Dividend Capitalization Strategy on Credit Accessibility among Savings and Credit Cooperative Societies in Kakamega County, Kenya

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Abstract: ***Co-operatives are private institutions that play an important role in public resources mobilization to stimulate economic growth. It is estimated that 63% of Kenya's population participates directly or indirectly in co-operative based societies, thus contributing about 31% of the total gross domestic product (GDP). The benefits include economic empowerment, wealth creation and employment. Competition from financial institutions has caused SACCOs problems with fund mobilisation; this causes them to diversify in areas ill prepared for. Some SACCOs have opted to get into commercial banking businesses that present risks to meet members' credit needs. Therefore, the purpose of this study was to assess the dividend capitalization as a fund mobilization strategy on credit accessibility among SACCOS in Kakamega County, Kenya. The study was majorly guided by the resource mobilization and the pecking order theories. The research design used in the study was a descriptive survey. The target population was the management team (respondents), which is responsible for policy formulation. The team comprised twelve elected committee members and the top three senior employees of the selected SACCOS. Census method was used for the elected management committee and purposive sampling technique used in selecting the four SACCOS in Kakamega County as well as the top three senior most employees of the sampled SACCOS. The data was collected through open and closed ended questionnaire. The content validity was determined while the reliability of the research tool was established using the Cronbach Alpha. The data was analyzed using descriptive and inferential statistics. The study correlation analysis showed that there exists a significant positive and direct relationship between dividend capitalization and credit accessibility, $R = 0.389$, $P < 0.01$ with 99.0% confidence level. In addition, it indicated that 15.1% variation in credit accessibility is as a result of dividends capitalization, leaving 84.9% to be accounted for by some other factors. Therefore, dividend capitalization strategy had significant positive effect on credit accessibility among SACCOS in Kakamega County. It was concluded that dividends capitalization strategy has significant influence on credit accessibility among SACCOS. The study recommends that the SACCO management team should formulate and employ dividend capitalization as one of its resource mobilization strategy to enhance their credit accessibility.***

Keywords: Dividend Capitalization, credit accessibility, Kakamega County, Kenya

1. Introduction

According to Ouma (1980), cooperative societies are business entities that make profits and to a greater extent as a result of mutual association whose main aim is to enhance equitable objectives geared towards the betterment of the group members in the society. Co-operatives are private institutions that play an important role in public resources mobilization to stimulate economic growth. The co-operative movement has mobilised over 48% of national savings (IMF, World Bank Economic Outlook 2014). Likewise, the World Bank estimates that co-operatives financed 90% of housing stock in Kenya in 2016 (World Bank, 2017). It is estimated that 63% of Kenya's population participates directly or indirectly in co-operative based societies, which contributes about 31% of the total Gross Domestic Product (GDP). The benefits that have accrued to Kenyans through co-operative societies include economic empowerment, (wealth creation) and employment. Competition among the SACCOs coupled with that from other financial institutions has meant that the SACCOs are rapidly introducing products for which they are not adequately prepared.

Resources mobilization strategies in an organization go a long way in assisting the firm deal with its core functions. According to Yabs, (2010), matters of strategy formulation are the major role of the chief executives and or the top organ of the organization. Without proper strategic plans, organizations may not perform to the level of the stakeholders expectations. SACCOS are some of the financial organizations which have to come up with very clear strategies aimed at mobilizing adequate financial resources in order to serve their members satisfactorily.

Credit accessibility in the financial sector is of major importance in that funds are availed to customers and other interested investors who make good use of these financial resources to spread development within and across an economy. Globally, funds and grants can be accessed from among other organizations; International Monetary Fund (IMF) and World Bank, (ADR, 2004). Countries in African amongst them Kenya, the provision of financial services is done by a number of organizations which include commercial banks, co-operative societies, micro-enterprise programs, savings and rotational groups among others. Currently, the financial sector has attracted a number of organizations offering similar products and because of this, there is need for the players in the Sacco field to look for appropriate funds mobilization and marketing strategies in order to satisfy the needs of their customers. Good strategies are not only aimed at retaining customers, but also attracting more customers in order to survive in the current business arena. In the world over, companies that have achieved international leadership employ and use various tactics which differ in every respect and while every successful organization employs its own particular strategies, the underlying mode of operation, the character, feature and trajectory of the successful firms are fundamentally the same (Bensanko et al., 2000).

Within African, organizations have not remained behind in the area of competition, due to the fact that the world has become a global village as a result of technological advancement. Because of this global competitiveness, organizations should be careful when formulating strategies if their products have to compete in the international markets, (Okurut and Ama, (2013). Therefore, companies in Africa should embrace and apply relevant and appropriate strategies that would make their products have competitive advantage, just like their counter parts in the developed world. Innovation and creativity are some of the strategies that organizations across the globe employ in a bid to take their rightful positions in the international map in order to be among the best innovators and market leaders in their respective business fields (Goetsch, 2002).

According to Saleemi (2011), capital accumulation is a rapid increase in the number of capital goods. Capital goods refer to the commodities which are instrumental for further production. The capital formation depends on savings, and when savings are greater, and then capital accumulation will also be greater. Savings depend on the people's power and the will to save. Generally, saving involves some form of sacrifice on the part of an individual person who saves because he has refrained from spending on consumer goods. Therefore, SACCOS can also refrain from paying dividends as a form of savings to mobilize more funds for their members credit needs. The opportunity cost (which is the value of the best forgone alternative action) is a fundamental concept in economics, (Mudida, 2011). Savings and credit cooperative societies are among many organizations which are instrumental in the financial sector in Kenya. Their importance is in the mobilization of savings from the group members and later avail loan facilities to the same members. This study was aimed at assessing the dividend capitalization strategy on credit accessibility among SACCOS in Kakamega County, Kenya.

1.1 Research Problem

A number of SACCOS continue to be criticized by their members in relation to credit accessibility, even though they continue to pay cash dividends annually. Instances of loan processing delays coupled with getting inadequate amounts of loans and late disbursements are some of the complaints leveled against them. Such instances portray many SACCO organizations to have missed the mark on responsiveness to members credit needs.

Studies on SACCO's management problems in Kenya reveal an association with poor organization culture, leadership style, limited knowledge and inadequate management skills of some committee members (Agumba, 2008). The growing regulatory policy guidelines, the SASRA regulations and the Sacco Societies Act of 2008, have clauses which can address funds mobilization strategies for SACCO organizations but the credit accessibility problem still persists in a number of SACCO organizations in Kenya including those operating in Kakamega County. Currently, the ccompetition among the SACCOs together with that from other financial institutions have meant that the SACCOs are rapidly introducing products they are not in a position to adequately provide, due to less funds compared to more credit demands. This situation presents risks and a number of cooperatives have failed to meet members' credit needs. Further, in Kakamega County, there is no study on dividend capitalization which is one of the funds mobilization strategies on effectiveness of credit accessibility among SACCOS. Therefore, this study sought to fill this research gap by assessing the dividend capitalization strategy on credit accessibility among SACCOS in Kakamega County, Kenya.

1.2 Research Objective

The objective of this study was to assess the effect of dividend capitalization strategy on credit accessibility among SACCOS in Kakamega County, Kenya. The study was aimed at answering the research question, 'what is the effectiveness of dividend capitalization strategy on credit accessibility?'

2. Literature Review

2.1 Theoretical Review

A number of scholars have developed theories on funds mobilization linking them to the overall performance in the financial sector as well as in other sectors of the economy. This study briefly discusses resource mobilization theory, pecking order theory and resource-based view and their linkage to credit accessibility in Sacco organizations.

2.2 Resource Mobilization Approach/Theory

This study was guided by the resource mobilization approach (RMA). This approach is based on micro-economic and sociological theories developed by McCarthy and Zald in the earlier periods of 1960s. (Kitschelt, 1991). The resource mobilization approach is a major sociological theory in the study of social movements which stresses the ability of a movement's members to acquire the necessary resources which include mobilizing people towards accomplishing the movement's goals. The conceptual framework is premised on the fact that there is a correlation between dividend capitalization as a fund mobilization strategy (independent variable) and credit accessibility (dependent variable). It is the researcher's education guess that dividend capitalization positively affects credit accessibility.

The resource mobilization approach is a sociological theory in the study of the social movements and its entrepreneurial model explains collective action as a result of economics factors and organization theory. It argues that grievances are not sufficient enough to explain creation of social movements and instead it avoids access to and control over resources as crucial factors, (Berger, 2000). The law of supply and demand explains the flow of resources to and from organizations, and that an individual action is accounted for by the rational choice theory. This is where the study area focuses on the supply of funds through dividends capitalization against the demand of credit facilities by Sacco members in Kakamega County, Kenya.

Pecking Order Theory

Myers & Mailif (1984) developed this theory which posits that organization's management normally prefers to finance its investment or projects first from retained earnings, followed by debts and others like additional share capital.

This theory stresses that firms adhere to hierarchy of financing sources and uses internal financing when available and debts preferred over equity where external financing is required. The major source of SACCO finances is member's deposits and the Saccos core mandates are savings and advancing credits. The latter is usually faced with insufficient funds where loans demands exceed members' savings/ deposits. At the annual general meeting, the board of directors proposes dividends payments which members approve, but this can be shelved to enable SACCOS meet members credit needs.

Resource-Based View

This is a new perspective on understanding a firm's success based on how well it uses its internal resources. The underlying premise is that organizations differ in fundamental ways because each possesses a unique 'bundle' of resources, both intangible and intangible assets as well as organizational capabilities to make use of those assets, (Kotler & Keller, 2012). Core competence is a capability or skill that a firm emphasizes and excels in doing while in pursuit of its overall mission. Resources are scarce and valuable when they are critical in meeting a customer's needs better than other alternatives, drive a key portion of overall profits in a manner controlled by a firm and are durable or sustainable over time, (Pearce and Robinson, 2011).

Empirical Literature

A number of studies done on SACCOs have lined inadequate credit accessibility leading to poor performance for example Jagongo et al., (2013) states that Saccos have been trying to address credit demands of members but to no avail due to little funds at their disposal. This position was also supported by Olado (2012) study on assessment of financial practices as determinant of growth in Saccos. Both findings explained the magnitude of inadequate finances on Saccos performance. According to Karago and Okido (2014), investments decisions by Saccos influence their overall performance, thus recommended that Saccos require using relevant strategies and investing prudently in order to achieve better returns in future. This means that when Saccos employ dividend capitalization, more funds are availed to members in form of loans, which in the long run improve Sacco's growth.

The reports by KUSCCO (2009) on cooperatives showed that Gusii Mwalimu SACCO membership was declining due to loan disbursement delays, inadequate credit facilities as the major factors which could cause redundancy of workers, hence leading to suffering of clients who rely on Sacco for livelihood.

Credit Accessibility

All over the world, business environment has a complete and full circle from marketing to selling and from sellers' market to buyer's market. Saleemi, (2011), states that failure by an organization to understand the real needs of their customers is bound to cause its downfall in the long run. The customer today has the option to buy or seek for services from where he thinks he should and for his best interest. Product development, technological improvement, cost optimization and excellent service facilities are crucial for any organization, but their significance is only if the customer appreciates it. Any business begins and ends with the customer (Sugandhi, 2002**)**. It is worth noting that serving customers in its true sense is the need of the hour as the consumer was, is and will remain the central focus of all activities of any organization. Modern marketers are rediscovering the old mantras for success in the corporate or business world, blending them with the contemporary based service delivery systems which entail enhancing competitive thinking. A performance measure can be used to control and improve organizational processes, (Neely, et al., 1997). Competitive advantage and performance measures provide a set of reinforcing signaling effects that direct the management's attention to the very important areas which translate to the organization performance outcome (Dixon et al., 1990) and guides the leaders' behavior towards key organizational activities. The competitive performance measures can be used in improving the processes and procedures of a firm (Neely et al., 1996).

Within the financial sector in Kenya, commercial banks have competitive edge over the SACCOS and other financial intermediaries in terms of availability of various resources, access to funds and trained manpower. They also have an upper hand when it comes to diversification of loan portfolio. Uchinda and Tsuitui, (2005) argue that a strong conjectural variation means that a commercial bank is fully and highly aware of its independence with its competitors in terms of output and serving customers within a reasonable period of time. The survival of SACCO organizations will largely depend on how they respond to their members' financial needs and what level of satisfaction they give as they address members' needs. Client ownership and participation is high with members having a direct influence in determining the financial services that are extended to them, including interest rates charged, repayment schedules, group objectives and goals among other things, (Ouma, 1989). The Sacco members should be in a position to renegotiate loan repayment schedules when faced with genuine financial difficulties just like with commercial banks. According to Johnson, (2005) the core objective of these groups ride on the ethos that individual members are there with the sole aim of assisting one another and offering social and financial support.

The organization's credit accessibility normally and largely depends upon its cash in-flow, liquidity and resource availability. For instance, a firm with poor cash inflow, high value of debts and out of date production facilities and unnecessary processes is unlikely to compete for a long time, (Stahl, 2007). The business/ organization's performance outcome can be measured by customers' satisfaction, higher level of customer loyalty, market share growth and higher levels of distribution network, (Cravens, 1996). By focusing on the business processes that deliver value to the customers and ultimately have a significant positive link with the firm's good performance, hence competitive advantage, (Bititci et al., 1997; Neely & Adams, 2001). Satisfying customers' needs may be a prerequisite for an organization's profitability, but in itself it is insufficient. The crucial question is whether the firms can capture the value they create for customers or whether this value is competed away by other organizations, (Cole, 1997). By formulating and using relevant and appropriate fund mobilization strategies, SACCOS can also be in a better position in accumulating enough funds to meet the ever increasing demand for credit facilities.

Dividend Capitalization Strategy

Resources in an organization are scarce and valuable when they are critical in meeting customers' needs better than other alternatives, drive a key portion of overall profits in a manner controlled by the firm and are durable or sustainable over time, (Pearce and Robinson, 2011). In most investment organizations, the mutual funds pay out interest and dividend income received from their portfolio holdings as dividends to fund shareholders, Walker (1995). In addition, realized capital gains from the portfolio's trading activities are generally paid out (capital gains distribution) as a year-end dividends. In SACCO organizations, members save money consistently from which they access loans and normally at the end of any financial year; a part of the Sacco's earnings is usually paid to members as a form of returns (dividends) in cash money form. According to Williams, (2010), companies can use two methods of dividends payments which are; cash payments; where cash money is paid to all shareholders in the proportion to their shareholding in the company.

The second method is dividends capitalization, which is the process through which the management of an organization instead of cash dividends, retain the cash money and increase the shares of each shareholder so that the funds do not flow out of the firm and this helps in boosting the accumulation of liquid cash money. In such a situation, an organization is in a better position to meet any of its liquidity needs of cash funds. This strategy can greatly help SACCOS avail more funds to be accessed by members in terms of loans. According to Pandey, (2011), a dividend policy should maximize shareholders' returns consisting of two components: cash dividends and capital gains (bonus shares). Therefore, this policy can have a direct influence on funds mobilization within SACCOS hence impact positively on their credit accessibility. Dividend capitalization is one of the cheapest and a quick strategy for funds mobilization not only in SACCOS but also in any other profit making organization in need of internal growth. Therefore, this study was geared towards assessing the dividend capitalization strategy on credit accessibility among SACCOS. Dividend capitalization is one of the funds mobilization strategies which can be employed by SACCO organizations to enable them accumulate reasonable liquid cash money for credit accessibility at relatively lower costs just like members savings.

Credit Accessibility

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Dividend Capitalization Strategy and Credit Accessibility

When a firm pays cash dividends, its available cash goes down and it may not be liquid enough to make credit accessibility possible, hence poor rating in this area, (Keysay, 2004). When an organization decides to capitalize dividends, the shareholders' savings go up and this does not affect a firm's liquidity position hence funds are available for one of its core activities, credit availability. This strategy can be formulated and employed by savings and credit cooperatives societies in order to avail more funds for their members' credit needs.

The empirical research is a way of gaining knowledge by means of direct and indirect observation or experience. Empirical evidence, the record of one's direct observations or experiences can be analyzed quantitatively or qualitatively. Through quantifying the evidence or making sense of it in qualitative form, a researcher can answer empirical questions, which should be clearly defined and answerable with evidence collected, usually called data. The research design varies by the field and by the question being investigated. Many researchers combine qualitative and quantitative forms of analysis to better answer questions which cannot be studied in laboratory settings, particularly in the social sciences and in education.

3. Research Methodology

Research Design

This study employed a descriptive survey design method in assessing the extent to which dividend capitalization strategy influences credit accessibility among savings and credit cooperatives societies in Kakamega County, Kenya. The assessment of this variable was done in a non-contrived setting in a natural environment without interfering with the normal operations of the selected SACCOS, since the data was collected in a short period within one month to address the research question. This permits the explanation of phenomenon as they naturally transpire and without intervention from the researcher (Mugenda and Mugenda, 2003). According to Best and Khan, (2012) descriptive design is concerned with determining the frequency with which something occurs or the relationship between variables.

Data Collection

The study used primary data which was collected from the target population, (the management committee members and the three senior most employees) of the selected Sacco organizations using a self-administered semi-structured questionnaire. The research collection instrument was questionnaire, which was made up of both open and closed questions. It was preferred because of its convenience and cost effectiveness. According to Saunders, et al., (2012), the open ended questions allow profound response from respondents whereas the closed or structured questions are generally easier to assess. The questionnaire was administered through the drop-and-pick later method and the filled in questionnaire by the respondents were collected within one week, seven days. Sampling is part of the statistical practice which is concerned with the selection of individual observations intended to yield knowledge about a population of concern, for the main purpose of statistical inference (Paton, 2002).

Data Analysis

The data was edited to ensure accuracy, consistency, uniformity as well as completeness. They were then coded to facilitate the basic statistical analysis aided by the statistical package for social sciences (SPSS) software version 20. Descriptive statistics was used to analyze and generate information presented by the use of frequency distribution tables, graphs and percentages. Inferential statistics was also used to analyze the data appropriately. The data analysis was done using the Pearson correlation (R) moment at 95% confidence level to find the relationship between the variables, (dividend capitalization and credit accessibility). Further, the simple regression analysis was also used to establish the significance of the contribution (R^2) of the independent variable in enhancing the dependent variable.

4. Research Results

Descriptive Statistics

Table 1: Dividend Capitalization Strategy Response

Dividend Capitalization Strategy	Frequency	Percent	Cumulative Percent
N	4	10	10
A	15	37.5	47.5
SA	21	52.5	100
Total	40	100	

Source: Survey data 2019

From the table above, 10.0% of the respondents were not sure whether SACCO dividend capitalization leads to additional amounts of funds that could be disbursed to loan applicants, while 37.5% of the respondents agree that dividend capitalization leads to additional funds which can be disbursed to loan applicants. Half of the respondents, 52.5% strongly agree that dividend capitalization leads to more funds that can be used to enable Sacco members access additional funds as credit facilities.

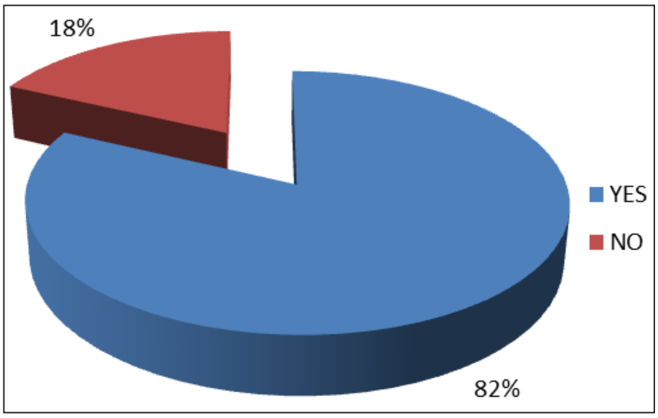

Figure 1: Opinion on Dividend Capitalization Strategy
Source: Survey data 2019

From the above chart, 82% of the respondents confirmed that dividend capitalization strategy would lead to additional funds, hence improves Sacco credit accessibility, while 18% of respondents did not confirm this.

Inferential Statistics

To assess the effect of dividend capitalization on credit accessibility, the Pearson correlation analysis was done to find out the strength, the direction as well as the significance of the effect of dividend capitalization strategy on credit accessibility. The regression analysis was conducted to find out the amount of change of credit accessibility as a result of dividend capitalization.

Table 2: Dividend Capitalization Strategy Correlation

		Dividend Capitalization Strategy	Credit Accessibility
Dividend Capitalization Strategy	Pearson Correlation	1	.389**
	Sig. (2-tailed)		0.006
	N	40	40
Credit Accessibility	Pearson Correlation	.389**	1
	Sig. (2-tailed)	0.006	
	N	40	40
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Survey data 2019

The correlation analysis showed that there exists a significant positive and direct relationship between dividend capitalization and credit accessibility, R = 0.389, $P < 0.01$ with 99.0% confidence level. This indicates that dividend capitalization has a significant positive effect on credit accessibility. Since $R < 0.5$, with F (1, 39) and Pearson correlation is 0.389, this reveals a weak effect that dividend capitalization has on credit accessibility. When dividend capitalization increases, there would be more amounts of funds to be loaned out to the Sacco members. This finding is in line with Williams, (2010), who stated that organizations can use two methods of dividends payments to shareholders; cash payments and dividend capitalization. The latter is where the organization increases the book value of capital of shareholders and funds do not flow out of the firm. Therefore, this boosts the firm's liquidity position, hence leaving liquid cash money in the organization which is instrumental in taking advantage of any opportunity beneficial in meeting the firm's core mandate. Mattila, (2006), says that the management of an organization should use their knowledge and skills in identifying and rectifying wrongs including outdated strategies and processes which can no longer add or add very little value to the organization's core mandate.

5. Interpretation of Findings

Since the correlation analysis shows a positive relationship between the independent and dependent variables, this helped the researcher to understand the percentage change in credit accessibility caused by dividend capitalization. Further, it goes in assisting in predicting the change in units or the percentage of dividend capitalization on credit accessibility.

Table 3: Dividend Capitalization Regression

R	R Square	Adjusted R Square	F	Significant
.389[a]	0.151	0.133	8.194	0.006

Source: Survey data 2014

From the table above, R Square (the coefficient of determination); it indicates the percentage change in credit accessibility accounted for by dividend capitalization. The result shows $R^2 = 0.151$, which means that 15.1% change in credit accessibility is caused by dividend capitalization. The significant value of $P = 0.006$ indicates that 15.1% change in credit accessibility is as a result of dividend capitalization, with $F(1, 39) = 8.194$, $P < 0.05$. Further, this implies that 84.9% is being accounted for by some other factors not within this study.

6. Summary of Findings

The objective of this study was to assess the relationship between dividend capitalization and credit accessibility among SACCOs in Kakamega County, Kenya. It was geared to answering the following research question, 'what is the effectiveness of dividend capitalization strategy on credit accessibility among SACCOS in Kakamega County, Kenya?' The study used a descriptive research design as it sought to build a profile about the relationship between independent and dependent variables. From the research findings; 85.4% of the respondents agreed that dividend capitalization leads to additional, (more) funds, hence this improves credit accessibility when funds are retained in the organization rather than paying cash dividend.

The correlation analysis indicated that dividend capitalization had a significant positive effect on Saccos credit accessibility, with $R = 0.389$, $P < 0.05$. The regression analysis supported this significant effect by showing that 15.1% variation in credit accessibility was as a result of dividend capitalization. The results statistically showed a significant positive relationship between dividend capitalization strategy and credit accessibility among SACCOS in Kakamega County, Kenya.

7. Conclusions

In line with the above findings, it is concluded that dividend capitalization significantly influences credit accessibility among SACCOS in Kakamega County. Kenya. Therefore, there is urgent need for the Sacco management to formulate and implement dividend capitalization as one of the resources mobilization strategies.

8. Recommendations

Based on the findings and conclusions; this study recommends that the SACCO management instead of recommending and paying their members cash dividends; it would be imprudent for this practice to continue when the SACCO organizations have not been in a position to satisfy their members' credit needs. The dividend funds should be retained and loaned to Sacco members. The SACCO management should formulate and employ fully and or partially the dividend capitalization strategy in order to improve their liquidity position and hence avail additional funds for members credit needs. The cash dividend should to be enjoyed in future when the SACCO organizations would have substantially met the credit needs of their members.

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Appendix I Questionnaire

Section One: Demographic Characteristics Of Respondents

Please you are kindly requested to respond to the following questions by providing the specified information within the space provided.

1) Which of the following SACCOS do you belong to?
Lumako ☐, Vuma Daima ☐, Nabongo ☐ Bukhungu ☐

2) Which of the category of SACCO management position do you hold?
Elected management committee member ☐
Sacco senior Management employee ☐

3) What is your gender?
Male ☐ Female ☐

4) Where does your age fall?
20-30 years ☐, 31-40 years ☐ 41-50 years ☐ 51-60 years ☐

5) How long have you been associated with your Sacco?
0-5 years ☐ 6-10 years ☐ 11-15years ☐ 15-20 years ☐ Over 20 years ☐

To assess the effect of dividend capitalization strategy on credit accessibility among SACCOS in Kakamega County, Kenya

(Please use a tick in the space provided below to indicate your level of agreement or disagreement with the statements in the table below

	Effectiveness of Dividend Capitalization Strategy on Credit Accessibility among SACCOS.	1 Strongly Disagreee Agree	2 Disagree	3 Uncertain Not sure	4 Agree	5 Strongly Agree
1.	When a SACCO capitalizes dividends, it has more funds it can disburse to the applicants as loans.					
2.	Dividends capitalization affords SACCO additional funds to offer a variety of credit products.					
3.	When a SACCO capitalizes dividends more money is available, hence the period of accessing loans is reduced.					
4.	When a SACCO capitalizes dividends, the cost of credit is maintained as if the amounts are from members' savings/ deposits.					

In your opinion, does the strategy of getting the Sacco capitalizing dividends lead to ease of accessing adequate loans when required? YES ☐ NO ☐
Explain your response above
………
…………………………………………………………………………………

To find out the challenges for credit accessibility among SACCOS in Kakamega County, Kenya.

Please use a tick in the space provided to indicate the degree of the challenge on credit accessibility among SACCOS in Kakamega County, Kenya and their order of importance as follows, Most Important, B1, Important, B2 and Least Important, B3.

	Factors as Challenges for SACCOS Credit Accessibility	B1	B2	B3
1.	Regulatory Framework			
2.	Management Style			
3.	Organization Culture			

In your opinion, what other challenges are facing the SACCOs on credit accessibility?
……...………………………
In your opinion, beside what have been discussed in this study, what more can be done to enhance credit accessibility among the SACCO organizations?
………
………