EFFECTS OF FINANCIAL MANAGEMENT PRACTICES ON THE PERFORMANCE OF COOPERATIVES: A CASE OF KABWE DISTRICT COOPERATIVE UNION LIMITED

BY

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A Dissertation Submitted to the University of Zambia in Partial Fulfilment of the Requirements for the award of the Degree of Master of Business Administration in Finance

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DECLARATION

I, **Yandisha Kayama**, declare that the work in this report has been completed in accordance with the regulations of The University of Zambia, Graduate School of Business and it is original unless otherwise stated in the text by a specific reference. There has been no presentation of this report to any other educational institution. Any opinions expressed in the dissertation are solely those of the authors and do not represent the school in any way.

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APPROVAL

This Dissertation by Yandisha Kayama is approved as a partial fulfilment of the requirements for the award of the degree of Master of Business Administration in Finance.

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ABSTRACT

This study investigated the effects of financial management practices on the performance of cooperatives, specifically focusing on the Kabwe District Cooperative Union Limited in Zambia. The primary aim was to evaluate how specific financial management strategies influence the cooperative's operational effectiveness and sustainability. Key research objectives included identifying the financial management practices employed, establishing their relationship with cooperative performance, and determining measures for effective implementation. A sample of 302 members was surveyed using a structured questionnaire, employing simple random sampling techniques, which yielded a response rate of 76%. The study utilized a case study methodology, analyzing both qualitative and quantitative data to derive insights. Key findings revealed that a significant portion of respondents (62.2%) reported a lack of structured financial management practices, correlating with a perceived poor performance rating of 59.1%. However, the majority acknowledged that effective financial management practices promote resource utilization, financial stability, and operational planning. The study emphasized the importance of cash flow management, cost control, and strategic financial planning as critical components that enhance cooperative performance. The practical contributions of this research to policy and cooperative management include recommendations for implementing comprehensive financial training initiatives tailored to the specific needs of members and conducting regular financial reviews and audits to assess the effectiveness of financial management practices and ensure accountability. By addressing these areas, the Kabwe District Cooperative Union Limited can improve its overall performance and ensure long-term sustainability, thereby reinforcing the importance of sound financial management practices in cooperative success

Key words: *effect, financial management practices, performance, cooperative, sustainability.*

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DEDICATION

I dedicated this Research Project to my family and The University of Zambia for instilling in me knowledge during my time at the university and for the support I have received from my Project Supervisor, Dr. Euston Kapotwe, during the project period.

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ICA	International Cooperative Alliance
ILO	International Labour Organization
GDP	Gross Domestic Product
SME	Small and Medium- sized Enterprises
GEM	Growth Enterprises Market

CHAPTER 1: INTRODUCTION

1.0 Introduction

This study investigates the effects of financial management practices on the performance of cooperatives, with a specific focus on the Kabwe District Cooperative Union Limited in Zambia. Cooperatives are essential for fostering economic development and social welfare by uniting individuals who share common interests. According to the International Cooperative Alliance (ICA), a cooperative is defined as an independent group of people voluntarily united to meet their social, economic, and cultural needs through a collectively owned and democratically controlled enterprise.

In the Zambian context, the urgency of this research is underscored by the critical role cooperatives play in achieving national economic development goals. Effective financial management practices are vital for the sustainability and success of these cooperatives, enabling them to operate efficiently and effectively while fulfilling the expectations of their members. Financial management encompasses various activities, including budgeting, financial reporting, cash flow management, and investment analysis. These practices are crucial for ensuring that cooperatives can make informed decisions about their operations and investments. Research indicates that sound financial management not only enhances operational decision-making but also significantly improves the overall performance of cooperatives.

By providing accurate and timely financial information, effective financial management allows cooperatives to meet the needs of their members more effectively, leading to increased satisfaction and engagement. Furthermore, cooperatives with strong financial management practices are more likely to attract investment from lenders and investors, facilitating growth and expansion. Conversely, those lacking effective financial management may struggle to survive, facing challenges in achieving their goals and objectives.

This study aims to examine the relationship between financial management practices and cooperative performance, providing insights that can enhance the effectiveness and sustainability of cooperatives in the region. Consequently, this chapter presents the background to the study, the problem statement, the aim and objectives, the research questions, the significance of the study, the scope, and the definition of key terms.

1.1 Background to the Study

Cooperatives enable smallholders in partner countries to market products together and get a stronger voice in the global supply chain. Kays (2020) states that an established model, the ILO estimates that nearly 50% of the world's rural agricultural produce is marketed through cooperatives. The importance of cooperatives lies in their ability to empower individuals and communities by providing them with a collective platform to address economic, social, and environmental challenges. Cooperatives promote democratic decision-making, equitable distribution of profits, and sustainable development. They also contribute to job creation, poverty reduction, and the overall well-being of their members.

The contribution of cooperatives to GDP at a global scale is significant. According to the International Cooperative Alliance, cooperatives are estimated to generate more than 2.1 trillion USD in annual revenue and provide over 280 million jobs worldwide. This makes cooperatives a substantial contributor to the global economy. Cooperatives play a crucial role in various sectors such as agriculture, finance, healthcare, and consumer goods, and their impact on GDP can vary by country and region. They are known for promoting economic growth, creating sustainable jobs, and reducing poverty.

In Africa, cooperatives societies were started and operated by the colonial rulers under the regulations stipulated by business practice laws (Wambui, 2016). When they gained momentum of growth due to the increased and diversified market, policies to enhance their effectiveness and performance were put in place (Friedman, 2007). In most parts of Africa, cooperatives are a popular microfinance mechanism for poverty reduction through improving access to finance and financial services and have clear guidelines to sustain their effectiveness (Mundia, et al. 2023). According to the International Labour Organization (ILO), cooperatives in Africa contribute significantly to the GDP of many countries on the continent. They play a key role in various sectors such as agriculture, finance, and services, and are often seen as important drivers of economic development and poverty reduction. Cooperatives in Africa provide employment and income for millions of people, particularly in rural areas where they are a vital source of livelihood. They also contribute to food security, access to financial services, and social inclusion. In Kenya, by applying good financial management practices among cooperatives have played a significance role in

facilitating the provision of financial services to the people for investment opportunities to individuals and members within the group. In Tanzania, cooperatives follow the modern financing management practices and act as financial intermediaries among members of the group and the community (Gathurithu, 2015). Buwule (2017) notes that financial management practices play a critical role on the performance of cooperatives. Therefore, understanding the financial management practices can aid a cooperative strategically plan and enhance their operations.

Zambia is one of the nations of Africa with the longest history of cooperative development, characterized by strong growth which, since it became independent, has contributed significantly to the nation's economy as a whole. The 2018 Annual Economic Report by the Bank of Zambia, the contribution of cooperatives to the country's GDP was 4.6%. There are number of studies that have been conducted with regard to the status and performance of cooperatives in Zambia since the liberalization of the economy in 2021. They all have concluded that cooperatives were performing very badly in Zambia. Cooperatives have disappeared from the public limelight since 2021 and the majority of them were either dormant or non-performing. The GEM recorded a rather high Zambian SME failure rate of 20% from 2012 to 2014 (GEM, 2019).

Effective financial management practices are essential for the successful operation of cooperatives, as they directly influence their sustainability and growth. These practices encompass budgeting, financial reporting, cash flow management, and investment analysis, enabling cooperatives to make informed decisions and allocate resources efficiently (Buwule, 2017). By maintaining accurate financial records and providing timely financial information, cooperatives can enhance transparency and accountability, which are crucial for building trust among members and stakeholders (Mundia et al., 2023). Furthermore, strong financial management facilitates access to capital from investors and lenders, allowing cooperatives to expand their operations and improve service delivery (Gathurithu, 2015). Research indicates that cooperatives that implement robust financial management strategies are more likely to achieve their objectives and contribute positively to their communities, thus reinforcing their role as vital players in economic development (International Cooperative Alliance, 2022). In light with the above, this study will provide insights that could contribute to the revitalization and sustainability of cooperatives in Zambia.

1.2 Problem statement

Effective financial management practices are vital for the sustainability and performance of cooperatives, particularly in Zambia's effort to reduce poverty and promote economic development (Wambui, 2021). Empirical evidence shows that poor financial oversight significantly contributes to cooperative failures, as evidenced by the deregistration of 131 out of 734 registered cooperatives in Kabwe in 2022 due to improper financial management (Mundia et al., 2022). These statistics highlight those inadequate financial practices such as budgeting, financial reporting, and capital management compromise cooperative effectiveness. However, what remains unknown and constitutes a significant gap is the extent to which cooperatives in Kabwe have specifically adopted various financial management practices and, more importantly, the precise effects of these practices on their operational effectiveness and overall success. Scant empirical evidence exists that directly examines this relationship within the Kabwe context. In an ideal scenario, cooperatives would adopt and consistently implement sound financial management practices that enhance operational efficiency, financial stability, and overall performance, thereby maximizing their contribution to poverty alleviation and community development. Nevertheless, many cooperatives in Kabwe struggle with weak financial oversight, leading to frequent failure, diminished trust from members and inefficient resource utilization. The core challenge lies in the limited understanding of how specific financial management practices influence the actual performance of cooperatives in Kabwe. While there is general awareness that poor financial management is detrimental, empirical research explicitly identifying which practices most effectively improve cooperative outcomes remains scarce within this context (Mweemba, 2019). This knowledge gap hampers efforts to develop targeted interventions for enhancing financial practices. Therefore, this study aimed to investigate the effects of financial management practices on the performance of the Kabwe District Cooperative Union Limited, addressing the gap by providing evidence-based insights on the relationship between financial practice adoption and cooperative success. Filling this gap is critical for designing strategies that promote sustainable cooperative development and optimize their role in poverty reduction.

1.3 Aim of study

The aim of this study was to evaluate the effects of financial management practices on the performance of cooperatives in Kabwe district.

1.4 Objectives

1. To establish the types of financial management practices used by Kabwe District Cooperative Union Limited.
2. To examine the relationship between the financial management practices and the performance at Kabwe District Cooperative Union Limited.
3. To suggest measures to enhance implementation of financial management practices at Kabwe District Cooperative Union Limited

1.5 Research questions

1. What types of financial management practices are used by Kabwe District Cooperative Union Limited?
2. What is the relationship financial management practices and performance of Kabwe District Cooperative Union Limited?
3. What measures can enhance the implementation of financial management practices at Kabwe District Cooperative Union Limited?

1.6 Significance of the study

The study will provide the benefits of prudent financial management practices to the management of cooperatives who will use the results to improve their cooperatives' financial performance. This research will also assist the policy makers in the governments to come up with more elaborate policies that will lead to improved performance among cooperatives. Scholars and consultants/researchers will use the results as a source of reference in their bid to carry more research in financial management practices and performance in other sectors of finance. The study will further stimulate interest among academicians, thus encouraging further research in the subject with a view of building the body of knowledge concerning cooperatives and how effective

financial management practices can make them become major financial intermediaries in the contemporary society.

1.7 Scope of the study

The scope of the study delineated the extent to which the research area was explored, specifying the parameters within which the study operated. It focused on identifying and establishing the specific financial management practices utilized by the Kabwe District Cooperative Union Limited, examining practices such as budgeting, financial reporting, and capital structure. The research investigated the relationship between these financial management practices and the overall performance of the cooperative, assessing how these practices influenced operational effectiveness and success. Additionally, the study aimed to determine effective measures for the implementation of financial management practices within the cooperative, encompassing strategies that could enhance financial oversight and contribute to improved performance. The study was limited to exploring the effects of financial management practices on the performance of cooperatives specifically within the Kabwe District, thereby providing insights that could enhance the cooperative's role in poverty alleviation efforts in the region.

1.8 Theoretical framework

The theories that guided this study includes the principal- agent theory, pecking order theory and the signaling theory.

1.8.1 The Principal-Agent Theory

According to this theory, owners of an enterprise hire professionals to run the enterprises on their behalf so as to enable them achieve their performance goals (Kiel & Nicholson, 2003). With regard to cooperatives, the members of cooperatives who are the owners (principals) of the organization hire a management body as their agents and encourage them to be responsible to the organization.

However, in order for the management body to effectively act on the behalf of the principles, the theory highlights the importance of a clear and good governance relationship between the management body and stakeholders in order to create value for the enterprise. A key aspect of this relationship is the owners showing the roles of the managers and providing management guidelines

to enhance the performance of the enterprise. Usually, the agent may yield to self-interest, opportunistic behavior and violate the contract between the interests of the principals and the agents' ends (Odhiambo, 2012). Agents are likely to have different motives from principals. They may be influenced by factors such as financial rewards and relationships with other parties that are not directly relevant to principals. This can for instance, result in a tendency for agents to be more optimistic about economic performance of the organization or their performance under contract than the reality would imply. Agents may also be more risk averse than principals and as a result of these differing interests, agents may have an incentive to bias information flow. Conflicts or problems arise when, in the perception of a firm's owners, the professional managers do not manage the firm in the best interests of the owners (Davis, Schoolman & Donaldson, 2020).

Therefore, the principal- agent theory argues that the purpose of financial management practices should be to minimize the potential for managers to act in a manner contrary to the interests of shareholders. The theory also advocates the setting up of rules and incentives to align the behavior of managers to the desires of owners (Hawley & Williams, 1996). However, it is almost impossible to write a set of rules for every scenario encountered by managers. Also, it may not be possible to have managers who have integrity, competence, reliability, and good judgment, independence of mind, and dedication to the cause to run an enterprise.

1.8.2 Pecking Order Theory

It is the theory that suggests that entrepreneur for business finance needs first utilise retained earnings, then debts and convertible loans (Jones, 2022). Equity with bankruptcy cost should be the considered as the last option to be selected for capital structure policy. These theories of financial management are applicable and effective to run an organization.

1.8.3 Signaling Theory

This theory involves interpretation and transfer of information about business to capital market. This theory states that cash flow between an organisation and capital market depends entirely on flow of information between the two entities (Bamberger, 2008). It is the theory that involves strategies for organisations and enterprises to effectively demonstrate their capabilities to potential investor. Signaling theory is really effective for business expansion and growth.

1.9 Conceptual framework

Independent Variables

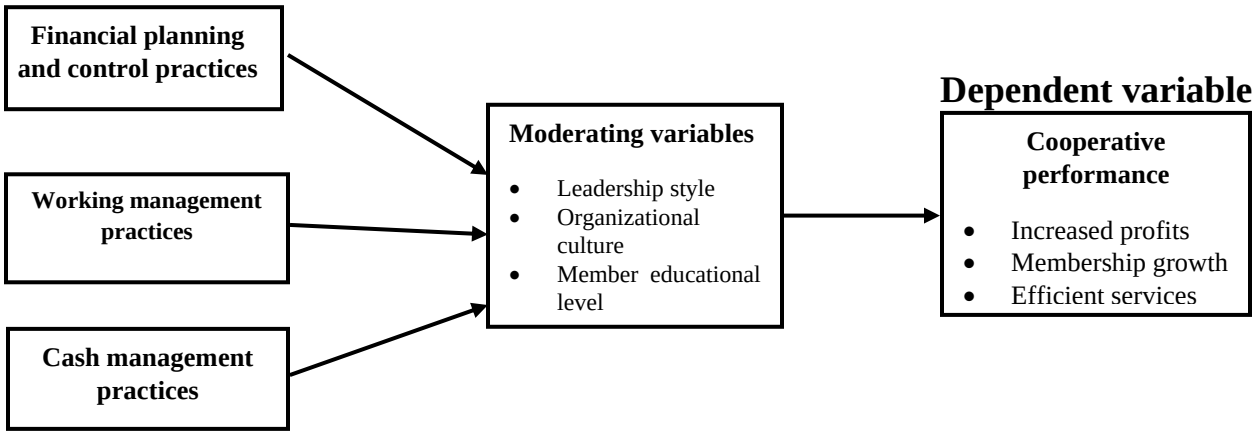

Figure 1. 1: Conceptual framework

The conceptual framework shows that financial management practices influence cooperative performance which is what the researcher seeks to evaluate. The framework posits that financial management practices (independent variable) directly influence the performance of the cooperative (dependent variable). This relationship is moderated by several key factors, including member education level, leadership style, and organizational culture, access to resources, regulatory environment and economic conditions. These moderating variables can either enhance or hinder the effectiveness of financial management practices, thereby impacting the overall performance of the cooperative. Leadership style influences cooperative performance by shaping team dynamics, fostering motivation, and ensuring clear communication, which directly impact collaboration and goal achievement. Organizational culture affects the level of trust, shared values, and openness within the group, while member educational level determines the knowledge base and problem-solving ability, thus enhancing or limiting cooperation. By examining these dynamics, the study aimed at providing a comprehensive understanding of how various financial management strategies contribute to the operational success and sustainability of cooperatives in the Kabwe District.

Measurement of conceptual framework variables

Variables	**Indicator**	**Measurement**
Independent		
Financial planning and control practices	Return on investment (ROI)	Nominal
Working management practices	Employee satisfaction	Ordinal
Cash management practices	Cash flow forecasting	Nominal
Dependent		
Cooperative performance	Increased profits	Ratio

Financial planning and control practices will be measured through various key performance indicators (KPIs) such as budget variance analysis, cash flow analysis, return on investment (ROI), and profitability analysis. These KPIs help in evaluating the effectiveness of financial planning and control practices in an organization.

Measuring working management practices will be done through employee satisfaction. These methods can help in assessing the effectiveness of management practices in areas such as communication, decision-making, goal-setting, and employee motivation.

Measuring cash management practices will involve evaluating various aspects such as cash flow, liquidity, working capital management, and cash conversion cycle. This can be done through the analysis of financial statements, cash flow statements, and working capital ratios.

Cooperative performance will be measured using metrics such as consideration of increased profits and membership, member engagement and efficiency.

1.10 Definition of key terms

Financial Management: this is the application of general managerial principles to the area of financial decision making (Paramasivan and Subramanian, 2009).

Cooperative: is a legal entity owned and democratically controlled by its members. Members often have a close association with the enterprise as producers or consumers of its products or services, or as its employees (Mungai, 2015).

Financial management practices: the standard operating procedures designed to improve the proper execution of financial accounting, reporting, budgeting, and other related tasks in order to increase a firm's technical efficiency.

Effects: Effects refer to the changes or outcomes that result from a specific action or set of conditions. They can be observed in various contexts, such as psychological, social, or environmental, and are often measured to understand the impact of interventions or phenomena (Smith, 2020).

Practice: Practice is defined as the repeated exercise of an activity or skill to acquire or maintain proficiency in it. In a professional context, it often refers to the methods and procedures employed in a particular field, such as financial management, healthcare, or education (Jones, 2019).

Performance: Performance refers to the execution of a task or the ability to carry out specific functions effectively. It is often evaluated based on criteria such as efficiency, effectiveness, and quality of outcomes in various domains, including business, education, and sports (Taylor, 2021).

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

The previous chapter presented the introduction of the study. It has outlined the background, problem statement and significance of the study among others. The aim and objectives of the study have also been outlined. In order to have a clear understanding of the topic, work that had been published by other scholars on the subject need to be reviewed in this chapter. This chapter reviews previous work done and relevant literature on the subject in more detail in order to help the researcher remain focused on relevant matters of the research.

2.1 Financial Management Practices

Financial management is concerned with the management of the financial aspects of an enterprise. It is a management function which encompasses a wide variety of tasks. In carrying out these tasks, the financial function must be integrated carefully with the rest of management functions; it cannot be considered in isolation from the external financial environment (Mundia et al. 2023).

Financial management is defined by the functions and responsibilities of financial managers and it includes the following functions: - Monitoring and analyzing financial condition of the firm, and managing the accounting systems. Managing the accounting systems involves Preparing financial statements and reports, Planning and budgeting; and managing the funds and other resources of the firm (Vroom, 2018).

Financial management function is concerned with decisions and control over the financial affairs of the enterprise in a crucial, constantly changing and complex environment. According to them the functions can be classified in various ways: - Strategic & operational decisions, Division between Financing and Capital-budgeting decisions, External and internal decisions (Lumumba, 2018).

Thus, financial management may be defined as a process of generating funds, the allocation of these funds to investment opportunities and finally the distribution of the resulting surplus to the owners. Every business enterprise will seek desirable opportunities that require financial resources. These resources can be acquired by raising or retention of funds by the enterprise. The two aspects

of financial management will therefore be the selection of projects in which the enterprise invests and the provision of funds to these projects, i.e. Project evaluation and raising capital.

2.1.1 Financial Planning and Control practices

Financial planning is evaluating the investing and financing options available to an entity. Planning includes attempting to make optimal decisions, projecting the consequences of these decisions for the firm in the form of a financial plan, and then comparing future performance against that plan (Campbell, 2012).

This is the process of determining a people or entity's financial needs or goals for the future and the means to achieve them. Banda and Chanda (2021) state that financial planning involves deciding what investments and activities would be most appropriate under both personal and broader economic circumstances. All things being equal, short-term financial planning involves less uncertainty than long-term financial planning because, generally speaking, market trends are more easily predictable in the short term. Likewise, short-term financial plans are more easily amendable in case something goes wrong as a result of the short time frame (Farlex financial dictionary, 2012). Planning is useless unless an organization has a control system that ensures implementation of the policies and provides information feedback which permits rapid adjustments as market conditions change. The basic tools of financial controls are budgetary control and financial statements analysis.

Budgetary controls will target annual operating budgets and capital budgets. On the other hand, financial statement analysis will involve the assessment of the organizations past, present and future anticipated financial condition. The objectives are to identify any weakn**esses** in the firm's financial position that could lead to future problems and to determine any strength, which the firm may capitalize on (Kays, 2020).

The basic inputs to financial analysis are the firm's income Statement and Balance sheet. Financial ratios comprise the principal tool of financial analysis and provide relative measure of the company's performance. The objective is to standardize financial information to facilitate

meaningful comparisons. The comparisons may use cross-sectional (i.e. different ratios at the same point in time) approach or Time-series analysis (or performance over time).

2.1.2 Working Capital Management practices

Working capital management is concerned with the management of the firm's current accounts (i.e. current assets and current liabilities) which is considered as one of the most important aspects of the firm's overall financial management. This is so because if a firm fails to maintain a satisfactory level of working capital it can easily become insolvent and most likely may go into bankruptcy. In order to maintain a reasonable margin of safety, the firm's current assets should be large enough to cover current liabilities (Jordan, 2019).

The goal of working capital management is to manage each of the firm's current assets and current liabilities in such a way that an acceptable level of working capital is maintained. To achieve this goal, each of the current assets must be managed efficiently to maintain the firm's liquidity. At the same time each of the current liabilities must be cautiously managed to ensure that they are obtained and used in the best way possible. Underlying the use of liquidity ratios to measure the firm's liquidity is the belief that the greater the margin by which the current assets cover short-term obligations the more the firm will be able to pay its bills as they fall due. However, a problem arises because each current asset and current liability has a different degree of liquidity associated with it leading to the need for some level of net working capital.

2.1.3 Cash Management practices

Cash management is concerned with the management of cash flows (inflows and outflows) and the cash balances held by the firm at one point in time. In tandem with Zulu (2023) is of the view that proper cash flow management implies the speeding up of collections and slowing disbursements. On the other hand, cash balances management is concerned with the determination of optimal cash balances which involves risk/return considerations. While maintenance of inadequate cash level has the prospect of technical insolvency excessive holding of cash will result to fewer returns because cash held in current accounts will ordinarily not earn interest.

According to Meyers (2019) cash is the basic input needed to keep the business running and the ultimate output realized by selling the services or products by the firm. And according to Vroom (2018), the existence of short-term investment and the relatively high interest rates on such investments has increased the opportunity of holding cash balances.

The management of cash is closely related to management of marketable securities which are regarded as near- cash assets. Marketable securities serve as a back-up to the cash account and can easily be converted into cash. When a firm has excess cash, it invests it in marketable securities. This contributes to the profits of the firm. Marketable securities can be converted to cash at low transactions cost. A careful analysis is required when making decisions regarding cash and marketable securities so as to achieve optimal holding.

Several models have been evolved in attempt to determine the optimal cash balances to hold and the amount to invest in marketable securities. These are classified into two: - Deterministic model; where cash demand and associated costs are known well in advance. Stochastic model; where costs of holding cash are known well in advance, while cash flows are unpredictable. Some of these models together with new techniques take analytical approach while others follow simulation approach.

2.2 Financial management practices and performance of cooperatives

Financial management practices consist of procedures, structures, administrative measures and policies related to the regulation of income, spending, properties, liabilities and contingencies by organizations. In any cooperative, financial management practices are a critical practice. It is the mechanism by which financial resources are prepared, coordinated, managed and tracked to achieve organizational priorities and goals. It is an optimal method to manage an organization's financial operations such as fund-raising, use of assets, deposits, transfers, risk management, and anything else that has to do with money (Rosenberg, 2003).

Muthama (2016) conducted a study on the effects of financial management practices on performance of selected cooperatives in Kisii County, Kenya. The study acknowledged that financial management practices are necessary due to mismatches between the timing of payments and the availability of finances which may interfere with operations of the cooperative. The study

employed a descriptive survey research design. The study found that the cooperatives kept records of all finances, which facilitated accountability leading to improvement on operational performance. The study recommended that cooperatives should understand the importance of book keeping in improving the performance of the public hospitals in their jurisdiction.

Financial management practices affect the performance of cooperatives because any cooperative performance encompasses three specific areas of outcomes; financial performance (profits, return on assets, return on investment, among others), product market performance and shareholders' return. (Richard et al, 2009). In their study the found that the bottom line of all other measures of the cooperative performance are the financial management practices employed. Poor or careless financial management practices are a major cause of small business failures (Berryman, 1983). Berryman found out that when reviving the financial management practices applied by small organization in United Kingdom, where he discovered that majority lacked the best financial management practices. According to (Peel and Wilson, 1994), if financial management practices in cooperatives could be improved, then fewer cooperatives would fail. In their study they found that only 10% of the cooperatives never used cash budgeting, whereas 33% used. This inefficient in financial management practices resulted in huge credit balances at the end of the month.

Financial management practices can have a significant impact on the performance of cooperatives in Zambia. Effective financial management can help cooperatives to achieve their financial goals, improve their overall performance, and ensure their long-term sustainability (Mweemba, 2019). This includes practices such as budgeting, financial reporting, cash flow management, and investment decision-making. Some potential effects of good financial management practices on cooperative performance in Zambia may include improved profitability, better access to credit and financing, increased member satisfaction, and overall organizational growth.

2.3 Ways of effectively using of financial management practices to improve performance of cooperatives

Ma et al (2023) states that effective financial management is crucial for the success and sustainability of cooperatives. Cooperatives, like any other business, need to manage their finances efficiently to ensure their long-term viability and success. There are several measures that can be used to ensure effective use of financial management practices among cooperatives.

One important measure is to establish clear financial policies and procedures. This includes creating a budget, setting financial goals, and implementing a system for tracking and monitoring financial performance. By having clear policies and procedures in place, cooperatives can ensure that their financial resources are being used effectively and in line with their strategic objectives (Richard et al, 2009).

Another measure according to Ma et al (2023) is to invest in financial management training for cooperative members and staff. Many cooperatives are run by volunteers or individuals who may not have a strong background in financial management. By providing training and education on financial management practices, cooperatives can ensure that their members and staff have the knowledge and skills necessary to make sound financial decisions.

Additionally, cooperatives can benefit from implementing financial controls and accountability measures. This can include regular financial audits, internal controls, and oversight by a finance committee or board of directors (Mweemba, 2019). By having these measures in place, cooperatives can ensure that their financial resources are being used appropriately and that any potential issues or discrepancies are identified and addressed in a timely manner.

Finally, cooperatives can benefit from using financial management tools and technologies to streamline their financial processes and improve their decision-making. This can include using accounting software, financial reporting tools, and other technologies to track and analyze financial data. By leveraging these tools, cooperatives can gain better insight into their financial performance and make more informed decisions about resource allocation and strategic planning.

In summary, Ma et al (2023) stipulates that effective financial management is essential for the success of cooperatives. By implementing measures such as clear financial policies, training and education, financial controls, and leveraging financial management tools, cooperatives can ensure that their financial resources are being used effectively and in line with their strategic objectives.

2.4 Empirical Literature Review

2.4.1 Global review

Organization performance encompasses three specific areas of firm outcomes; financial performance (profits, return on assets, return on investment, among others), product market performance and shareholders' return. (Richard et al, 2009). In their study the found that the bottom line of all other measures of the financial performance is the financial performance since it measures the value added to the wealth of the shareholders. Poor or "careless" financial management practices are a major cause of small business failures (Mundia et al, 2023). Berryman (2023) found out that when reviving the financial practices applied by small organization in United Kingdom, where he discovered that majority lacked the best financial management practices. According to Mundia et al. (2023), if financial management practices in firms could be improved, then fewer firms would fail. In their study they found that only 10% of the organization never used cash budgeting, whereas 33% used. This inefficient in cash management resulted in huge credit balances at the end of the month.

Financial performance of the cooperative sector had not been the best for years, thought the command over 70% of the saving population in the world. There is still much to do on the better financial practices that will lead to better financial performance. According to Spathis (2002), firm with low profitability have not employed the most efficient financial management practices. The study shows at time the cooperatives pay higher interest rate on the borrowed funds than what the members are charged when they borrow from the cooperatives. This results in poor financial performance.

2.4.2 Continental review

Existing literature already supports the notion that cooperatives serve poor people, even though middle income clients are also among their membership. Varied cooperatives have their own unique financial practices, empirically; studies have shown that the success of a cooperative is measured by its ability to satisfy the member's financial needs. According to Jordan (2019), in his study on the urban cooperative's failure in Nairobi, out of a sample of 200 cooperatives about 60%

are financially mismanaged hence cannot meet the member financial needs as an when the fall due.

Survey done by Kamau (2010), found that various cooperatives bench marks their financial performance with other cooperatives. The value of better financial performance by cooperatives has been fully emphasized and the need to ensure the best financial practiced that will ensure optimal financial results. The financial practices show how well that mangers in the organizations are able to integrate various aspects of the organization to come up with best financial performance. Liquidity is one of the most important consideration of a viable cooperative, according to (WOCCU, 2008) in their survey on the cooperatives best practices, the assert that the most successful cooperative has well managed cash systems which ensures that the members are able to get their service and earn their dividend on their savings. The dynamic changes in the financial world calls for well thought of financial management practices (Kamau, 2010). He argues that the most promising cooperatives have very dynamic financial practices that help them to deal with the volatile financial sector. The best practices of financial management practices need to be well viewed as the cornerstone of the success of any institution (Griffins, 2006).

Loan repayment is a major determinant of how well the cooperatives will be able to achieve the best financial results (Nyakundi, 2010). The cooperatives that had the best policies on lending was the best in terms of its financial performance. This illustrated by the optimum utilization of members saving for the purposes of generating maximum revenue.

According to ministry of cooperative of Kenya, as of 2011, the cooperatives had mobilized savings of Ksh. 230 billion in the country and had an asset base in excess Ksh. 250 billion. Statistics of up to June of 2012, held by the cooperative society regulatory authority, indicates cooperative members with active loans number about 1.8 million people, compared to the 1.9 million people with bank loans in Kenya. Capital adequacy in line with best practices for deposit taking financial institutions. The capital is a key measure of safety and soundness of a cooperatives and serves to protect or cushion member deposits and creditors against losses resulting from business risks that the cooperatives, as a financial institution faces. It there therefore promotes public confidence in the institution (Ademba, 2012).

Management information system, which in addition to automating regular cooperatives operations facilitates performance monitoring and decision making, regulatory reporting and enforcement of risk management and internal controls will ensure better performance. The best financial management practice will lead to better operating environment for the organization (Nzirwa, 2020). This was in his study on the selected financial practices of small enterprise based in Nairobi, where he looked at a case of Kenya institute of education. This proves that there is need to integrate the performance of the financial part with the overall performance of any organization. Evaluating the financial performance of cooperatives is a major concern of the entire stakeholder in the sector. According to Griffins (2022), in his study on the evaluation of the performance of cooperatives in Nairobi he found that about 40% of the cooperatives were not active at this was attributed to the way they coordinate their financial affairs. The practices led to fraudulent issues that led to poor financial performances.

World has continued to enjoy growth in cooperatives. According to the WOCCU, there are close to 200 million members of cooperatives. This continues to grow in more than 100 countries in the world mobilizing billions of dollars in savings. The cooperatives control major resources that have uplifted the life of the poor in the mostly developing world (Richardson, 2002). According to Lumumba (2018), he noted that on his case study of Mwalimu co-operative society ltd, Nairobi where a sample of 150 was used. A questionnaire was used in collecting data. The data collected were analyzed by way of tabulation, mean scores, percentages and semantic differential profiles. From the study it was found that, depending on the lending policy in question, members' attitudes varied from positive to negative. Further, it was established that members' satisfaction or dissatisfaction with particular lending policies was not influenced by either salary scale or number of years one had been with the society. From the findings it was recommended that those policies to which members held negative attitudes be dropped and that the government should withdraw its involvement in the running of day-to-day operations of the savings and credit cooperative societies. This could ensure autonomy of such societies and members' full participation in their management could enhance high savings.

2.4.3 Zambian perspective

The Cooperative business models maintain the livelihood of communities in which they operate, support the development of MSMEs, create sustainable employment and improved social standing of the members and their families (Von Ravensburg, 2011). The government and other development agencies in Zambia acknowledge the importance of not only strengthen the capacity of small-scale farmers but also facilitate micro, small and medium enterprise, Cooperatives included, engage in value addition in order to reduce poverty, create jobs and provide food security (USAID/Zambia, 2011-2015).In particular, Zambia's Cooperatives have not performed satisfactorily since early 1980s in spite of increased government support through Zambia Cooperative Federation (Mason et al., 2013). The Cooperative sector have challenges that are affecting creation of wealth to stakeholders. Bonger and Chileshe (2013) survey reports, that Zambian Cooperative environment is characterized by lack of finance, imperfect market, modern technology constraints, and inadequate education and profession of staff. According to Conway and Shay (2010), most Cooperatives in Zambia fail to access start-up capital, working capital, investment capital and the level of education and professional qualification for most Cooperatives and workers is low with resultant low productivity and poor-quality products. These challenges cause a lot of mistrust among members and lack of confidence in the services being rendered to clients.

2.5 Theoretical framework

The theories that guided this study includes the principal- agent theory, pecking order theory and the signaling theory.

2.5.1 The Principal-agent theory

According to this theory, owners of an enterprise hire professionals to run the enterprises on their behalf so as to enable them achieve their performance goals (Kiel & Nicholson, 2003). With regard to cooperatives, the members of cooperatives who are the owners (principals) of the organization hire a management body as their agents and encourage them to be responsible to the organization.

However, in order for the management body to effectively act on the behalf of the principles, the theory highlights the importance of a clear and good governance relationship between the management body and stakeholders in order to create value for the enterprise. A key aspect of this relationship is the owners showing the roles of the managers and providing management guidelines to enhance the performance of the enterprise. Usually, the agent may yield to self-interest, opportunistic behavior and violate the contract between the interests of the principals and the agents' ends (Odhiambo, 2012). Agents are likely to have different motives from principals. They may be influenced by factors such as financial rewards and relationships with other parties that are not directly relevant to principals. This can for instance, result in a tendency for agents to be more optimistic about economic performance of the organization or their performance under contract than the reality would imply. Agents may also be more risk averse than principals and as a result of these differing interests, agents may have an incentive to bias information flow. Conflicts or problems arise when, in the perception of a firm's owners, the professional managers do not manage the firm in the best interests of the owners (Davis, Schoorman & Donaldson, 2020).

Therefore, the principal- agency theory argues that the purpose of financial management practices should be to minimize the potential for managers to act in a manner contrary to the interests of shareholders. The theory also advocates the setting up of rules and incentives to align the behavior of managers to the desires of owners (Hawley & Williams, 1996). However, it is almost impossible to write a set of rules for every scenario encountered by managers. Also, it may not be possible to have managers who have integrity, competence, reliability, and good judgment, independence of mind, and dedication to the cause to run an enterprise.

2.5.2 Pecking Order Theory

It is the theory that suggests that entrepreneur for business finance needs first utilise retained earnings, then debts and convertible loans (Jones, 2022). Equity with bankruptcy cost should be the considered as the last option to be selected for capital structure policy. These theories of financial management are applicable and effective to run an organization.

2.5.3 Signaling Theory

This theory involves interpretation and transfer of information about business to capital market. This theory states that cash flow between an organisation and capital market depends entirely on flow of information between the two entities (Bamberger, 2008). It is the theory that involves strategies to for organisations and enterprises to effectively demonstrate their capabilities to potential investor. Signaling theory is really effective for business expansion and growth.

2.6 Conceptual framework

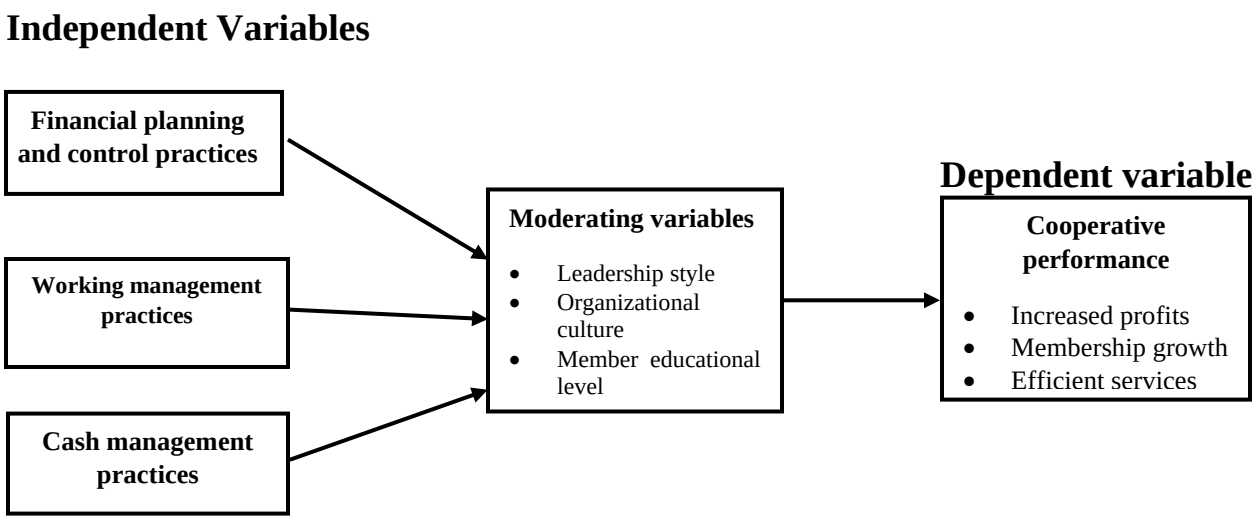

Figure 2. 1: Conceptual framework

The conceptual framework shows that financial management practices influence cooperative performance which is what the researcher seeks to evaluate. The framework posits that financial management practices (independent variable) directly influence the performance of the cooperative (dependent variable). This relationship is moderated by several key factors, including member education level, leadership style, and organizational culture, access to resources, regulatory environment and economic conditions. These moderating variables can either enhance or hinder the effectiveness of financial management practices, thereby impacting the overall performance of the cooperative. Leadership style influences cooperative performance by shaping team dynamics, fostering motivation, and ensuring clear communication, which directly impact collaboration and goal achievement. Organizational culture affects the level of trust, shared values, and openness within the group, while member educational level determines the knowledge base and problem-solving ability, thus enhancing or limiting cooperation. By examining these

dynamics, the study aimed at providing a comprehensive understanding of how various financial management strategies contribute to the operational success and sustainability of cooperatives in the Kabwe District.

Measurement of conceptual framework variables

Variables	**Indicator**	**Measurement**
Independent		
Financial planning and control practices	Return on investment (ROI)	Nominal
Working management practices	Employee satisfaction	Ordinal
Cash management practices	Cash flow forecasting	Nominal
Dependent		
Cooperative performance	Increased profits	Ratio

Financial planning and control practices will be measured through various key performance indicators (KPIs) such as budget variance analysis, cash flow analysis, return on investment (ROI), and profitability analysis. These KPIs help in evaluating the effectiveness of financial planning and control practices in an organization.

Measuring working management practices will be done through employee satisfaction. These methods can help in assessing the effectiveness of management practices in areas such as communication, decision-making, goal-setting, and employee motivation.

Measuring cash management practices will involve evaluating various aspects such as cash flow, liquidity, working capital management, and cash conversion cycle. This can be done through the analysis of financial statements, cash flow statements, and working capital ratios.

Cooperative performance will be measured using metrics such as consideration of increased profits and membership, member engagement and efficiency.

2.6.1 Literature matrix

AUTHOR	JOURNAL	TOPIC	AIM/ PURPOSE	METHODS	COUNTRY	EMERGING ISSUES	GAP
Mundia, M., Nkonde, C., Simui, F., Mufalali, M. S., & Muduli, R. (2023).	*European Journal of Agriculture and Food Sciences*, *5*(2), 40-46.	Cooperatives and Livelihood Improvement: Understanding the Contribution of Enterprising Agriculture Cooperatives in Rural Communities of Kabwe District, Zambia	Assess role of cooperatives in livelihood improvement	Case study	Zambia	The findings also indicated that social capital contributes to increase in income of cooperative members	Did not address the effect of financial management practices on the performance of cooperatives
Tonui, C. K., & Otinga, H. N. (2019).	*The Strategic Journal of Business & Change*	Effect of financial management practices on financial performance of cooperative societies	Examine impact of financial management	Case study	Kenya	Various financial management practices affect performance of	Focused n or on savings and credit

	Management, 6 (1), 699, 718.		practices of performance of cooperatives			cooperatives differently	part of cooperative performance
Geroso, P. J. M. S., & Maguate, G. (2023).	*International Journal of Scientific Research and Management (IJSRM), 11*(10) , 5263-5282.	Organizational, Social, Economic and Financial Management practices and the Performance of Cooperatives.	determine the level of organizational , social, economic and financial management practice on the performance of cooperatives when taken altogether	Survey	Philippines	organizational, social, economic and financial management practices combine to influence performance of cooperatives	Focused on the combination of three factors hence did not explain in detail how financial management practices affect performance of

							cooperatives
Muliira, E. E. (2021).	*International Journal of business studies, 6(17), 23-28.*	Financial management practices and performance of savings and credit cooperatives in Nakawa division	Assess the effect of financial management practices on savings and credit cooperatives	Case study	Kenya	Nakawa division had many cooperatives who became non-functional due misuse of financial management practices	The study focused on savings and credit cooperatives other type of cooperatives like the one under study were ignored
Nthenge, D., & Ringera, J. (2017).	*American based research journal, 6.*	Effect of Financial Management Practices on Financial Performance of Small and Medium Enterprises in Kiambu Town, Kenya	Establish how financial management practices affected SMEs	Case study	Kenya	financial management practices determined the growth of SMEs in Kiambu	The study focused on effect of financial management

							practices on SMEs and not cooperatives
Nkundabanyanga, S. K., Akankunda, B., Nalukenge, I., & Tusiime, I. (2017).	. *International Journal of Social Economics, 44(1), 114-131.*	The impact of financial management practices and competitive advantage on the loan performance of MFIs.	Examine the impact of financial management practices and competitive advantage of performance of MFIs	Survey	Uganda	Financial management practices and competitive advantage combine to affect performance of MFIs	The study focused on performance of MFIs and not on performance of cooperatives
Mutua, S. M., Karanja, K., & Namusonge, G. S. (2013).	*International Journal of Education & Research, 1 (11), 1, 10.*	Role of performance management practices on the performance of financial cooperatives	Determine how performance management practices affect financial	Cross sectional study	Kenya	Performance management practices also greatly affect financial performance of cooperatives	This study focused on performance practices and not financial

			performance of cooperatives				management practices
Yohanes D., Debela, K. l. and Woldemichael, S. (2018).	*Journal of Business and Management Vol. 20(6). PP 39-45*	Effect of Financial Management Practices on performance of cooperatives in Ethiopia	Examine impact financial management practices on cooperative performance	Descriptive	Ethiopia	Financial management practices are key to performance of cooperatives	The study findings were very specific to Ethiopia and can't be applied to the Zambian context
Khan, M. R., Nazir, M. A., Afzal, S., & Sohail, J. (2023).	*The International Journal of Health Planning and Management, 3 8(3), 847-872.*	Health financing and public financial management during the Covid-19 pandemic: Evidence from Pakistan as low-income country	To assess the financial management practices used by Cooperatives during COVID-19	Survey	Pakistan	Cooperative had to change their approach to financial management to stand the effects of COVID-19	The study did not address what financial management practices

							were being used by cooperatives
Dodd, C. (2021).	*Journal of financial management, 3(2), 34-67*	Financial Management among Cooperatives: Method & Meaning.	Examine financial management practices among cooperatives	Survey	USA	Financial management practices such as planning and control exist among cooperatives	Concentrated on meaning and did not address how these financial management practices affect cooperative performance

2.7 Knowledge Gap

Cooperatives have not yet provided demand driven products that could address the needs of their members through addressing the challenges of savings for wealth creation. In spite of their older age and better outreach to the grass roots level and unbanked community. The study reviewed indicate that financial management practices affect cooperatives differently depending on their location, either urban or rural. The most critical issues facing cooperative due to inefficient use of financial management practices include lack of standardized accounting and prudential standards, lack of concessionary credit facilities Banda Chanda (2021). The Literature review covered does not cover on the effect of financial management practices on the performance of cooperatives in Zambia. The study aims to fill up this gap identified using a case study Kabwe District Cooperative Union Limited.

CHAPTER 3: METHODOLOGY

3.0 Introduction

To have an effective and dependable research, there was emphasis on the methods of data collection to be utilized in this research and the selection of the best possible methods of analyzing the collected data. This chapter is simply a presentation of the research design, study area, study population and sample of the study, sampling techniques, data analysis and ethical considerations among other methodological requirements of this study.

3.1 Research philosophy

This study was underpinned by Positivism research philosophy. Positivism is a well-established philosophical stance in social science research that emphasizes objective, measurable facts (Bryman, 2016).

3.1 Research Approach

The research used a quantitative research approach which is the most likely approach to be underpinned by the positivist research philosophy adopted. According to Bryman (2016), quantitative research approach is a scientific approach that is used to test a theory or hypothesis through observations and empirical evidence. By employing quantitative methods, the study can assess the extent to which specific financial practices, such as budgeting, financial reporting, and cash flow management, correlate with performance indicators like profitability and member satisfaction (Khan et al., 2020). In addition, quantitative research enhances the reliability and validity of findings through large sample sizes and statistical analysis, thus providing a robust framework for generalizing results to a broader context within the cooperative sector (Bryman, 2016). Overall, this approach is essential for identifying patterns and establishing causal relationships, which are critical for informing policy and practice in cooperative financial management (Saunders et al., 2009).

3.3 Research design

The descriptive survey research design was adopted for this study. This design allows for the systematic collection of data through structured questionnaires, enabling the researcher to quantify

relationships between financial management practices and cooperative performance. Therefore, this design allowed for the systematic measurement and analysis of financial management variables and their effects on cooperative performance. This design facilitates the collection of numerical data through questionnaires, enabling the researcher to quantify relationships and draw statistical inferences (Creswell, 2014).

3.3.1 Epistemology

The epistemology of the study is grounded in the positivist research philosophy, which emphasizes the importance of observable phenomena and empirical evidence. This epistemological stance assumes that knowledge is derived from scientific inquiry, where hypotheses are formulated and tested through structured methodologies. In this context, the researcher seeks to uncover objective truths about the relationship between financial management practices and cooperative performance. By employing a deductive approach, the study starts with established theories and uses data collected from the Kabwe District Cooperative Union Limited to validate or refute these theories. This reliance on quantifiable data and statistical analysis reflects a commitment to objective knowledge, aligning with the principles of positivism.

3.3.2 Critical realism

It emphasizes the existence of an objective reality while acknowledging that human understanding of this reality is influenced by perceptions, theories, and social constructs. Critical realism is widely used in research methodologies to examine complex phenomena while striving for a balance between objectivity and interpretive analysis. This perspective asserts that financial management practices and their effects on cooperative performance are real and measurable phenomena, regardless of individual interpretations or experiences. By adopting a realist ontology, the study acknowledges that the challenges and successes faced by the Kabwe District Cooperative Union Limited in financial management are not merely subjective experiences but are influenced by concrete factors such as resource allocation, training, and strategic planning. This understanding allows the researcher to analyze these practices and their impacts systematically, contributing to a broader comprehension of cooperative performance in the context of financial management.

3.4 Study area

Study areas are geographic boundaries created in Business Analyst used to define the extent of your analysis. They are typically created when starting a project to ensure that your data is confined to a specified area. Therefore, this study was conducted in Kabwe District using Kabwe District Cooperative Union Limited.

3.5 Study population

Generally, the study population is the subset of the target population accessible for study. As indicated by Cooper and Schindler, (2001) study population is the complete assortment of components about which one wishes to make a few inferences. A population is the subject of which measurement and research is undertaken. The study population consisted of the 1246 paid up members from 23 cooperatives which are members of the Kabwe District Cooperative Union Limited.

3.6 Study sample size

Preliminary investigations revealed that Kabwe District Cooperative Union Limited had 1246 paid up members from 23 Cooperatives and 1914 unpaid from 34 Cooperatives. Registered members from 57 Cooperatives are 3160. The sample size was drawn from 1246 paid up members from 23 cooperatives which are members of the Kabwe District Cooperative Union Limited. Therefore, the Slovin formula was used to determine an adequate sample size for the investigation. According to Ryan (2013), the minimal sample size for a population using Slovins formula is provided by:

$$n = \frac{N}{1 + Na^2}$$

n = sample size required

N = size of the population

a = accuracy degree expressed as a proportion (.05)

$$n = \frac{1246}{1 + 1246(0.05)^2}$$

n = 302.7946537059538

Therefore, this study sample size was 302 respondents.

3.7 Sampling techniques and procedure

Sampling is the process of selecting a representative subset of a population for research purposes (Cooper & Schindler, 2009). This study employed stratified random sampling, a probability-based sampling technique wherein the population is divided into distinct strata based on relevant characteristics. A random subset of participants is then selected from each stratum to form the final sample. The rationale for adopting stratified random sampling was to mitigate potential biases and confounding variables that could arise from the population heterogeneity. By ensuring that each individual within a stratum has an equal probability of selection, this method enhances representativeness while reducing systematic bias. The approach was chosen for its methodological rigor, simplicity, and objectivity, allowing for a balanced representation of the population while maintaining the integrity of the research findings.

3.8 Data collection instruments

The questionnaire was used as the tool for data collection. The use of a questionnaire as the data collection instrument is a common practice in research, as it allows researchers to gather standardized, quantitative data from a large number of respondents in a relatively efficient manner (Boynton and Greenhalgh, 2004). Questionnaires are a suitable data collection method for studies that employ a quantitative approach and a positivist philosophical stance. Kombo and Tromp (2006) stipulate that a questionnaire is a research instrument that consists of a set of questions or other types of prompts that aims to collect information from a respondent.

3.9 Data collection procedure

The researcher began by delivering the questionnaires to the respondents at the head office and allow them to answer them on their free time. The researcher then made an appointment when the answered questionnaires can be picked.

3.10 Data analysis

Data was analysed using the statistical package for social sciences (SPSS) version 27 Justification: The use of SPSS, a widely-used statistical software package, for data analysis was appropriate for this study, because it allows researchers to perform a range of statistical analyses, such as descriptive statistics, correlation analysis, and regression analysis, which are commonly used in studies with a deductive approach and a positivist philosophical underpinning (Pallant, 2020). The quantitative data, collected through structured questionnaires, were analyzed using statistical techniques such as regression analysis to examine the relationships between financial management practices (independent variables) and cooperative performance (dependent variable). This analysis tested the effective financial management practices on positively influenced the performance of the Kabwe District Cooperative Union Limited. By triangulating these data sources, the analysis provided robust conclusions that highlighted the critical role of financial management practices in enhancing cooperative performance and addressing identified challenges.

3.11 Ethical considerations

The researcher maintained ethical standards throughout the research as per requirements of the Directorate of Research and Graduate Studies (DRGS) which includes, confidentiality of the respondents by not including their names on the questionnaire. In seeking the informed consent of the respondents, the respondents were informed about the purpose and the researcher presented his introductory letter indicating his personal details and the purpose of the study.

CHAPTER 4: PRESENTATION OF FINDINGS

4.0 Introduction

This chapter presents the findings of the study. The study findings begin by presenting the demographic factors and thereafter, the rest of the findings are presented according to the research objectives.

4.1 Demographic information

Demographic information has been presented because it is crucial as it provides insights into the characteristics of the study population, helping to contextualize the findings. It allows researchers to identify trends, understand the diversity within the sample, and make informed conclusions based on the specific groups represented. This information aids in assessing the representativeness of the data and can highlight potential biases or variances in the results, which is essential for the validity and applicability of the research outcomes.

4.1.1 Response rate

Table 4. 1: Response rate

Response rate	**Frequency**	**Percentage**
Returned questionnaires	230	76
Unreturned questionnaires	72	24
Total	**100**	**100**

The sample size for this study was 302 respondents, out of which 230 questionnaires were successfully returned and considered for data analysis, resulting in a response rate of 76%. The remaining 72 questionnaires, representing 24% of the total, were not returned. This response rate was deemed appropriate and sufficient to proceed with the analysis of the study objectives, as it surpassed the three-quarters threshold required for robustness. Notably, Babbie and Earl (2009) highlighted that a response rate of 50% is satisfactory for data analysis, further supporting the decision to continue the research based on the high response rate achieved.

The implications of this study extend beyond statistical adequacy, shedding light on how financial management practices such as cash flow management, budgeting, and expense tracking play a pivotal role in enhancing cooperative performance. For instance, effective cash flow management ensures that cooperatives can maintain operational stability, meet financial obligations promptly, and invest in growth opportunities, all of which contribute to improved member satisfaction and trust. Budgeting, when done strategically, aligns financial resources with organizational goals, ensuring that priorities such as member services and infrastructure development are adequately funded. Expense tracking provides transparency and accountability, fostering trust among members and promoting prudent use of cooperative funds. Moreover, the high response rate underscores the cooperative members' strong engagement and interest in addressing financial practices, highlighting their recognition of the importance of sound financial management for overall performance. By examining these findings in the context of the Kabwe District Cooperative Union Limited, the study emphasizes the transformative impact of financial discipline on achieving sustained success and addressing challenges effectively. This approach connects theoretical insights with practical implications, offering actionable strategies to strengthen cooperative performance through improved financial practices.

4.1.2 Gender

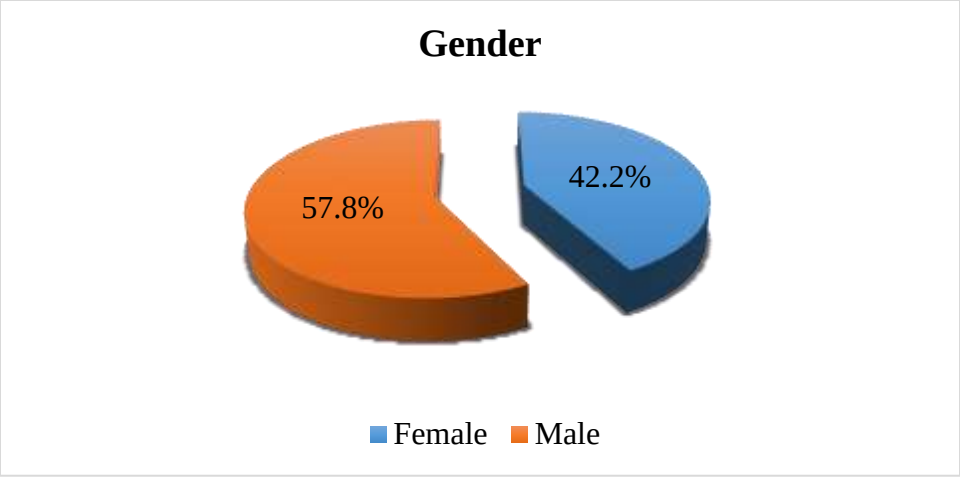

Figure 4. 1: Gender

The findings presented in the figure above indicate the distribution of gender among a sample of 230 respondents, showing a higher proportion of males compared to females. Specifically, males

(133) comprised 57.8% of the respondents, while females (97) accounted for 42.2%. This gender imbalance in the sample introduces potential implications for the research findings, particularly if gender-related factors influence responses to the study questions. The predominance of male respondents suggests that the perspectives and experiences reflected in the data might lean more heavily toward male viewpoints. This imbalance necessitates careful consideration when interpreting the findings, as gender plays a crucial role in shaping perceptions, decision-making, and priorities in financial practices and cooperative dynamics.

In practical terms, understanding the gender distribution in relation to cooperative performance reveals essential insights into how specific financial practices influence diverse member groups. For instance, financial practices such as cash flow management, expense tracking, and budgeting can be perceived and prioritized differently based on gender-related roles and expectations within cooperative settings. Effective cash flow management ensures consistent availability of funds to support cooperative operations, which may resonate differently with male respondents who, in some contexts, are often associated with managing larger-scale financial activities. On the other hand, expense tracking might hold particular relevance for female respondents who, based on traditional roles, might emphasize detail-oriented financial oversight and resource allocation. Furthermore, cooperative performance could benefit from an inclusive approach to financial management practices that acknowledges and bridges these gender-based perspectives. For example, empowering female members through targeted training on advanced financial techniques might enhance their participation and contribution to cooperative success. Similarly, fostering collaborative decision-making processes among male and female members can ensure that financial strategies, such as budgeting for investments and savings, reflect a balanced view of the cooperative's priorities.

4.1.3 Age

Table 4. 2: Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	31 to 40	76	33.0	33.0	33.0
	41 to 50	77	33.5	33.5	66.5
	Less than 30	29	12.6	12.6	79.1
	More than 51	48	20.9	20.9	100.0
	Total	230	100.0	100.0	

The findings in the table above indicate that the majority of the respondents fall within the age groups of 31 to 50 years. Specifically, 76 respondents (33.0%) are aged 31 to 40, while 77 respondents (33.5%) are aged 41 to 50. Together, these two age groups represent a significant 66.5% of the total sample. The age group of less than 30 years comprises 29 respondents (12.6%), indicating a smaller representation of younger individuals in the study. This suggests that younger members may be less involved in the cooperative or may not have as much experience in financial management practices compared to older members. The group of respondents aged more than 51 years includes 48 individuals (20.9%), highlighting a notable presence of older participants. This age group may bring valuable experience and insights into financial management practices, which could influence the performance of the cooperatives. It was noted that the age distribution indicated a predominance of middle-aged respondents, which affected the findings related to financial management practices. The experiences and perspectives of these age groups could shaped their understanding and application of financial management within the cooperatives.

4.1.4 Education Level

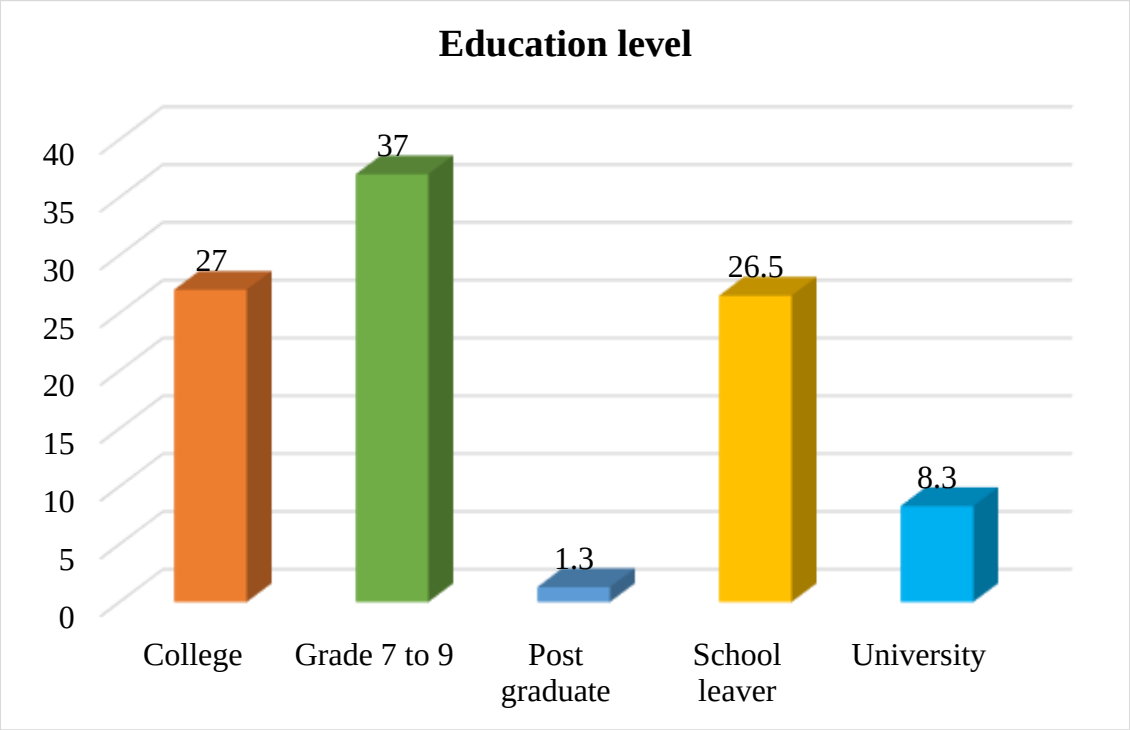

Figure 4. 2: Education level

Among the 230 respondents, the largest group consists of individuals with education levels ranging from grade 7 to 9, accounting for 85 respondents (37.0%). This indicates a significant portion of the cooperative members have relatively basic education. According to the study findings, 62 respondents (27.0%) have attended college, suggesting a moderate level of vocational or technical training. 61 respondents (26.5%) are categorized as school leavers, indicating they may have completed their secondary education but did not pursue further studies. Only 19 respondents (8.3%) hold a university degree, showing a lower representation of higher education within the sample. A very small number, just 3 respondents (1.3%), have attained postgraduate education, highlighting a minimal presence of advanced academic qualifications. Since the findings indicate a diverse educational background among the respondents, with a significant number having basic education. This may have implications for the cooperatives' ability to implement effective financial management practices and was taken into account when analyzing the results of the study.

4.1.5 Length of service

Table 4. 3: Length of service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5 to 10	112	48.7	48.7	48.7
	Less than 5	67	29.1	29.1	77.8
	Over 10	51	22.2	22.2	100.0
	Total	230	100.0	100.0	

The findings of the study in the table above indicate that the majority (112 individuals, or 48.7%) have been involved in the cooperatives for a duration of 5 to 10 years. This suggests that a significant portion of respondents possesses a moderate level of experience, which is likely to contribute positively to their understanding and application of financial management practices. A significant group of 67 respondents (29.1%) have been with the cooperatives for less than 5 years, indicating a relatively newer involvement in cooperative activities and potentially representing fresh perspectives but limited practical exposure. Meanwhile, 51 respondents (22.2%) have more than 10 years of service, signifying a smaller but highly experienced segment that may offer extensive knowledge, institutional memory, and deeper insights into financial practices and cooperative performance.

These variations in experience levels have direct implications for cooperative performance, as financial practices like cash flow management require both practical understanding and strategic oversight to be effective. For instance, members with 5 to 10 years of experience may balance a solid understanding of cooperative goals with adaptability to implementing improved financial systems. On the other hand, long-serving members are likely to provide leadership in refining cash flow management practices, ensuring financial resources are allocated efficiently and consistently to support operational stability and growth. Additionally, newer members could benefit from targeted training on budgeting and expense tracking, enabling them to align their contributions with the cooperative's financial objectives. These practices, when collectively embraced, facilitate the cooperative's ability to maintain sufficient liquidity, improve transparency, and promote trust among members. The blend of newer and seasoned perspectives enriches cooperative performance by fostering innovation while maintaining financial discipline, ensuring sustainable progress for the organization. By leveraging the diverse experiences within its membership, the cooperative can drive performance improvements that are deeply rooted in effective financial management practices.

4.1.6 Position

Table 4. 4: Position of respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Board chairperson	2	.9	.9	.9
	Board member	14	6.1	6.1	7.0
	Chairperson	7	3.0	3.0	10.0
	Committee member	10	4.3	4.3	14.3
	Director	1	.4	.4	14.8
	Finance manager	1	.4	.4	15.2
	Member	189	82.2	82.2	97.4
	Secretary	4	1.7	1.7	99.1
	Treasurer	1	.4	.4	99.6
	Trustee	1	.4	.4	100.0
	Total	230	100.0	100.0	

The majority of respondents (189 individuals, or 82.2%) are categorized as general members. General members typically form the backbone of a cooperative, contributing to its day-to-day activities and overall functionality. Their categorization as general members suggests that they participate primarily in routine operations, decision-making processes, and benefit-sharing mechanisms, without holding specialized roles such as leadership or executive positions. This dominance of general members in the sample carries practical implications for the study's findings. Since general members often provide insights into the cooperative's financial practices, their perceptions, experiences, and challenges are crucial for evaluating the effectiveness of financial management strategies. For example, understanding how general members engage with practices such as budgeting, savings, and cash flow management could highlight areas for training or improvement that directly impact cooperative performance.

This indicates that a significant portion of the cooperative's participants are not in leadership or specialized roles, which may influence the perspectives on financial management practices. Only 2 respondents (0.9%) hold the position of board chairperson, reflecting limited representation at the highest level of governance. 14 respondents (6.1%) are board members, indicating a small group involved in decision-making processes. 7 respondents (3.0%) serve as chairpersons, contributing to leadership but still representing a minor fraction of the total. 10 respondents (4.3%) are committee members, suggesting some involvement in specific operational areas. Each of these positions has very few representatives (1 each for director, finance manager, treasurer, and trustee), indicating limited participation in these critical roles.

4.2 Knowledge on financial management practices

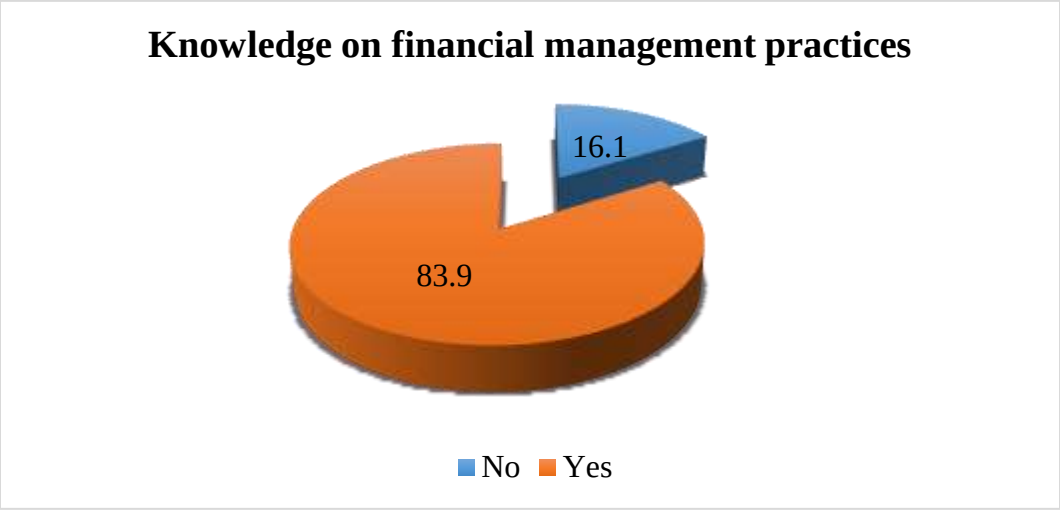

Figure 4. 3: knowledge on financial management practices

According to the study findings, A substantial majority of respondents (193 individuals, or 83.9%) indicated that they have knowledge of financial management. This suggests that a large portion of the cooperative members is familiar with financial concepts, practices, and possibly the tools necessary for effective financial management. Conversely, 37 respondents (16.1%) reported having no knowledge of financial management. This minority could represent a gap in understanding that may affect the overall performance and decision-making processes within the cooperatives.

4.2.1 RO1: To establish types of financial management practices used by the Union

Table 4. 5: Financial management practices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	.4	.4	.4
	Cash management practices	22	9.6	9.6	10.0
	Financial planning and control practice	51	22.2	22.2	32.2
	None	143	62.2	62.2	94.3
	Working management practices	13	5.7	5.7	100.0
	Total	230	100.0	100.0	

The study findings reveal that a significant majority of respondents (143 individuals, or 62.2%) indicated that they had no any financial management practices in place. This suggests a substantial gap in the adoption of structured financial management strategies within the cooperatives, which could hinder effective financial decision-making and performance. 51 respondents (22.2%) reported engaging in financial planning and control practices. This indicates that a smaller, yet notable, segment of participants is involved in strategic financial management, which is crucial for guiding financial decisions and resource allocation. 22 respondents (9.6%) indicated they follow cash management practices. This represents a limited focus on managing cash flow, which is

essential for maintaining liquidity and operational efficiency. 13 respondents (5.7%) reported using working management practices, suggesting an even smaller portion of respondents is engaged in practices related to day-to-day operational financial management. Only 1 respondent (0.4%) indicated engagement in unspecified financial management practices, highlighting minimal diversity in the types of practices reported.

The implication of the high percentage of respondents who do not engage in any financial management practices (62.2%) raises concerns about the overall financial health and operational effectiveness of the cooperatives. The limited engagement in financial planning and cash management could indicate a lack of awareness, training, or resources necessary to implement effective financial strategies. Addressing this gap through training and support could significantly enhance the financial management capabilities of the cooperatives, leading to improved performance. Additionally, study revealed that there are financial management practices used the Union such as optimization of cash flow and investment management.

Based on the findings, Financial Planning and Control Practices are needed the most for the cooperatives. This is because the component's high frequency indicates that enhancing financial planning and control can lead to better decision-making and improved overall performance for the Kabwe District Cooperative Union Limited. Addressing this area can provide a solid foundation for effective financial management, ultimately benefiting the cooperative's sustainability and growth.

4.3 RO2: To examine the relationship between financial management practice and the performance of Kabwe District Cooperative Union Limited

Table 4. 6: effect of financial management practices

(SD-strongly disagree, D- disagree, N-neutral, A-agree, SA-Strongly agree)

Effect		**SD**	**D**	**N**	**A**	**SA**
Financial management practices promote effective use of resources	F	0	3	15	178	34
	%	0	1.3	6.5	77.4	14.8
	F	0	10	15	165	40

Cooperatives attain financial stability through the use of financial management practices	%	0	4.3	6.5	71.8	17.4
Financial management practices are key in the planning of the day-to-day operation of the cooperative	F	0	3	21	187	19
	%	0	1.3	9.1	81.3	8.3
implementing the cooperative' overall strategy requires effective use of financial management practices	F	3	0	20	103	104
	%	1.3	0	8.7	44.8	45.2
Financial management practices, enhance the competitive advantage of the cooperative to increase membership and participation in its activities	F	3	3	81	117	26
	%	1.3	1.3	35.2	50.9	11.3

From the study findings above, it can be noted that a vast majority (92.2% combined agree/strongly agree) believe that financial management practices are essential for promoting effective resource utilisation. This indicates a strong consensus on the positive impact of these practices on resource efficiency within the cooperatives. Similarly, 89.2% of respondents agree or strongly agree that financial management practices contribute to financial stability. This reflects a recognition of the importance of these practices in achieving sustainable financial health. A significant majority (89.6%) agree or strongly agree that financial management practices play a crucial role in operational planning. This suggests that respondents view these practices as vital for the smooth functioning of daily activities within the cooperatives. Furthermore, 90% of respondents agree or strongly agree that effective financial management is necessary for implementing overall strategies. This highlights the perceived strategic importance of financial management in achieving the cooperatives' broader goals. While 62.2% agree or strongly agree with this statement, the presence of a considerable neutral response (35.2%) indicates some uncertainty about the direct link between financial management practices and competitive advantage. This suggests that while many see a connection, there may be varying opinions or experiences regarding how financial practices translate into increased membership and participation.

The implication of the findings indicates a strong belief among respondents in the positive effects of financial management practices on various aspects of cooperative performance, including

resource utilization, financial stability, operational planning, and strategic implementation. However, the mixed responses regarding competitive advantage suggest that further exploration is needed to understand how financial management practices can directly influence membership and engagement. These insights underscore the importance of enhancing financial management practices within cooperatives to improve overall performance and competitiveness. Addressing the areas of uncertainty could help in refining strategies to leverage financial management for better outcomes.

4.3.1 Rate of overall performance of Kabwe District Cooperative Union

Table 4. 7: Rate of performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Poor	136	59.1	59.9	59.9
	Fair	66	28.7	29.1	89.0
	Good	22	9.6	9.7	98.7
	Very Good	3	1.3	1.3	100.0
	Total	227	98.7	100.0	
Missing	System	3	1.3		
Total		230	100.0		

According to the study findings, 136 respondents (59.1%) rated the performance as poor. This indicates that a significant majority of participants perceive the cooperative's performance as inadequate, which could point to underlying issues in management, operations, or financial practices. 66 respondents (28.7%) rated the performance as fair. This suggests that while some see potential or recognise some positive aspects, the overall sentiment remains critical. 22 respondents (9.6%) rated the performance as good. This reflects a minority view that the cooperative is performing satisfactorily, but it is not a dominant perception. Only 3 respondents (1.3%) rated the performance as very good. This indicates that very few believe the cooperative is excelling in its operations.

The high percentage of respondents rating the cooperative's performance as poor (59.1%) raises significant concerns about its operational effectiveness and overall health. This could indicate issues such as ineffective financial management practices, lack of resources, or insufficient strategic planning. The relatively small percentages for good (9.6%) and very good (1.3%) ratings suggest that there are limited strengths perceived by the respondents, highlighting the need for targeted interventions to enhance performance. The predominance of "poor" and "fair" ratings underscores the urgency for the cooperative to assess its current practices and implement improvements, particularly in financial management and operational strategies.

4.3.2 Strength of the impact of financial management practices on the performance of Kabwe District Cooperative Union Limited

Table 4. 8: Strength of impact

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Strong	125	54.3	55.1	55.1
	Strong	39	17.0	17.2	72.2
	Moderately	52	22.6	22.9	95.2
	Weakly	11	4.8	4.8	100.0
	Total	227	98.7	100.0	
Missing	System	3	1.3		
Total		230	100.0		

Over half of the respondents believe that financial management practices have a very strong impact on the cooperative's performance. This indicates a strong consensus that effective financial management is crucial for enhancing performance outcomes. A further 17% of respondents rated the impact as strong. This suggests that while they recognise the importance of financial management practices, they may see some limitations or areas for improvement. About 22.6% perceive the impact as moderate. This indicates that while financial management practices are acknowledged, their influence on performance may not be as significant as perceived by the majority. There may be other factors at play affecting performance. Only a small percentage (4.8%) rated the impact as weak. This suggests that very few respondents believe that financial management practices are ineffective or irrelevant to performance.

The strong perception of financial management practices having a very strong or strong impact suggests that the cooperative should continue to prioritise these practices. Investing in training, systems, and tools for effective financial management could yield positive results. The presence of 22.6% rating the impact as moderate indicates that there may be room for enhancing financial management practices. The cooperative could conduct further assessments to identify specific areas needing improvement. The small percentage of respondents who perceive a weak impact could indicate isolated experiences or specific challenges faced by certain members. Understanding these perspectives could help tailor interventions to address concerns.

4.4 Challenges affecting the implementation of financial management practices for Kabwe District Cooperative Union Limited

Table 4. 9: Challenges

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lack of training	15	6.5	6.5	6.5
	Lack of training, Inadequate resources	1	.4	.4	7.0
	Lack of training, Inadequate resources, Resistance to change	6	2.6	2.6	9.6
	Lack of training, Inadequate resources, Resistance to change, Poor communication,	33	14.3	14.3	23.9
	Lack of training, Inadequate resources, Resistance to change, Poor communication, Others (conflict of interest)	108	47	47	70.9
	Lack of training, Inadequate resources, Resistance to change, Others (conflict of interest)	38	16.5	16.5	87.4
	Lack of training, Inadequate resources, Poor communication	3	1.3	1.3	88.7

	Lack of training, Inadequate resources, Others (conflict of interest)	4	1.7	1.3	90.4
	Inadequate resources	19	8.3	8.3	98.7
	Resistance to change	3	1.3	1.3	100.0
	Total	230	100.0	100.0	

The findings in the table above, reveal a complex set of challenges affecting the Kabwe District Cooperative Union Limited, with a significant focus on training, resources, communication, and conflict of interest. Addressing these challenges holistically will be essential for improving the cooperative's performance and ensuring its long-term success.

4.5 RO3: To suggest measures to enhance implementation of financial management practices at Kabwe District Cooperative Union Limited

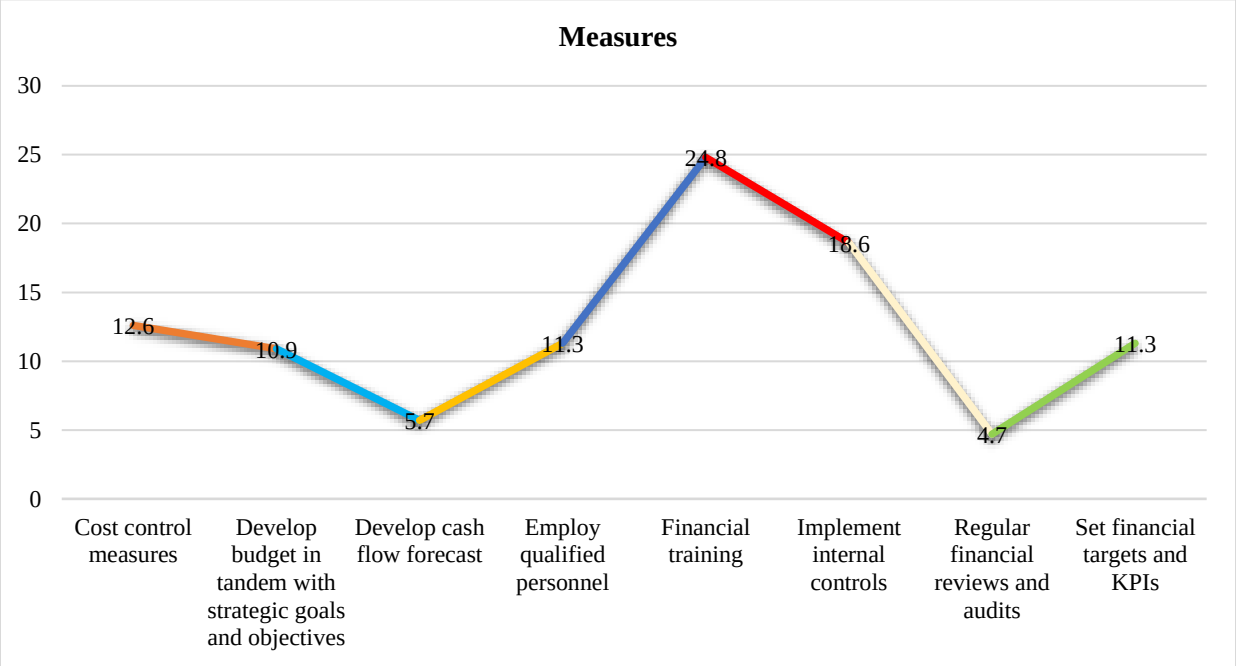

Figure 4. 4: Measures

According to the study findings, 57 respondents (24.8%) stated that financial training can be used to address challenges faced in Kabwe District Cooperative Union Limited. This was the most frequently suggested measure, indicating a strong consensus on the need for financial training. Enhancing the financial literacy of cooperative members is seen as essential for improving management practices and decision-making. Other measures according to the findings include

implementing internal controls (18.6%), using cost control measures (12.6%), employing qualified personnel (11.3%), setting financial targets and KPIs (11.3%), developing budgets in tandem with strategic goals and objectives (10.9%), developing cash flow forecasts (5.7%) and regular financial reviews and audits (4.7%). The findings above suggest a comprehensive approach to addressing the challenges faced by the Kabwe district cooperative union limited. By focusing on financial training, implementing internal controls, and aligning financial practices with strategic goals, the cooperative can enhance its performance and ensure long-term sustainability.

4.6 Inferential statistics

4.6.1 Model summary

Table 4. 10: Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841[a]	.748	.739	.388
a. Predictors: (Constant), Financial planning and control practices, Working management practices, Cash management practices				

The results in the table above show the R-value (correlation co-efficient) is 0.846, which indicates a high degree of correlation while the Adjusted R- square value (coefficient of determination) is 0.739, which shows how much of the total variation in the dependent variable (Cooperative performance), can be explained by the independent variables/ predictors (Financial planning and control practices, Working management practices, Cash management practices). In this case, the independent variables explain 73.9% of the dependent variable, which means that all the three predictors combined, could contribute up to 73.9% effect on cooperative performance. The remaining percentage could be explained by other factors or variables that did not form part of the study.

4.6.2 ANOVA

Table 4. 11: ANOVA

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.124	3	.041	.307	.000[b]
	Residual	30.166	223	.135		
	Total	30.291	226			
a. Dependent Variable: Cooperative performance						
b. Predictors: (Constant), Financial planning and control practices, Working management practices, Cash management practices						

According to the table above, the p value of the ANOVA stood at 0.000 (0.0%), which, by all means was below 0.05 (5%) level of significance, therefore, it was concluded that the regression model could be said to be a good fit for data, which justified undertaking the regression analysis.

4.6.3 Coefficients

Table 4. 12: Coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.204	.091		13.301	.000
	Financial planning and control practices	.835	.050	.047	.705	.000
	Working management practices	.720	.039	.040	.519	.000
	Cash management practices	.814	.030	.040	.507	.000
a. Dependent Variable: Cooperative performance						

The coefficient results in the table above provide information that explains the relationship between the predictors (Financial planning and control practices, working management practices, Cash management practices) and cooperative performance, and whether the relationship is statistically significant. The study indicates that financial planning and control practices had,

B=0.835 and the corresponding significant value (sig) of 0.000 (which is less than 0.05). There is also a positive and statistically significant relationship between working management practices and cooperative performance (B = 0.720, P (sig) = 0.000 <0.05; cash management practices (B = 0.814, P = 0.000<0.05). From the results, the study shows that all three financial management practices; financial planning and control, working management, and cash management show significant positive relationships with cooperative performance. The coefficients indicate that improvements in these areas can lead to enhanced performance outcomes for the cooperative. The statistical significance ($p < 0.001$) for all variables suggests that these financial practices are crucial for the cooperative's success.

4.7: Financial Rations

Table 4. 13: Financial Ratios Summary

Ratio	Formula	2023 Value	2022 Value	Analysis
Liquidity Ratios				
Current Ratio	Current Assets / Current Liabilities	0.45	0.45	Below 1, indicating potential liquidity issues.
Quick Ratio	(Current Assets - Inventory) / Current Liabilities	0.34	0.34	Also below 1, suggesting reliance on inventory for meeting obligations.
Profitability Ratios				
Net Profit Margin	Net Profit / Revenue × 100	2.82%	1.54%	Low profitability, indicating only a small portion of revenue converts to profit.
Return on Assets (ROA)	Net Profit / Total Assets × 100	2.03%	1.08%	Reflects inefficiencies in using assets to generate profit.
Return on Equity (ROE)	Net Profit / Total Equity × 100	12.85%	11.34%	Reasonable return to shareholders, but could be improved.
Efficiency Ratios				

Asset Turnover Ratio	Revenue / Total Assets	0.72	0.69	Indicates moderate efficiency in generating revenue from assets.
Inventory Turnover Ratio	Cost of Sales / Average Inventory	11.22	8.92	High turnover, indicating efficient inventory management.
Leverage Ratios				
Debt to Equity Ratio	Total Liabilities / Total Equity	3.34	3.95	High level of debt relative to equity, indicating financial risk.
Interest Coverage Ratio	(Profit Before Tax + Interest Expense) / Interest Expense	15.49	8.14	Strong ability to cover interest expenses, indicating manageable debt levels in terms of interest obligations.

From the table, the following were observed:

Liquidity: The cooperative shows significant liquidity concerns with both the current and quick ratios below 1, indicating difficulties in meeting short-term obligations.

Profitability: The net profit margin is low, suggesting operational inefficiencies or high costs. However, the return on equity is reasonable, indicating that shareholders are receiving a fair return.

Efficiency: The asset turnover ratio shows moderate efficiency, while the inventory turnover ratio indicates excellent management of inventory.

Leverage: The cooperative has a high debt to equity ratio, which raises concerns about financial stability, although the interest coverage ratio suggests that it can meet its interest obligations comfortably.

The table provides a clear overview of the financial ratios and their implications for the Kabwe District Cooperative Union Limited. The cooperative needs to address its liquidity and profitability issues while maintaining its efficiency and managing its leverage effectively for sustainable growth.

4.8 Chapter summary

The chapter has presented the study findings. The findings have been presented according to emerging themes and subjects in relation to the research objectives. The subsequent chapter discusses the study findings presented in this chapter.

CHAPTER 5: DISCUSSION OF FINDINGS

5.0 Introduction

This chapter is a discussion of the findings presented in the previous chapter. The discussion is done in line with the research objectives generated during the presentation of findings.

5.1 RO1: To establish types of financial management practices used by Kabwe District Cooperative Union Limited

The data indicate a significant gap in the implementation of effective financial management strategies, with a striking 62.2% of respondents reporting no specific practices in place. This lack of structured financial oversight poses serious risks to the cooperative's sustainability and operational efficiency, as highlighted by various studies that underscore the necessity of sound financial management for organizational success.

The second most prevalent practice identified was financial planning and control, reported by 22.2% of respondents. This finding aligns with research by Agyemang and Broadbent (2015), which emphasizes that effective financial planning is crucial for the sustainability and growth of cooperatives. Financial planning enables organizations to allocate resources efficiently, set achievable goals, and measure progress. However, the limited adoption of such practices within the Kabwe District Cooperative Union suggests that many members may not fully understand the benefits of structured financial planning, indicating a need for educational initiatives to enhance financial literacy among cooperative members.

Cash management practices were recognized by only 9.6% of respondents, further illustrating the challenges faced by the cooperative. Studies such as those conducted by Osei (2016) have demonstrated that poor cash management can lead to liquidity issues, ultimately affecting operational performance. The low frequency of cash management practices within the cooperative raises concerns about its ability to manage day-to-day financial operations effectively. Without proper cash management, the cooperative risks facing cash flow shortages, which could hinder its ability to meet obligations and invest in growth opportunities.

Additionally, the findings show that only 5.7% of respondents acknowledged working management practices, underscoring another area of weakness. Effective working management practices are essential for enhancing productivity and ensuring that resources are utilized optimally. Research by Baird et al. (2011) highlights the positive correlation between effective management practices and organizational performance. The low recognition of working management practices within the cooperative suggests that there is significant room for improvement, and it may benefit from implementing structured management frameworks to boost overall performance.

From the study findings, it can be noted that Financial Planning and Control Practices are the most recognized among respondents but still show a lack of widespread implementation. This practice is crucial for setting strategic goals and ensuring that resources are allocated effectively, aligning with the Principal-Agent Theory, which emphasizes the need for clear governance and accountability mechanisms between members (principals) and management (agents).

Cash Management Practices are essential for day-to-day operations, ensuring liquidity and operational stability. The low recognition of this practice suggests that the cooperative may struggle with cash flow issues, which could hinder its ability to meet obligations and invest in growth. Working Management Practices are critically underutilized, which could lead to inefficiencies in the cooperative's operations. This lack of focus on operational efficiency directly impacts the cooperative's ability to achieve its objectives and fulfill member expectations.

Based on the findings, Financial Planning and Control Practices are needed the most for the cooperatives. Enhancing this component can provide a solid foundation for effective financial management, enabling better decision-making and improved overall performance. The conceptual framework of the study suggests that financial management practices directly influence cooperative performance, and addressing the gaps in financial planning and control can significantly enhance sustainability and operational effectiveness. Notably, while all components of financial management practices are essential, prioritizing Financial Planning and Control Practices will likely yield the most significant improvements in performance for the Kabwe District Cooperative Union Limited. By investing in training and resources to strengthen this area, the cooperative can foster a culture of accountability and strategic alignment, ultimately benefiting its members and ensuring long-term viability.

In conclusion, the findings from the study indicate a concerning lack of financial management practices within the Kabwe District Cooperative Union Limited, with a majority of respondents reporting no specific practices in place. The limited adoption of financial planning, cash management, and working management practices suggests a critical need for training and awareness programs to empower cooperative members. By enhancing financial literacy and implementing structured financial management strategies, the cooperative can significantly improve its operational efficiency and overall performance. The insights gained from related studies further reinforce the importance of sound financial management in cooperatives, highlighting the potential for growth and sustainability when effective practices are adopted.

5.2 RO2: To examine the relationship between the financial management practices and the performance at Kabwe District Cooperative Union Limited

The first notable finding is that a substantial majority of respondents (77.4%) agree that financial management practices promote effective use of resources. This perspective aligns with the research conducted by Agyemang and Broadbent (2015), which highlights that effective financial management is essential for optimizing resource allocation in organizations. By implementing sound financial practices, cooperatives can ensure that their resources are utilized efficiently, leading to improved operational performance. The respondents' acknowledgment of this relationship indicates a strong understanding of the role that financial management plays in enhancing the cooperative's effectiveness.

Furthermore, the data show that 71.8% of respondents believe that cooperatives attain financial stability through the use of financial management practices. This finding is consistent with studies by Muriithi (2017), which assert that financial stability is critical for the long-term success of cooperatives. Financial management practices, such as budgeting and forecasting, enable cooperatives to plan for future expenses and revenues, thereby ensuring they remain solvent. The acknowledgment of financial stability by the respondents suggests that implementing robust financial management strategies is vital for the cooperative's sustainability and growth.

Another important aspect highlighted in the findings is that 81.3% of respondents recognize that financial management practices are key in planning the day-to-day operations of the cooperative. Effective planning is crucial for any organisation, and the ability to manage finances directly

influences operational efficiency. Research by Baird et al. (2011) supports this notion, emphasising that strategic financial planning allows cooperatives to align their operations with their overall goals. The respondents' recognition of this relationship demonstrates an understanding of how financial management practices can facilitate smoother daily operations and contribute to the cooperative's overall success.

The study also reveals that implementing the cooperative's overall strategy requires effective use of financial management practices, with 44.8% of respondents agreeing strongly with this statement. This finding underscores the interconnectedness of financial management and strategic planning. As noted by Hodge and Piccolo (2011), effective financial management is crucial for executing strategic objectives, as it provides the necessary framework for resource allocation and performance measurement. The respondents' acknowledgment of the importance of financial management in strategic implementation suggests that the cooperative is aware of the need for cohesive planning to achieve its long-term goals.

Additionally, the findings indicate that financial management practices enhance the competitive advantage of the cooperative, with 50.9% of respondents agreeing that these practices increase membership and participation in cooperative activities. This perspective is supported by research conducted by Osei (2016), which highlights that effective financial management can lead to improved service delivery and member satisfaction, ultimately attracting more participants. The recognition of this relationship by the respondents reflects an understanding that financial management is not just about numbers; it also plays a crucial role in fostering member engagement and loyalty.

Despite the positive perceptions of financial management practices, there remains a notable portion of respondents who expressed uncertainty or disagreement with some statements. For instance, 35.2% of respondents indicated neutrality regarding the enhancement of competitive advantage through financial management practices. This suggests that while many recognize the benefits, there may still be gaps in understanding how these practices translate into tangible outcomes. Addressing this uncertainty through targeted training and education could further strengthen the cooperative's performance.

Significantly, the findings from the study highlight a significant relationship between financial management practices and the performance of the Kabwe District Cooperative Union Limited. The overwhelming agreement among respondents regarding the importance of these practices in promoting effective resource utilization, financial stability, and operational planning underscores their critical role in the cooperative's success. However, the presence of uncertainty among some respondents suggests a need for enhanced education and training in financial management. By investing in these areas, the cooperative can further leverage financial management practices to improve its performance and sustainability.

Additionally, to the above, among the various practices examined, improved cash flow management, cost control efficiency, strategic financial planning, informed investment decisions, risk management, enhanced financial reporting, and performance measurement emerge as pivotal influences of financial management practices. Each of these practices contributes significantly to the operational effectiveness and sustainability of the cooperative, ultimately benefiting its members. The findings indicate that by closely monitoring cash inflows and outflows, the Kabwe District Cooperative Union Limited can avoid potential cash shortages that might disrupt its operations. This proactive approach enables the cooperative to make timely payments to suppliers, thereby strengthening relationships and fostering goodwill. Research by Agyemang and Broadbent (2015) supports this notion, emphasising that effective cash management practices enhance supplier trust and can lead to better credit terms. Furthermore, improved cash flow management allows the cooperative to seize investment opportunities promptly, thereby enhancing overall financial stability and operational efficiency. This aligns with the findings of Agyemang et al. (2019), which highlight that effective cash flow strategies are crucial for the sustainability of cooperatives.

Cost control is another critical financial management practice that significantly influences the performance of the cooperative. The study reveals that by regularly analysing costs and identifying areas for reduction, the Kabwe District Cooperative Union Limited can improve its profit margins. This practice fosters a culture of accountability among members, encouraging them to be mindful of expenditures. A study by Muriithi et al. (2017) found that cooperatives that implement stringent cost control measures tend to experience better financial health and increased member satisfaction. By reinvesting savings into member services or development projects, the cooperative not only

enhances its financial standing but also strengthens its commitment to its members, creating a more sustainable operational model.

Strategic financial planning is essential for aligning the cooperative's resources with its long-term objectives. The findings indicate that for the Kabwe District Cooperative Union Limited, this practice ensures effective resource allocation to meet both short-term and long-term goals. By aligning financial planning with the cooperative's strategic objectives, members can make informed decisions that support growth and sustainability. According to a study by Osei et al. (2020), cooperatives that engage in strategic financial planning are better equipped to anticipate challenges and adapt to market changes. This proactive approach not only enhances resilience but also improves overall performance, allowing the cooperative to navigate economic fluctuations more effectively.

Investment decisions are crucial for the growth and sustainability of cooperatives. The study emphasises that conducting thorough analyses of potential investments enables the Kabwe District Cooperative Union to assess risks and returns effectively. By ensuring that funds are allocated to projects that align with its strategic objectives, the cooperative minimises the risk of financial loss. Research by Mwaura (2018) indicates that cooperatives that adopt rigorous investment evaluation practices tend to achieve higher returns on investment. This careful consideration of investment opportunities not only enhances financial performance but also reinforces member confidence in the cooperative's management.

Effective risk management practices are essential for safeguarding the cooperative's financial health. The findings reveal that by identifying potential risks such as market fluctuations, regulatory changes, and operational challenges the Kabwe District Cooperative Union can develop strategies to mitigate these risks. This proactive approach not only protects the cooperative's assets but also enhances its reputation among members and stakeholders. A study by Mwangi (2019) highlights the importance of risk management in cooperatives, noting that those with robust risk management frameworks tend to perform better financially and are more resilient to external shocks.

The study underscores the significance of improved financial reporting and management practices in fostering transparency and trust among cooperative members. Timely and transparent financial

reports not only facilitate informed decision-making but also encourage member participation in governance processes. Research by Okello et al. (2020) supports this assertion, indicating that cooperatives with clear reporting mechanisms experience higher levels of member engagement and satisfaction. Enhanced financial management practices ensure that reports are easy to understand, thereby promoting accountability and reinforcing the cooperative's commitment to its members.

Finally, the findings highlight the importance of improved performance measurement practices in evaluating the effectiveness of financial management strategies. By regularly reviewing performance data, the Kabwe District Cooperative Union can identify trends, recognize successes, and address challenges promptly. This continuous improvement cycle enhances accountability and drives overall performance, ensuring that the cooperative remains responsive to the needs of its members. A study by Njeru (2021) indicates that cooperatives that implement robust performance measurement systems are more likely to achieve their strategic objectives and maintain member satisfaction.

Notably, the findings from the study on the Kabwe District Cooperative Union Limited illustrate the profound impact of financial management practices on cooperative performance. Improved cash flow management, cost control efficiency, strategic financial planning, informed investment decisions, effective risk management, enhanced financial reporting, and robust performance measurement collectively contribute to the cooperative's sustainability and growth. By adopting these practices, the cooperative can enhance its operational effectiveness, ultimately benefiting its members and ensuring long-term viability.

5.3 Challenges affecting the implementation of financial management practices for Kabwe District Cooperative Union Limited

The findings reveal that factors such as lack of training, inadequate resources, resistance to change, poor communication, and conflict of interest are prevalent. One of the most significant challenges identified is the lack of training, which was cited by 6.5% of respondents. Training is crucial for equipping cooperative members with the necessary knowledge to manage finances effectively. Research by Muriithi (2017) emphasizes that financial literacy is essential for making informed decisions that contribute to the sustainability of cooperatives. Without adequate training, members

may struggle to understand financial principles, leading to poor financial management practices. This lack of understanding can result in misallocation of resources and ineffective decision-making, ultimately affecting the cooperative's overall performance.

In addition to the lack of training, inadequate resources were highlighted as a significant barrier to effective financial management. Approximately 8.3% of respondents indicated that resource constraints hinder the implementation of financial practices. Osei (2016) notes that cooperatives often operate with limited financial resources, which can restrict their ability to invest in necessary financial management tools and training programs. The Kabwe District Cooperative Union may find it challenging to allocate funds for essential training sessions or financial software, leading to a cycle of poor financial management and inadequate performance.

Resistance to change is another challenge that emerged from the findings, with some respondents indicating that it contributes to the difficulties in implementing financial management practices. Change is often met with skepticism, especially in established organizations like cooperatives. According to a study by Hodge and Piccolo (2011), resistance to change can stem from a lack of understanding or fear of the unknown. In the context of the Kabwe District Cooperative Union, members may be hesitant to adopt new financial management practices due to concerns about their effectiveness or the potential disruption to existing workflows. This resistance can stifle innovation and prevent the cooperative from improving its financial management processes.

Poor communication within the cooperative also plays a significant role in the challenges faced in implementing financial management practices. The findings indicate that poor communication exacerbates the issues related to training and resource allocation. Effective communication is vital for ensuring that all members are aware of the importance of financial management and the practices that need to be adopted. Research by Baird et al. (2011) highlights that clear communication channels facilitate better understanding and collaboration among members, leading to more effective implementation of financial practices. In the absence of strong communication, misunderstandings may arise, further complicating the cooperative's efforts to enhance its financial management.

Conflict of interest emerged as a major challenge, with 47% of respondents highlighting it as a significant barrier to effective financial management. Conflicts of interest can arise when

individuals prioritize personal gains over the cooperative's objectives, leading to decisions that may not align with the best interests of the organization. Agyemang and Broadbent (2015) assert that such conflicts can severely undermine the integrity of financial management practices. For the Kabwe District Cooperative Union, addressing conflicts of interest is crucial to ensuring that all members are working towards common goals and that financial decisions are made transparently and equitably.

The cumulative effect of these challenges creates a complex environment for the effective implementation of financial management practices. The findings indicate that over 70% of respondents acknowledged the interplay of these challenges, suggesting that they often co-occur and compound one another. This interconnectedness highlights the need for a holistic approach to addressing these issues. For instance, enhancing training programs could improve financial literacy, which in turn may reduce resistance to change and mitigate conflicts of interest. By adopting a comprehensive strategy, the cooperative can create a more conducive environment for effective financial management.

To overcome these challenges, the Kabwe District Cooperative Union must prioritize capacity-building initiatives that focus on training and resource allocation. Investing in training programs tailored to the specific needs of cooperative members can significantly enhance their financial management Knowledge. Additionally, securing external funding or partnerships may provide the necessary resources to implement effective financial management practices. Research by Muriithi (2017) suggests that collaboration with financial institutions can yield valuable resources and expertise, ultimately strengthening the cooperative's financial management capabilities.

The challenges affecting the implementation of financial management practices at the Kabwe District Cooperative Union are multifaceted, encompassing lack of training, inadequate resources, resistance to change, poor communication, and conflict of interest. Addressing these challenges is crucial for enhancing the cooperative's financial performance and sustainability. By prioritizing training, improving communication, and fostering collaboration, the cooperative can create a more supportive environment for effective financial management practices. This, in turn, will enable the Kabwe District Cooperative Union to optimize its resources and achieve its strategic objectives.

The lack of knowledge among members and management of the Kabwe District Cooperative Union Limited significantly hampers the effective implementation of financial management practices. Many cooperative members may not fully understand essential financial concepts such as budgeting, financial reporting, and cash flow management. This knowledge gap prevents them from making informed decisions that are crucial for the cooperative's financial health. As highlighted in the findings, inadequate training and education on financial management lead to mismanagement of funds, which jeopardizes member contributions and threatens the viability of the cooperative. Without a solid foundation of financial knowledge, members are less likely to engage actively in financial oversight, resulting in poor financial practices that can contribute to the cooperative's failure.

Moreover, the findings indicate that the absence of effective communication and training programs further exacerbates this challenge. Many cooperatives, including the Kabwe District Cooperative Union Limited, lack structured training initiatives that equip members with the necessary skills to manage finances effectively. This deficiency not only limits their ability to implement sound financial practices but also fosters a culture of complacency regarding financial oversight. As a result, the cooperative may struggle to adapt to changing financial environments, leading to poor performance and, ultimately, deregistration, as evidenced by the significant number of cooperatives that have faced closure. Addressing the knowledge gap through targeted training and educational programs is essential for enhancing financial management practices and ensuring the sustainability of the Kabwe District Cooperative Union Limited.

5.4 RO3: To suggest measures to enhance implementation of financial management practices at Kabwe District Cooperative Union Limited

The findings suggest that certain practices, such as financial training, cost control measures, and regular financial reviews, are pivotal for the successful financial management of the cooperative. One of the most critical measures identified is the need for comprehensive financial training, which received the highest acknowledgment in the survey results, with a significant percentage of respondents recognizing its importance. Financial training equips cooperative members and staff with the necessary knowledge to manage finances effectively. According to a study by Muriithi (2017), training in financial management enhances the competency of personnel, allowing them to make informed decisions that positively impact the cooperative's financial health. By investing

in training programs, the Kabwe District Cooperative Union can ensure that its members are well-versed in financial principles, enabling them to contribute to better financial practices.

Cost control measures were also highlighted as an essential practice, with 12.6% of respondents indicating their importance. Effective cost control is fundamental for maintaining financial stability, especially in cooperatives where resources can be limited. Research by Osei (2016) emphasizes that implementing stringent cost control measures helps organizations reduce unnecessary expenditures and allocate resources more efficiently. For the Kabwe District Cooperative Union, establishing clear cost control protocols can lead to improved financial performance and sustainability, allowing the cooperative to thrive despite economic challenges.

Developing a budget in tandem with strategic goals and objectives is another vital measure that was recognized by respondents. A well-structured budget serves as a roadmap for the cooperative's financial activities, aligning day-to-day operations with long-term objectives. Agyemang and Broadbent (2015) assert that budgeting is a critical component of financial management that can significantly influence organizational performance. By developing a budget that reflects the cooperative's strategic goals, the Kabwe District Cooperative Union can ensure that all financial decisions are made with a clear understanding of their impact on overall objectives.

The implementation of internal controls is another measure that received attention in the study. Internal controls are essential for safeguarding the cooperative's assets and ensuring the accuracy of financial reporting. The findings indicate that while there is some recognition of the importance of internal controls, there remains room for improvement. Research by Baird et al. (2011) highlights those effective internal controls can prevent fraud and mismanagement, thereby enhancing the overall integrity of financial operations. For the cooperative, establishing robust internal control systems can provide a framework for accountability and transparency, fostering trust among members and stakeholders.

Regular financial reviews and audits were also identified as crucial measures for effective financial management. These practices ensure that the cooperative's financial data is accurate and up-to-date, allowing for timely decision-making. The survey results indicate that only a small percentage of respondents are currently engaged in regular financial reviews, suggesting a potential area for growth. According to Hodge and Piccolo (2011), regular audits not only help in identifying

discrepancies but also provide insights into areas for improvement. By incorporating regular financial reviews into their practices, the Kabwe District Cooperative Union can enhance its financial oversight and ensure compliance with relevant regulations.

Setting financial targets and key performance indicators (KPIs) is another important measure that can drive the cooperative's performance. The establishment of clear financial targets allows the cooperative to track its progress and make necessary adjustments to its strategies. Research by Muriithi (2017) indicates that organizations with defined KPIs are better positioned to achieve their financial objectives. For the Kabwe District Cooperative Union Limited, setting specific financial targets can motivate members to work towards common goals, fostering a culture of accountability and performance enhancement.

Despite the recognition of these measures, the Kabwe District Cooperative Union Limited must address the barriers to their effective implementation. Factors such as limited financial literacy among members, resistance to change, and resource constraints can hinder the adoption of sound financial practices. To overcome these challenges, the cooperative should consider implementing educational initiatives aimed at increasing financial literacy and awareness among its members. By fostering a culture of continuous learning and improvement, the cooperative can enhance its financial management practices and ultimately improve its performance.

It can be noted that the findings from the study underscore the importance of implementing effective financial management practices within the Kabwe District Cooperative Union Limited. Measures such as financial training, cost control, budgeting, internal controls, regular financial reviews, and setting financial targets are crucial for enhancing the cooperative's operational efficiency and sustainability. By addressing the barriers to implementation and investing in the education and training of its members, the cooperative can leverage these practices to improve its overall performance and achieve its strategic objectives.

5.5 Financial Ratios Analysis

The financial ratio analysis of the Kabwe District Cooperative Union Limited reveals significant insights into its liquidity, profitability, efficiency, and leverage. Starting with liquidity, both the current ratio (0.45) and quick ratio (0.34) indicate that the cooperative may struggle to meet its

short-term obligations. A current ratio below 1 suggests that current liabilities exceed current assets, which raises concerns about the cooperative's ability to cover its debts without relying on inventory. This reliance on inventory can pose risks, especially if inventory turnover slows down or if market conditions change.

In terms of profitability, the cooperative exhibits a net profit margin of 2.82%, which indicates that only a small portion of revenue translates into profit. This low margin may stem from high operational costs or pricing pressures, suggesting that the cooperative needs to implement cost control measures to enhance profitability. The return on assets (ROA) at 2.03% further emphasizes inefficiencies in utilizing assets to generate profit, while the return on equity (ROE) of 12.85% shows that shareholders are receiving a reasonable return. However, there is still room for improvement in overall profitability.

The efficiency ratios highlight the cooperative's performance in managing its resources. The asset turnover ratio of 0.72 indicates moderate efficiency in generating revenue from assets, suggesting that there is potential for better utilization of resources. Conversely, the inventory turnover ratio of 11.22 is impressive, indicating effective inventory management practices. This high turnover means that the cooperative is selling and replacing its inventory frequently, which is a positive sign of operational efficiency.

Finally, the leverage analysis reveals a high debt to equity ratio of 3.34, indicating that the cooperative is heavily reliant on debt financing relative to its equity. This level of leverage poses financial risks, particularly if the cooperative faces downturns in revenue or increases in interest rates. However, the interest coverage ratio of 15.49 suggests that the cooperative has a strong capacity to meet its interest obligations, indicating manageable debt levels in terms of interest payments. Overall, while the cooperative demonstrates strengths in efficiency and interest coverage, it must address its liquidity and profitability challenges to ensure long-term financial stability.

5.6 Chapter summary

The discussion of findings had been done in tandem with the research objectives in this chapter. The findings have been discussed in detail with reference also to other related studies to validate

the significance of the findings for this study. The chapter below presents the conclusion and recommendations of the study.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.0 Introduction

This chapter gives a conclusion of the research study; it highlights the main issues emanating from the study. The chapter focuses mostly on the presentations of the findings that was obtained as presented in chapter four of the research study as well as the discussions in chapter five thereof. The chapter synthesizes the key findings of the research, offering a comprehensive overview of the insights gained regarding the effects of financial management practices on the performance of cooperatives, specifically within the Kabwe District Cooperative Union Limited. This synthesis not only reinforces the importance of the study but also highlights the implications of the findings for stakeholders, including cooperative members, management, and policymakers. By distilling complex information into clear conclusions, this chapter aids in understanding the broader impact of financial management practices on cooperative sustainability and effectiveness. Based on the above the conclusion is drawn and recommendations given.

6.1 Conclusion

The findings, conclusions, and recommendations of this study are intricately aligned with the established objectives, providing a cohesive framework for evaluating the financial management practices of Kabwe District Cooperative Union Limited. Objective 1 focused on identifying the financial management practices employed by the cooperative, revealing a significant gap, with 62.2% of respondents indicating a lack of structured practices, which underscores the urgent need for enhanced training and awareness. Objective 2 examined the relationship between these practices and cooperative performance, demonstrating that while a majority recognized the importance of financial management in promoting resource utilization and stability, 59.1% still rated the cooperative's performance as poor, highlighting a disconnect between awareness and effective implementation. Lastly, Objective 3 aimed to determine measures for improving financial management practices, leading to recommendations for comprehensive training initiatives and the establishment of clear protocols, which are essential for fostering a culture of accountability and enhancing overall performance. This alignment of objectives with the study's findings and recommendations ensures that the cooperative can effectively address its financial management

challenges and improve its operational efficiency. Therefore, the following are the conclusions from the study findings above;

RO1: To establish the types of financial management practices used by Kabwe District Cooperative Union Limited.

The study revealed a significant gap in the implementation of effective financial management practices within the Kabwe District Cooperative Union Limited. A striking 62.2% of respondents indicated that they do not engage in any structured financial management practices, which poses serious risks to the cooperative's sustainability and operational efficiency. While some members acknowledged the importance of financial planning and control, the limited adoption of such practices underscores the urgent need for enhanced training and awareness programs. The findings suggest that without proper financial management, the cooperative may struggle to allocate resources effectively, leading to potential financial instability and inefficiencies. Therefore, it is crucial for the cooperative to prioritize the establishment of structured financial management practices to improve overall performance. Furthermore, the study revealed that Financial Planning and Control Practices are the most recognized among respondents but still show a lack of widespread implementation. This practice is crucial for setting strategic goals and ensuring that resources are allocated effectively

RO2: To examine the relationship between the financial management practices and the performance of Kabwe District Cooperative Union Limited.

The findings indicate a strong consensus among respondents regarding the positive effects of financial management practices on the cooperative's performance. A significant majority believe that these practices promote effective resource utilization, financial stability, and operational planning. Specifically, 89.2% of respondents agreed that financial management practices contribute to financial stability, highlighting their critical role in ensuring the cooperative's long-term success. However, the perception of performance remains concerning, with 59.1% rating it as poor. This disparity suggests that while members recognize the importance of financial management, the current practices are insufficient to drive the desired performance outcomes. Addressing these gaps is essential for enhancing the cooperative's overall effectiveness. From the study findings, it was noted that the lack of knowledge among members and management of the

Kabwe District Cooperative Union Limited is one of the key issues that hampers the effective implementation of financial management practices due to the fact that members may not fully understand essential financial concepts such as budgeting, financial reporting, and cash flow management.

RO3: To suggest measures to enhance the implementation of financial management practices at Kabwe District Cooperative Union Limited.

The study identified several measures that could enhance the implementation of financial management practices, including the need for financial training, cost control measures, and regular financial reviews. The findings indicate that members recognize the importance of these practices but face challenges such as lack of training, inadequate resources, and resistance to change. To overcome these barriers, it is vital for the cooperative to adopt a holistic approach that addresses both the technical and cultural aspects of financial management. By fostering a culture of continuous learning and improvement, the cooperative can enhance its financial management practices and overall performance.

Financial ratios

The financial ratios reveal that Kabwe District Cooperative Union Limited needs to address its liquidity and profitability issues while maintaining its efficiency and managing its leverage effectively for sustainable growth.

6.2 Recommendations

RO1

i. The cooperative should implement comprehensive financial training initiatives tailored to the specific needs of its members. Collaborating with financial institutions or educational organisations can provide valuable resources and expertise to facilitate these training programs.
ii. The cooperative should establish clear protocols for financial management practices, ensuring that all members understand their importance and improve overall financial

oversight. Regular workshops and seminars can reinforce the significance of these practices.

RO2

iii. The cooperative should conduct regular financial reviews and audits to assess the effectiveness of financial management practices and ensure accountability. This will help identify areas for improvement and reinforce the importance of sound financial management.

iv. The cooperative should develop and implement a strategic financial plan that aligns with the cooperative's long-term objectives. This plan should include specific financial targets and key performance indicators (KPIs) to track progress and motivate members toward achieving collective goals.

RO3

v. The cooperative should implement structured financial management training programs that focus on essential knowledge on budgeting, cash management and financial reporting. This training should be ongoing to ensure that members remain updated on best practices.

vi. There is need to foster open communication and collaboration within the cooperative to address resistance to change. Establishing clear communication channels will ensure that all members are informed about the importance of financial management practices and the strategies being implemented. Encouraging collaboration among members, particularly those in leadership roles, can also foster a culture of transparency and collective responsibility in financial decision-making.

6.2.1 Recommendations for future research

There is need for a comparative analysis of financial management practices across different cooperatives. Future research could focus on conducting a comparative analysis of financial management practices and their effects on performance across various cooperatives in different regions or sectors. This would help identify best practices and contextual factors that influence effective financial management, providing a broader understanding of how different cooperatives can enhance their performance.

6.3 Limitations

The following were the study limitations;

i. Financial Challenges: Financial constraints limited the study's resources, affecting data collection and analysis. Budget limitations restricted access to necessary tools and personnel, likely compromising the quality of findings. The costs of conducting surveys and traveling to cooperatives hampered comprehensive data gathering. Additionally, a smaller sample size due to funding issues may not have adequately represented the cooperative sector. Overall, these financial challenges could have led to less reliable results.

ii. Unwillingness by Some Respondents to Answer the Questionnaire: Some respondents were hesitant to participate due to fear of disclosing sensitive information or lack of interest in the study. This reluctance could create data gaps and skew the findings. Time constraints on participants' schedules made it difficult for some to engage fully with the survey process. Furthermore, misunderstandings regarding the study's importance may have further deterred response rates. Overall, low engagement levels affected the comprehensiveness of the research.

iii. Limited Timeframe: The restricted timeframe impacted the depth of data collection and analysis for the study. A short data collection period limited opportunities to build rapport with participants, potentially leading to lower participation rates. This constraint may have prevented a thorough exploration of financial management practices within cooperatives. Additionally, the urgency of the timeline might have led to rushed analysis, compromising the reliability of the findings. As a result, important long-term trends may have been overlooked.

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APPENDICES

Appendix I: Budget

S/N	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL PRICE
1	Accommodation		K600.00x4	K2,400.00
2	Transport during data collection			K2,000.00
3	Stationery (reams of paper and pens), flash disk CD	1 ream 2 black pens 1 Flash disks 2 CDs	K120.00x2 K5.00x2 K150.00x2 K250.00	K240.00 K10.00 K300.00 K500.00
4	Food		K500.00x4	K2,000.00
5	Typing, printing and binding of proposal	1 copy	K300.00	K300.00
6	Typing, printing and binding of thesis	4 copies	K300.00x4	K1,200.00
7	**Total**			K8, 950.00

Appendix II: Timeline

Item Description	December 2023				January 2024				February 2024				March 2024			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Proposal Preparation																
Proposal Submission																
Proposal Feedback																
Data Collection																
Data Analysis																
Report Writing																
Report Submission																
Report Feedback																

Appendix III: Research questionnaire

Study title: Effects of Financial Management Practices on the Performance of Cooperatives: A Case Study of Kabwe District Cooperative Union Limited

SECTION A: DEMOGRAPHICS

1. Gender

Male [ ]

Female [ ]

2. Age

Less than 30 years [ ]

31 – 40 years [ ]

41 – 50 years [ ]

More than 51 years [ ]

3. What is your highest level of education qualification?

a) Post graduate level [ ] b) University [ ]

c) College [ ] d) Phd (Doctorate) [ ]

3. Length of continuous service with the cooperative?

a) Less than five years [ ]

b) 5-10 years [ ]

c) Over 10 years [ ]

4. State your position in the cooperative ……

SECTION B: SURVEY DATA

1. Do you have knowledge on the financial management practices used by your cooperative?

a) Yes [ ]

b) No [ ]

2. Which of the following financial management practices are currently used by your cooperative? (Select all that apply)

a) Financial planning and control practices [ ]

b) Working management practices [ ]

c) Cash management practices [ ]

d). Others (specify) ……

3. Apart from the above, which other financial management practices are used by your cooperative that you know?

……

……

4. Please indicate whether you agree or disagree that the following on the effect financial management practices on the performance of cooperatives. Use the following: 1-Strongly agree; 2-Agree; 3-Neutral; 4-disagree; 5-Strongly disagree.

	Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
Financial management practices promote effective use of resources					
Cooperatives attain financial stability through the use of financial management practices					
Financial management practices are key in the planning of the day-to-day operation of the cooperative					
implementing the cooperative' overall strategy requires effective use of financial management practices					
Financial management practices, enhance the competitive advantage of the cooperative to increase membership and participation in its activities					

5. On a scale of 1 to 5, how would you rate the overall performance of Kabwe District Cooperative Union Limited in the past year?

1. (Poor) ☐
2. (Fair) ☐
3. (Good) ☐
4. (Very Good) ☐
5. (Excellent) ☐

6. In your opinion, how strongly do financial management practices impact the performance of Kabwe District Cooperative Union Limited?

i. Very Strongly ☐
ii. Strongly ☐
iii. Moderately ☐
iv. Weakly ☐
v. Not at all ☐

7. Please provide specific examples of how financial management practices have influenced performance (open-ended).

……

……

8. What challenges do you think exist in implementing financial management practices effectively? (Select all that apply)

i. Lack of training [ ]
ii. Inadequate resources [ ]
iii. Resistance to change [ ]
iv. Poor communication [ ]
v. Other (please specify) …….

9. What measures would you recommend for improving the effectiveness of financial management practices in the union?

……

……

……..

10. Please add any additional comments or suggestions regarding financial management practices and their impact on organizational performance.

……

……

……

Thank you for your participation.