ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 6, Issue 4, pp: (931-939), Month: October - December 2018, Available at: www.researchpublish.com

EFFECT OF PHYSICAL FINANCIAL ACCESS AND INFORMATION TECHNOLOGY ACCESS ON PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN KENYA

Noah Kipchumba Biego[1], Kibati Patrick[2], Phillip Ragama[3]

[1]School of Business and Economics, Kabarak University, Kenya

[2]School of Business and Economics, Kabarak University, Kenya

[3]School of Computer Science and Bioinformatics, Kabarak University, Kenya

Abstract: **The main aim of the study was to analyze the effect of physical financial access and information technology access on performance of savings and credit cooperative societies in Kenya. Gabriel Tarde's Social Theory was used in the study. The researcher used qualitative and quantitative research design. The researcher relied on primary source of data derived from a sample of 81 SACCOs officials within a population of 164 SACCOs country wide. The sampling technique which the researchers used in the study was stratified random sampling with purposive sampling techniques. The researchers' administered both open and closed questionnaires. The data was analyzed using inferential and descriptive statistics from SPSS research tool and the result of the analysis presented in form of tables. The findings of the study indicated that physical financial access and information technology access have an average positive significant relationship with the financial performance of SACCOs in Kenya. Hence, the researcher observed that physical financial access and information technology access plays a significant role in determining the financial performance of SACCOs in Kenya. Consequently the study concluded that physical financial access and information technology access influenced the performance of savings and credit cooperative societies in Kenya Financial physical access and information technology access were significant at $p \leq 0.05$. The researcher recommends further research to investigate the other aspects like cost innovative inclusions that affect the financial performance of the savings and credit cooperative societies in Kenya.**

Keywords: **Physical access indictors, Usage access indictors, quality access indictors, information technology access indictors**

1. INTRODUCTION

Universal Financial Inclusion is one of major pillar of achieving SDGs which encourages financial institutions to increase financial accesses to individuals and groups for borrowing and savings for prosperity. Financial access by the financial institution is a sure way of attaining financial inclusion to the world population.G20 summit adopted that transaction accounts should be encouraged to allow citizens access more financial services in the financial institutions (World Bank, 2017). Financial inclusion is a tool that can be used to fight poverty (Demirguc-Kunt & Klapper, 2012), being a powerful economic development tool that can accelerate population empowerment (Swamy, 2014) and contribute to financial

stability (Han & Melecky, 2013).having been observed that Africa is challenged as far financial access is concern (Beck and Cull, 2015).

1.1 Global Perspective of Financial Inclusion

Countries' financial policy, legal systems, and oversight efforts to increase financial inclusion through affirmative strategies to outreach to nonbank through electronic money services, agency banking, diligence checks, being the main goal of Global Financial Inclusion and Consumer Protection (FICP). Innovative financial sector landscape can improve consumer choice in terms of Financial Cooperatives, E-Money Issuers, Deposit-Taking Institutions and Microcredit Institutions as is stipulated from World bank (2017).

Asset building and financial health concepts develop the concept of financial inclusion. Financial access targeting low income earners to the tune of 2 billion people worldwide cannot be achieved unless the financial institutions increase financial inclusion. Although microfinance has recorded a dramatic success, it serves about 10 percent of the global need by leveraging financial services provided by various players over various service deliveries (Ushathorat, 2010).

According to World bank, (2014) has extended the opportunities of financial inclusion and has cut cost of accessing such services in the parent financial institutions although Customer Due Diligence (CDD) is necessary to safeguard customers money in the due course of transactions. This is done by the financial agencies insisting on customers address, proof of employment in addition to basic identification documents during electronic money transactions.

1.2 Local Perspective of Financial Inclusion

The G20 Financial Inclusion Indicators on financial access requires functioning digital infrastructure regulatory framework drawn from institutions like IMF, World Bank Group, and OECD on accessing Kenyan situation in conjunction with additional country-specific information were able to revealed the following findings as per each indicator; 75 % of Kenyans adults have an account, 69% of Kenyans made or received digital payments, 22% of Kenyans who are paid through the financial institutions have, only 3% have disclosure index and 92 % SME have access to financial institutions (G20 , 2016). Informing policy on and effective monitoring inclusive developments across 26 diverse countries and ranked Kenya number one with score card of 86% as far as financial inclusion is concern which has puts Kenya in a better position in terms of financial inclusion of financial services (Lewis, Villasenora & Darrell, 2017).

Bill and Melinda Gates Foundation 2016 report found out that Kenyan youths starts developing entrepreneurship spirit early with little dependency on hand outs from their parents. 71% and above of Kenyans use mobile money which has made payments grew by 36% where 1.5 billion transactions were achieved valued at KSh 3.4 trillion. The number of customers using money transfer services has grown to 35 million by December 2016 compared to 29 million in December 2015. M-PESA is estimated to have better the lives of moving them out of poverty due to increase of their financial resilience and saving abilities brought about by mobile money transfer (Ngugi, 2018)

A survey on financial inclusion on its growth revealed that Kenyans financial exclusion dropped from over 40% of adults to 17% between 2006 and 2016 with the dramatic increase from about 27% to over 75%. This achievement is attributed to wide coverage of mobile networks enhancing mobile banking services as MShwari, Equitel and KCB-M-Pesa (Ndii, Beck, Ellis, Lemma, Rud, Malkamaki, Johnson, Arnold, & Fouillet, 2011). Africa has taken the lead in mobile banking with the 13 countries, more especially Kenya apart from Côte d'Ivoire, Somalia, Tanzania, Uganda, and Zimbabwe which are lagging behind (Demirgüc¸-Kunt et al., 2015).

1.3 SACCOs and Financial Inclusion in Kenya

In the past decade, financial inclusion has generally increased providing financial services like loans, savings, and transactional transfers among others. Muhammad Yunus the founder of Microcredit concept was able to help women groups weavers by giving them loan and would first make $27 out of his pocket in 1976 in his native home Bangladesh, observes that that in the last three decades, Micro Finance has mushroomed from Grammeen's social ventures in Bangladesh to a global industry.

Microfinance became a popular concept to the low income earners who have demanded more financial services as; insurance, savings, pensions, asset-leasing, and much more. Swain and Nayak, (2008) observes that the failure of formal financial institutions in meeting credit needs of the poor lead to the innovation in the micro financing as an opportunity of changing the living standard of the poor and the downtrodden, the concept of micro-finance has been initiated. Different

organs of the society with appropriate mechanisms can look towards the SHGs as a tool for improving the quality of life in rural India.

According to the World Bank (2017) since 2010 more than 55 countries are committed in achieving financial inclusion, with more than 30 having launched national strategy on the issure of financial inclusion. Progressive countries on financial inclusion have developed enabling regulatory and policy environment and liberated financial sector through innovations to expand access to financial services. Any factor found to influence financial inclusion favors economic development too as pointed out by (Mlachila et al, 2013). Access of Financial services facilitates long term planning, emergencies solving and better family living. Accountholders transact for financial services such as, commencing on investing decisions, invest in social needs like education or health and risk mitigation.

Vijay and Kelkar (2008) asserts that FI financial institutions in their plan to increase inclusion should develop strategies that can reduce farmers indebtedness by providing them with financial education as a source of knowledge bank, then India will achieve its goal on financial access. Sacco societies growing from localized institutions to full-fledged financial intermediaries extending credit to many people. They have played an important role in uplifting lives in the community through financial inclusion. The accommodative internal and external regulations and policies combined by the economic growth experienced through financial inclusion have ensured the existence and growth of SACCOs (Soko directory, 2015).

SACCOs thrives on the law of member guaranteed support and in Kenya SACCOs share accumulated 35% of the countries national savings. SACCOs societies have developed over years by taking financial services to members where they are at affordable prices regardless of their varied economic income (Mhasibu SACCO, 2017). Deposit Taking Sacco societies have branches country-wide due to innovations in technology to increase financial access (Mwaka, 2016).

2. STATEMENT OF THE PROBLEM

Financial inclusion is an important contributor in the fight of poverty by increasing financial access to the poor. There is therefore need to develop a reliable database and information repository on financial inclusion to monitor the initiatives, operations and achievement of the phenomenon globally (G20, 2012).

Raghuwanshi and Dan., (2010) reports that microfinance has increased demand for savings service compared to credit services. Microfinance Institutions currently reaches only 4 per cent of the poor despite the rapid growth in sector in the past few years indicating that the supply of credit is below the demand. Financial inclusion has been recognized as a pivotal towards most forms of businesses units in the formal and informal financial sector success; hence this concept has largely deepened this mode as the best way towards growth, financial profitability and financial stability. (Heyer & King, 2015). The impact of growth towards profit in achievement is inevitable and SACCOs as the best units that may show better financial inclusion. Financial inclusion on SACCOs is embedded on physical financial services access, the day to day usage of the financial services and the level of quality of financial services given.

Drabu, (2009) argues that FI inititive by the Indian Central Government and its central bank, are still to be implemented by various banks. He find out the understanding of the ground level operating functionaries about FI, and suggests a suitable structure to implement FI, after conducting a study, with limited samples of 26 officials from different banks across the country. The study established that bankers have over years developed concept of FI, but, the banks should conduct awareness camps about FI and the staff should be made more aware of FI. Subha and Rao, (2010) there is no accurate data on financial exclusion in tracking the verification on dormant accounts, banking transactions, credit denying millions the opportunity to harness their earning capacity and entrepreneurial talent leading to more poverty. Financial inclusion is still a challenge since about 59% of adults have no bank due to little knowledge on money matters, no identification documentations, faith related issues among others and lack of capital among other reasons (WorldBank, 2016) a fact supported by Thyagarajan and Venkatesan (2008).

Financial inclusion remains concern to policy developers, the government and central bank of Kenya. Financial inclusion is key in the reduction of extreme poverty (UFA) by 2020 (Matu & Kilonzo, 2017). Onsase, Okioga, Okwena & Ondieki (2013) found out that membership of the Sacco was declining faster. Studies have unveiled a positive correlation between financial inclusion and financial sector growth. This study objective was to evaluate the long-run relationship between financial inclusion and performance of SACCOs. As more research on financial inclusion continues to be done, the few studies have been done focusing on financial innovation enhancing financial exclusion in Kenya and mostly how it has

ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 6, Issue 4, pp: (931-939), Month: October - December 2018, Available at: www.researchpublish.com

impacted on the performance in the financial sector (Lesirma, 2014). Mwau, (2013) found no relationship between financial performance and diversification. Notably, most of these studies on the performance of Sacco's have not been done on all SACCOs in Kenya. Nevertheless, this study will add knowledge of financial inclusion by assessing the impact of financial inclusion on financial performance of SACCOs in Kenya.

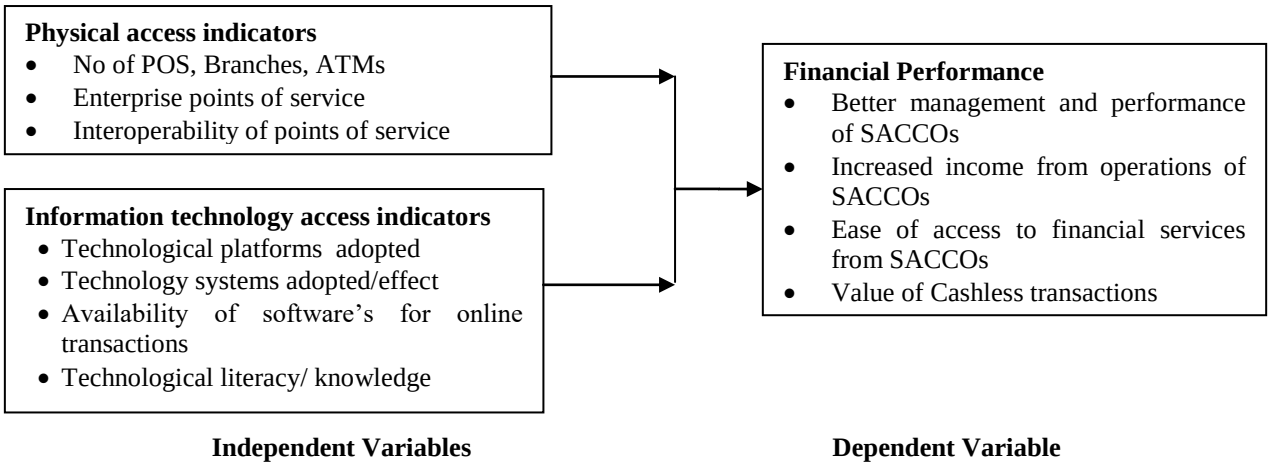
3. OBJECTIVE OF THE STUDY

The study sought to examine effect of physical financial access and information technology access on performance of savings and credit cooperative societies in Kenya.

4. RESEARCH HYPOTHESIS

Physical financial access and information technology access have no significant effect on performance of savings and credit cooperative societies in Kenya.

5. CONCEPTUAL FRAMEWORK



6. THEORETICAL REVIEW

6.1 Gabriel Tarde's Social Theory of 1897

Gabriels (1897) observes that what is relevant for social innovations is that the "new"—measured against socially desirable goals considering the consequences. A comprehensive process of transformative social change. Analysis of the intersections between social innovation research and research on human development clearly shows the many affinities in shaping the necessary ambivalent processes of change. When asked which innovations can be considered to be conducive to human development and which cannot, Tarder replies it's neither a question of individual assessment nor of purely scientific debate. Rather, it is a question of collective attribution and, therefore, the result of a social evaluation process. Where strong emphasis on human capabilities is not only an increasing practical effectiveness but also for the described concept of social innovation.

New forms of knowledge production, based on the inclusion of all relevant actors from its idea to implementation, give concrete form to the new innovation paradigm with which social innovations are increasingly gaining importance. They provide the basis and tools for reflecting on established patterns of thought and behavior in an intersectoral manner, exchanging different points of view, and bringing about far-reaching and targeted change with the establishment of innovative social practices. Investigating to what extent does social innovation processes express of its underlying capabilities. Social innovation is a compensation for failed policy, as a kind of failure mechanism; it is not a social policy instrument, but rather a generative social mechanism of change. Taken as it can identify possible practice/problem areas for targeted support of social innovation. This theory shows the essence of information technology towards advancement of the financial market development in recent times to ensure financial access.

7. EMPIRICAL REVIEW

7.1 Physical Access Indicators and Performance of SACCOs

SubhaRao (2010) observes that an efficient society is meant to give its population access to goods and services for their survival. Banks are the institutions that are meant to provide access of banking services and goods to the population. Physical access indicators on adults owning an account with SACCOs include; the number of branches, ATMS, POS terminals or Agents available for use by various SACCOs and the approximate population density served by each of the same. The access of mobile phones and internet SACCOs banking shall be evaluated broadly and the inter operatability of ATMs with POS terminals.

Kunt and Klapper, (2012) indicates that financial success of new offered financial solutions can be enhanced by technological innovation which is meant to increase access of banking services cheaply. There were a total of 424 Deposit taking Saccos branch networks in Kenya with 176 head office also located in various towns as channels totaling to 600 offices to deliver banking services (Mwaka, 2016). Beck, (2007) observes that financial sector outreach can measured through; number of bank accounts (per 1000 people), number of branches (per million people), and number of ATMs (per million people), amount of bank credit and amount of bank deposits which are drivers of financial inclusion.

7.2 Information Technology Access and Performance of SACCOs

This section attempts to collate various questions on the use of technology and respondent familiarity with technological innovations such as smart cards or ATMs, as a guide for potential uptake for new (and useful) technology-based financial services towards affecting ultimate performance of SACCOs. CBK, KNBS and FSD (2016) report on financial access in Kenya stipulate that MFI and SACCOs representing the semi-formal institutions account for 7.5% adults' population in Kenya which is about 1.3 million Kenyans. The Kenyan financial sector is relatively and steadily developing as it passes the test of a standard of a sound financial system. The close regulation and supervision of this sector by Central bank of Kenya (CBK) that easily detect stresses in this system has enhanced stability of this sector and hence reliability(Barte,2012). Apart from the growth of SACCOs majority of Deposit Taking Sacco Societies are accessible to ATM and mobile banking technologies which they can leverage to members to increase financial access to members who will use them for transactional purpose (Mwaka, 2016).According to Ignacio and Kumar, (2008) banks translate the potential of mobile phones into greater financial access for poor people.

8. RESEARCH METHODOLOGY

The study used descriptive study design. The study used a descriptive design because of its ability to collect large volume of data for in-depth analysis. The study therefore targets 164 SACCOs dully registered by SASRA to be formally operating in Kenya. The researcher used both simple random sampling techniques and stratified sampling on the respondents section of work. Therefore 81 respondents as the size of the sample were used for this research drawn from the study population using stratified random sampling. This study used primary data. The questionnaires were administered randomly to various SACCOs in Kenya. The questionnaires were structured based on research questions. Questionnaire were tested for validity and reliability. Cronbach's alpha at value 0.7 was used to test the reliability of the questionnaires. The data was extracted from the questionnaire and coded using SPSS. Descriptive analyses was used to produce frequency distribution and chi square test of agreement. The collinearity assumption specifies that the independent variables should not be inter-correlated.

9. DATA ANALYSIS, PRESENTATION AND DISCUSSION

The study targeted 81 respondents working at various departments of SACCOs across the country, 78 respondents returned their questionnaires this signifies that the response rate was 96.29%.

9.1 Descriptive Statistics

9.1.2 Descriptive Statistics of Physical Financial Access of the SACCOs

This section presents the descriptive Statistics of Physical Financial Access of the SACCOs. The following variables were analyzed; there has been ease of access to financial services by the SACCO per 1000 adults, the opening of new additional SACCO branches with POS has ensures more financial access, financial ease of access has enabled credit

ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 6, Issue 4, pp: (931-939), Month: October - December 2018, Available at: www.researchpublish.com

access, financial ease of access has enables access financial services, financial ease of access has simplified operational and transactional access leading to interoperability of point of service.

Table 1: Descriptive Statistics of Physical Financial Access of the SACCOs

Physical Access	SD (%)	D (%)	N (%)	A (%)	SA (%)	χ^2	p-value
Access to financial services	1	4	-	42	53	32.1	0.000
Additional branches & POS	4	4	8	27	57	83.5	0.000
Additional ATMs	4	27	27	27	15	16.6	0.002
Access to credit access	4	35	23	23	15	20.1	0.000
Access lead to inclusion	4	4	-	39	53	59.5	0.000
Access low/middle income	4	-	19	53	24	49.1	0.000
Access to interoperability	-	-	12	27	61	30.7	0.000

Source: Field Data (2018)

Results of descriptive statistics on the Physical financial access indicators by the SACCOs are presented in table 4.5. The findings revealed that majority of respondents 97%, (X^2=32.1, p≤0.000) agreed that there has been ease of access to financial services by your SACCO per 1000 adults. Findings on additional branches and POS established that majority of respondents 84%, (X^2=85.5, p≤0.000) agreed that the opening of new additional SACCO branches with POS has ensures more financial access. About 44%, (X^2=16.6, p≤0.002) agreed that the opening of new additional SACCO ATMs has ensures more financial access. About 38% (X^2=20.1, p≤0.000) agreed that financial ease of access has enabled credit access. Majority of respondents 92%, (X^2=59.5, p≤0.000) agreed that financial ease of access has helped people access the financial services. Further findings on access to low and middle income earners established that majority of respondents 77% (X^2=49.1, p≤0.000) agreed that financial ease of access has simplified access to financial services to the low and middle income earners individuals. Majority of respondents 87%, (X2=30.7, p≤0.000) agreed that financial ease of access has ensured interoperability of point of service.

The findings therefore indicated that SACCOs under the study provided adequate physical access to financial services evident by; there has been ease of access to financial services by the SACCO per 1000 adults, the opening of new additional SACCO branches with POS has ensures more financial access, financial ease of access has enabled credit access, financial ease of access has enables more people to be included in the financial system, financial ease of access has simplified access to financial services to the low and middle income earners individuals and that financial ease of access has ensured interoperability of point of service.

The findings is supported by Kimaru, (2013) that credit unions are widely distributed across the counties to access financial services has been responsible for financial inclusion and despite their uniqueness have recently been experiencing member reduction, because other financial institutions started targeting the same market. SACCOs have ousted credit unions and are perceived better by members thus performing better.

Intermedia (2016a), found that financial inclusion in Kenya is still expansive compared to the other FII countries in Africa and Asia. The existing customers are deepening their engagement with financial services, becoming active users and making use of a wider range of more advanced services. They found that 7 in 10 Kenyan adults were financial included and defined by FII as holding a registered account with a formal financial institution.

9.1.2 Descriptive Statistics on information technology access by the SACCOs

This section presents the descriptive Statistics on information technology access by the SACCOs. The key variables analyzed included; availability of assimilation of digital financial services transactions that has affected the financial performance of this SACCO and that rolled out variety modes of or digital incomes receiving and expenses payments platforms, there was enhanced use of variety of mobile transactions payment services than traditional forms of Payments by members and enterprises, rolled out digital finance receiving, saving and payments platforms for financial services, the SACCOs installed new accountability efficient and effective financial systems for better financial services delivery to members and that there was increased Value of cashless transactions.

ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 6, Issue 4, pp: (931-939), Month: October - December 2018, Available at: www.researchpublish.com

Table 2: Descriptive Statistics on information technology access by the SACCOs

IT Access	SD (%)	D (%)	N (%)	A (%)	SA (%)	χ^2	p-value
Digital financial services	-	12	12	54	22	37.4	0.000
Mobile transactions	-	4	8	54	34	52.2	0.000
Financial systems	-	-	4	69	27	51.3	0.004
Digital incomes	-	-	12	46	42	16.8	0.000
Digital finance receiving	-	-	23	46	31	6.5	0.000
Increased Value	-	4	12	50	34	42.0	0.000

Source: Field Data (2018)

Table 4.8 presents the results of Descriptive Statistics on information technology access indicators by the SACCOS. The findings established majority of respondents 78%, (X^2=37.4, p≤0.000) agreed that there has been assimilation of digital financial services transactions that has affected the financial performance of this SACCO and that rolled out variety modes of or digital incomes receiving and expenses payments platforms. Majority 88%, (X^2=52.2, p≤0.000) agreed that enhanced use of variety of mobile transactions payment services than traditional forms of Payments by members and enterprises. Findings on financial systems established that majority of respondents 96%, (X^2=51.3, p≤0.004) agreed that rolled out digital finance receiving, saving and payments platforms for financial services. E.g E-Money. Majority of respondents 88%, (X^2=16.8, p≤0.000) agreed that to install new accountability efficient and effective financial systems for better financial services delivery to members. Majority of respondents 74%, (X^2=51.3, p≤0.004) agreed that increased Value of cashless transactions.

The finding showed that the SACCOs had adequate information technology access evident by; availability of assimilation of digital financial services transactions that has affected the financial performance of this SACCO and that rolled out variety modes of or digital incomes receiving and expenses payments platforms, there was enhanced use of variety of mobile transactions payment services than traditional forms of Payments by members and enterprises, rolled out digital finance receiving, saving and payments platforms for financial services, the SACCOs installed new accountability efficient and effective financial systems for better financial services delivery to members and that there was increased Value of cashless transactions. This research findings is further supported by Wyman (2012) that Incremental innovations assist in distinguishing amongst company rivals; provide continual rounds of valuable developments to current services, processes and products in addition to minimizing of prices (Wyman, 2012).Consequently, financial innovation through technology is reason for economic and financial growth (Sinani, Jones & Mygind, 2007).

9.1.3 Descriptive Statistics of Sacco Societies Performance

This section presents the descriptive Statistics of the Performance of the SACCOs. The key variables analyzed under this section include; SACCOs enjoys high profits margins, intended to increase return by decreasing non-performing loans. Findings on ROE indicated that majority.

Table 3: Descriptive Statistics of the Performance of the SACCOs

IT Access	SD (%)	D (%)	N (%)	A (%)	SA (%)	χ^2	p-value
High profit	-	8	27	58	7	16.8	0.000
Increased ROA	-	12	12	50	26	6.5	0.040
Advanced loans	-	-	12	69	19	42.0	0.004
Decreased non-performing loans	-	-	15	54	31	53.1	0.000
Increased ROI	-	12	12	53	23	30.9	0.000
Increased ROE	-	4	8	54	34	45.9	0.000

Source: Field Data (2018)

Table 4.9 presents the results of descriptive Statistics of the Performance indicators of the SACCOs. The findings established majority of respondents 65%, (X^2=16.8, p≤0.000) agreed that SACCOs enjoys high profits margins. Majority

ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 6, Issue 4, pp: (931-939), Month: October - December 2018, Available at: www.researchpublish.com

76%, (X^2=6.5, p≤0.040) agreed that SACCOs have recorded increased return on assets over the past financial year and that SACCOs enjoy high return on investment (ROI). Findings on loan advances indicated that majority of respondents 88%, (X^2=42.0, p≤0.000) agreed that SACCOs have advanced more cumulative loans over the last year compared to previous years and that SACCOs realize high return on equity (ROE). Majority 85%, (X^2=53.1, p≤0.000) agreed that SACCOs have continued to record decreasing non-performing loans. Findings on ROE indicated that majority.

The finding indicated that the SACCOs had high performance indicators evident by; SACCOs enjoys high profits margins, recorded increased return on assets over the past financial year, enjoying high return on investment (ROI), advanced more cumulative loans over the last year compared to previous years and that continued to record decreasing non-performing loans. Findings on ROE indicated that majority.

9.2 Inferential statistics

The study did Pearson correlation analysis in establishing the relationships amongst the variables of the study.

9.2.1 Correlation Analysis between Physical Financial Access, Information Technology Access and Performance of SACCOs

Table 4: Correlation between Physical Financial Access, Information Technology Access and Performance of SACCOs

		Fin. Perf.
Physical	Pearson Correlation	.549**
	Sig.	.005
IT access	Pearson Correlation	.546**
	Sig.	.000

**.
Correlation is significant at the 0.01 level (2-tailed).

The study shows that there is a high and significant correlation between physical financial access and Performance of savings and credit cooperative societies in Kenya at (r= 0.549, p = 0.000). The study further shows a positive correlation between information technology access and Performance of savings and credit cooperative societies in Kenya at (r= 0.546, p = 0.000). Therefore, the study observed that physical financial access and information technology access have a significant role in determining the financial performance of SACCOs in Kenya.

10. CONCLUSIONS AND RECOMMENDATIONS

The study was able to find that a majority of respondents 97%, confirmed that there was access to financial services by your SACCO per 1000 adults with additional branches and POS established to ensures more financial access. Majority of respondents 92% confirmed that financial ease of access enables more people to be included in the financial system as financial ease of access by low and middle income earners from77% respondents was said to have simplified access to financial services and 87% of the respondents agreed that financial ease of access has ensured interoperability of point of service. Further the study unveiled that the SACCOs have an adequate information technology access platform evident by; availability of assimilation of digital financial services transactions and that rolled out variety modes of or digital incomes receiving and expenses payments platforms, variety of mobile transactions payment services, rolled out digital finance receiving, saving and payments platforms, efficient and effective financial systems that has increased Value of cashless transactions.

The researcher recommends further research to investigate the other aspects like cost innovative inclusions that affect the financial performance of the savings and credit cooperative societies in Kenya. This study gives a signal to the financial regulator on the need to have proper guidelines or regulations in place that will encourage financial intermediation that will enhance financial inclusion in remote rural areas. The study policy recommendation therefore canters on the need to create more SACCOs outlets to ensure increased access to financial services at affordable cost to the low and middle income earners.

REFERENCES

[1] World Bank. (2017). Global Financial Inclusion and Consumer Protection (FICP) Sur-vey. Washington, DC: World Bank. Retrieved from http://www.worldbank.org/en/topic/financialinclusion/brief/ficpsurvey

[2] Demirgüç-Kunt, A., & Klapper, L. F. (2012). Measuring financial inclusion: The global findex database. Vol. *WPS6025. World Bank Policy Research Working Paper*.

[3] Swamy, V. (2014). Financial inclusion, gender dimension, and economic impact on poor households. *World development*, *56*, 1-15.

[4] Han, R., & Melecky, M. (2013). *Financial inclusion for financial stability: access to bank deposits and the growth of deposits in the global financial crisis.* The World Bank

[5] Beck, T., & Cull, R. (2014). Banking in Africa. In *The Oxford Handbook of Banking, Second Edition*.

[6] G20. (2016). G20 Financial Inclusion Indicators: GPFI Global Partnership for Financial Inclusion. Available at: https://www.gpfi.org/publications/g20-financial-inclusion-indicators-2016-update

[7] World Bank. (2017a) Financial inclusion overview: Washington, DC: World Bank. Re-trieved from http://www.worldbank.org/en/topic/financialinclusion/overview

[8] Ngugi, B.(2018). Gates Foundation pledges Sh17bn to empower women. Available at: https://www.businessdailyafrica.com/markets/marketnews/Gates-Foundation-pledges-Sh17bn-to-empower-women/3815534-4333998-6blguyz/index.html

[9] Ndii et al (2011). Financial inclusion in Kenya: Survey results and analysis from FinAccess 2009. Nairobi, Kenya: FSD Kenya.

[10] Demirguc-Kunt, Klapper, L., Dorothe S., Peter V.(2015). Measuring Financial Inclusion around the World

[11] Swain, K. & Nayak, G. (2008). Micro Credit through SHGs, MF and Rural Development, New Delhi, New century publications.

[12] Mlachila, M., Park, S. G., & Yabara, M. (2013). Banking in sub-Saharan Africa: the macroeconomic context. *Banking in sub-Saharan Africa*, *7*.

[13] Soko Directory (2015). SACCOs Play a Significant Role in Kenya. Available at: http://sokodirectory.com/2015/08/saccos-play-a-significant-role-in-kenya/

[14] Raghuwanshi and Dan. (2010). Components of micro finance and related services in India. Availabele at ;https://www.india.or.in/Microfinance inindiatakeshape

[15] Heyer, A. & King, M. (2015). Kenya's Financial Transformation in the 21st Century. Nairobi, Kenya: FSD Kenya.

[16] Thyagarajan, S., & Venkatesan, J. (2008). Cost-Benefit and Usage Behaviour Analysis of No Frills Accounts: A Study Report on Cuddalore District. *RBI College for Agricultural Banking and IFMR (December 2008), http://www. microfinancegateway. org/p/site/m/template. rc/1.1*, *4146*.

[17] Onsase, A., Okioga, C., Okwena, D. K., & Ondieki, A. N. (2013, February). Assessment of the effects of performance management practices on provision of financial services by savings and credit cooperative societies: A case of Gusii mwalimu Sacco, Kisii central district, Kenya. In *Scientific Conference Proceedings*.

[18] Lesirma.(2014). The relationship between effectiveness of the accounting functions and the financial performance of savings and credit cooperative societies in Nairobi County.

[19] Beck, T., Demirgüç-Kunt, A., & Levine, R. (2007). Finance, inequality and the poor. *Journal of economic growth*, *12*(1), 27-49