	138

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From the results, there was a very strong relationship between knowledge management and performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya (r = 0.861, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings are in line with the findings of Chowdhury, Hasan, and Rahman (2023) who indicated that there is a very strong relationship between knowledge management and organization performance.

The results also revealed that there was a very strong relationship between customer focus and performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya (r = 0.879, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the findings of Patel, Mehta, and Kumar (2023) who indicated that there is a very strong relationship between customer focus and organization performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (market intelligence, product innovation, knowledge management and customer focus) and the dependent variable (performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya).

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834[a]	.696	.695	.10412

a. Predictors: (Constant), knowledge management and customer focus

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.696. This implied that 69.6% of the variation in the dependent variable (performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya) could be explained by independent variables (knowledge management and customer focus).

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	130.462	2	65.231	155	.002[b]
	Residual	57.013	135	.422		
	Total	187.475	137			

a. Dependent Variable: performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya
b. Predictors: (Constant), knowledge management and customer focus

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 76.028 while the F critical was 2.440. The p value was 0.002. Since the F-calculated was greater than the F-critical and the p value 0.002 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of knowledge management and customer focus on performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya.

Table 9: Regression Coefficients

	Unstandardized Coefficients		**Standardized Coefficients**	**t**	**Sig.**
	B	Std. Error	Beta		
(Constant)	0.267	0.071		3.761	0.000
knowledge management	0.355	0.093	0.356	3.817	0.001
customer focus	0.374	0.098	0.373	3.816	0.000

a Dependent Variable: performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya

The regression model was as follows:

$$\mathbf{Y = 0.267+0.355X_1 + 0.374X_2 +\varepsilon}$$

the results revealed that knowledge management has a significant effect on performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya $\beta1=0.355$, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Chowdhury, Hasan, and Rahman (2023) who indicated that there is a very strong relationship between knowledge management and organization performance.

In addition, the results revealed that customer focus has a significant effect on performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya $\beta1=0.374$, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Patel, Mehta, and Kumar (2023) who indicated that there is a very strong relationship between customer focus and organization performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Further, the study concludes that knowledge management has a positive and significant effect on performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya. Findings revealed that acquisition, adoption and knowledge use influence performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya.

The study also concludes that customer focus has a positive and significant effect on performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya. Findings revealed that member satisfaction, service responsiveness and customer retention influence performance of Savings & Credit Co-Operatives (SACCOs) in Kiambu County, Kenya.

Recommendations

In addition, the study recommends that the management of savings and credit co-operatives in Kenya should strengthen knowledge management by establishing formal systems for capturing, sharing, and applying organizational knowledge across all levels of operations. By leveraging collective knowledge to improve decision-making, service delivery, and innovation, SACCOs can enhance operational efficiency, reduce errors, and ultimately improve their overall performance and sustainability

The study also recommends that the management of savings and credit co-operatives in Kenya should adopt a strong customer-focused strategy by consistently engaging members to understand their needs, expectations, and satisfaction levels and integrating this feedback into service improvement initiatives. By enhancing customer service standards, personalizing products and communication, and promptly addressing member concerns, SACCOs can strengthen trust and long-term relationships with their members.

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