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Organizational Pro-Activeness, Information Technology Capability, and Growth of Deposit Taking Saccos in Kenya.

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ABSTRACT

This study examined the impact of organizational proactiveness on the growth of deposit-taking Savings and Credit Cooperative Organizations (SACCOs) in Kenya, with an emphasis on the moderating role of information technology (IT) capability. Grounded in the Entrepreneurial Orientation (EO) Theory, the research highlighted proactiveness as a critical factor in achieving growth objectives through innovation, market expansion, and strategic partnerships. A cross-sectional design was adopted, and data were collected from all 175 regulated SACCOs using structured questionnaires and secondary sources. Statistical analyses, including descriptive and multivariate regression, revealed a significant positive relationship between proactiveness and SACCO growth, with 71.5% of growth variability explained by this factor. IT capability further enhanced this relationship, increasing the explanatory power to 91.2%. Key findings indicated that SACCOs employing proactive strategies, such as entering new markets, introducing innovative products, and leveraging IT for operational efficiency, achieved substantial growth in market share, profitability, and customer satisfaction. The study underscored the essential role of IT in streamlining operations, improving customer service, and facilitating real-time decision-making. The findings suggested that fostering a proactive organizational culture and integrating IT capabilities significantly enhanced the competitiveness and growth of SACCOs. Recommendations included investing in IT infrastructure, developing staff competencies, and adopting differentiated marketing strategies to maximize growth potential. Future research was recommended to explore longitudinal impacts and cross-country comparisons to provide broader insights into the interplay between proactiveness, IT capabilities, and organizational growth.

Keywords: Organizational Proactiveness, Information Technology Capability, SACCO Growth, Entrepreneurial Orientation, Kenya

APA CITATION;

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1.0 INTRODUCTION

1.1 Background of the Study

Enterprises globally strive to be successful and achieve growth expectations. In businesses, success is interpreted in different ways for example in terms of financial growth with a high level of profits (Koech, 2020). There is also a gained satisfaction and attainment of success found by developing new products. There is also an inclusion of quality, customer satisfaction, innovation and market share-metrics such as these which often tend to reflect a business' economic condition. It also reflects on the growth prospects which are better than the resulting profits (Manello et al, 2019). In the evolving world of today, the environmental uncertainty, constant changes and numerous challenges, has foster adaptation to rapid evolutions and to survive dynamically is entrepreneurial

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orientation to achieve organizational growth (Gupta & Batra, 2022).

The continued growth and existence of business units is attributed to entrepreneurial activities to achieve firm's growth objectives. EO determinants such as proactiveness, innovativeness, competitive aggressiveness and risk taking have been regarded as key to achieving firm growth (Duda, Maráková, Wolak-Tuzimek, 2022). Entrepreneurial orientation (EO) is recognized as a crucial success determinant for achieving firm growth goals in the twenty first century. The firms need to be proactive in risk mindedness, thus welcoming new processes, comparison to opponents and providing services and commodities (Chen & Liu, 2019).

Researchers such as Kramer (2019) posited that EO has enormous contribution towards progress of a company and economy of a country. The success and growth of a company depends entirely on EO as suggested by Calispa (2021) and Chahal, Gupta, Lonial and Raina (2019).). Diverse research works have related EO with the growth of firms. The companies and firms having elevated EO, shows better outcomes such as growth in terms of introducing new processes, services and products, increased market share and profitability level.

Information technology (IT) is perceived as a necessity to pursue the rationalization and cost management due to intensified competition in the financial sector (Adomako & Ahsan, 2022). Information technology has helped banks to streamline the back-office operations by improving both efficiency and cost reduction. Advances in technology also influence the way banks services are delivered with the aim of making it more convenient for customers. For example, many bank's branches were connected online real time (24/7). This clearly reduces the danger of carrying cash. The banks were able to deal effectively with global competition that offered low priced products/services with high quality service level. The revolution of financial technology (fintech) services has impacted every aspect of SACCOs operations (Adamowicz, 2021). Banking institutions as supported by Abdalkrim and Guizani (2022) engage in analyzing, selecting, maintaining, protecting and evaluating the SACCOs assets including financial assets with the objective of achieving set growth goals.

IT capability entail the new applications, processes, products or business models that have disrupted the SACCOS finance system by providing faster, secure and reliable and low risk operations (Abu-Rumman, et al, 2022). Branchless distribution, payment systems, big data credit scoring and predictive analytics as operations powered by fintech deployment have greatly reduced operational costs, reduced credit risks and increase financial returns in banking institutions (Abdalkrim & Guizani, 2022). The fintech payment technique include peer-to-peer payment model, digital currency supported through block chain technology and mobile wallet (Adomako & Ahsan, 2022).

Banking organizations in Kenya recognize Entrepreneurial Coordination as an important feature and element for a firm's profitability which contributes to its growth. This has also been related to high firm growth according to Gakure & Ngumi (2013). Mahmood and Hanafi (2013) advocate for superior performance and the aspect of longevity according to Koech (2020). The considered high adoption of risk-taking, innovativeness and pro-activeness is seen as an important ingredient to embrace success of organizations and firms (Ali, et al, 2021).

Organizational proactiveness and IT capabilities are uniquely significant to SACCOs in Kenya because they enable these institutions to swiftly adapt to market changes, enhance member satisfaction, and mitigate risks effectively. Proactive strategies ensure SACCOs remain competitive and responsive to the evolving needs of their members, while robust IT capabilities

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streamline operations, reduce costs, and enhance transparency (Mwangi, 2021). These technological advancements also facilitate financial inclusion by reaching underserved communities, particularly in rural areas, and engaging the youth demographic with tailored digital financial solutions (Kamau, 2020).

Moreover, although advancements in IT capabilities, such as automation of financial services and digital transactions, are acknowledged for enhancing operational efficiency and customer convenience, their precise influence on the evolution and expansion of DT-SACCOs has not been thoroughly examined. Consequently, this study aims to fill this gap by investigating how organizational proactiveness and IT capabilities jointly influence the growth of DT-SACCOs in Kenya, particularly in light of recent economic challenges and technological advancements.

1.2 Statement of the Problem

Firm growth remains the ultimate goal of financial organizational in banking sector (McCarthy & Perera (2019). While there many entrepreneurial actions taken to foster growth of banking institutions, organizational proactiveness has been executed in an effort to achieve growth of the firm. Kiende, et al (2019) argued that entrepreneurial orientation contributed to firm growth. In credit union industry, most SACCOs adopt entrepreneurial orientationin an effort to achieve competitive advantage, improve performance and eventually gain expected growth. According to ASRA (2020), 141 DT-SACCOs with total properties below 5 billion controls 27.97% of total assets while the other 34 large tiered DT-SACCOs with total resources overhead 5 billion controls 72.03% of total chattels portfolio. The regular growth rate of the small tiered DT-SACCOs with total resources below 1 billion have continued to decrease over the last three (3) years relative period resting with an average development rate of 5.23% in 2020 (SASRA, 2021).

Coming immediately against the backdrop of the impacts of the environmental disruption (Kimathi, 2020), these economic shocks slowed down the growth trajectory of Regulated SACCOs despite their overall resilience with their total assets to the nominal GDP remaining the same at about to 6.66% in 2022 as it was in 2021. Growth of Deposit Taking SACCOs reported an increase of KSHs 141Billion, 15.6% to KSHs 1.047 trillion from KSHs 906 Billion in 2022. In an effort to improve growth, SACCOs deploy entrepreneurial orientation such as competitive aggressiveness, strategic innovativeness, risk taking and proactiveness (Wallace & Kilika, 2021).

The growth was attributed to increase in increased in information technology capability that fostered digital channeling transactions. Deposit Taking SACCOs deploys automation of financial services and other electronic channels that involves application of mobile technologies applications, ATMs financial services, for members to transaction, transfers and make payments in an effort to boost growth level. According to Kiveu, Namusonge and Muathe (2019) integration of ICT in SACCO banking has effect on overall operation on the firms.

The gap in empirical evidence on how these factors specifically contribute to the growth of DT-SACCOs in Kenya highlights the need for focused research. Understanding the interplay between organizational proactiveness and IT capabilities can provide valuable insights into strategies that SACCOs can adopt to enhance their growth and performance, ultimately contributing to the broader economic development of Kenya. This study aims to address this research gap by investigating the unique significance of organizational proactiveness and IT capabilities in driving the growth of DT-SACCOs in Kenya.

1.3 Specific Objectives of the Study

1. To establish the influence of organizational proactiveness and Information Technology (IT)

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capabilities on the growth of deposit-taking SACCOs in Kenya.

2. To assess the moderating role of information technology capability in the relationship between organizational proactiveness and the growth of deposit-taking SACCOs in Kenya.

1.4 Research Hypotheses

HO$_1$: Organizational proactiveness does not significantly impact the growth of deposit-taking SACCOs in Kenya, even when the interaction effect of Information Technology (IT) capabilities is considered.

HO$_2$: Information technology capability has no significant moderate role in the relationship between organizational Pro-activeness and growth of deposit taking SACCOs in Kenya.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

The theoretical frame work for the study was formed on the entrepreneurial orientation theory at Firm Level. The assumption of theory that entrepreneurial positioning provisions entrepreneurial evolution and opportunities. Entrepreneurial Orientation (EO) Theory at the firm level and Information Technology (IT) capability are intricately linked and collectively crucial for organizational success and growth. EO encompasses strategic behaviors such as proactiveness, innovativeness, competitive aggressiveness, and risk-taking, which drive firms to seek new opportunities, innovate, and outperform competitors. At the same time, IT capability refers to a firm's proficiency in leveraging technological infrastructure, skills, and innovations to enhance business processes and operations.

The theory supports the planning process in identifying systematic information collected to be used for situational analysis. There is also the inclusion of generation of alternative methods and selected strategies. The theory tends to also assume that the adaptive mode is focused on reactive solutions. This is not compared to the proactive search for new chances and opportunities. This theory is supported by the integration of entrepreneurial administration strategy. It tends to consist of bold, risky and aggressive approaches that are used for decision-making. It is in comparison to a more cautious and reliable stability-oriented approach (Shajrawi & Aburub, 2022).

Entrepreneurial SACCO is considered to involve a lot in financial product market innovation which seeks to undertake some risky ventures. In relation to this, it comes first with proactive innovations thus beating its competitors. Organizations that operate in hostile competitive environments are usually characterized by powerful competitors found among institutes within organizations that usually adopt entrepreneurial orientation discourses that are achieved in expectation of the organizational goals (Dubey et al, 2020). The theory is essential to the research study in that some of the KPMG Top 100 Enterprises can influence adoption of a strategy. This is by permitting and guiding the management on how to recuperate their initiatives development and sustainability.

Firm are turning toward entrepreneurial in an effort to enhance continual innovation and proactiveness, rapid growth, value creation, competitive advantage and improve efficiency and productivity (Okangi, 2019). Entrepreneurial operations activities such as risk taking and proactiveness as well as innovations play a significant role toward growth of SACCOs. Entrepreneurship foster proactiveness, diversity, risk taking in organization and competition enabling firm develop suitable strategies for improving growth of firms. SACCOs focus on achieve growth through profitability (Erkmen et al, 2020).

Theory of entrepreneurship support the study in that SACCOs that deeply proactiveness in

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pursuing opportunities may earn more profit over time relative to her competitors. The SACCO's ability in forecasting future occurrences (Gökalp et al, 2023) offer the firm an avenue to transform and take advantage of market opportunities to improve on profitability. The theory would proposition the study in understanding how SACCOs' proactiveness for contribute to SACCOs profitability growth over time.

To enhance organizational proactiveness and IT integration, organizations should foster a proactive culture, engage in continuous learning, and utilize market research to anticipate changes. Implementing robust IT infrastructure and cybersecurity measures, leveraging big data analytics, and adopting cloud solutions are essential for IT integration. Additionally, integrating IT with business processes and developing mobile solutions can streamline operations, improve efficiency, and enable real-time decision-making, thus driving innovation, growth, and competitive advantage

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2.2 Conceptual Framework

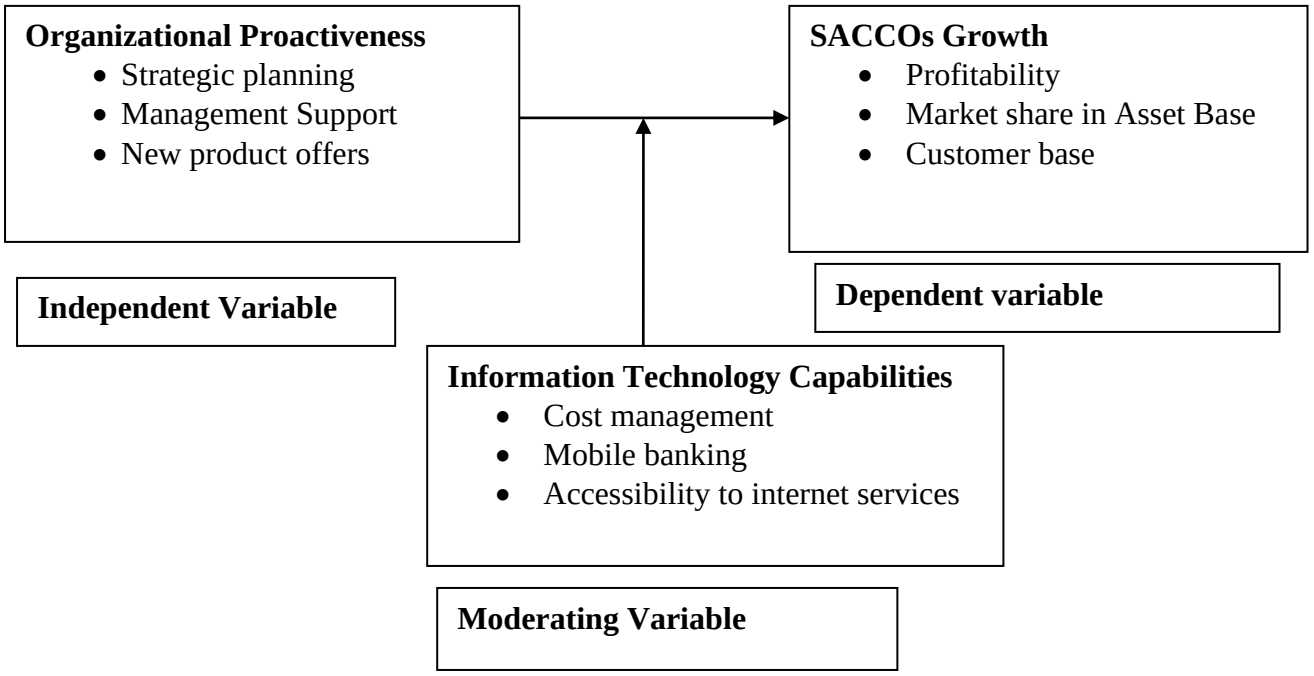

Figure 1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

Adopting a positivism philosophy, the research employed a cross-sectional survey design. The target population was 176 DT-SACCOs regulated by SASRA (SASRA, 2020). The study considered a census study where all the SACCOs was considered for the study. This is informed by the factor that 176 DT-SACCOs is relatively small population and sampling was not be appropriate for the study as supported by Kothari (2014). Primary data was collected through a self-administered questionnaire, while secondary data was also integrated into the analysis. Secondary data was collected through published scholarly articles, journals, newspapers, books and other relevant literature. Issues covered were sequenced and worded to make the data collected systematic. The use of secondary data sources such as industry reports, regulatory filings, SACCO annual reports, and government data is crucial for this study. These sources provide

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comprehensive, up-to-date, and credible information, ensuring relevance and validity in understanding market conditions, regulatory compliance, and organizational strategies. By triangulating data from multiple reputable sources, the study enhances the accuracy and reliability of its findings. Ensuring that data is current and cross-verified allows for a robust analysis, which strengthens the research objectives and contributes to a well-founded understanding of the SACCO sector in Kenya. Descriptive statistics such as frequency, percentages, mean, and standard deviation were used to describe the characteristics of the variables. Multiple regression models established relationships between the variables. Qualitative data underwent content analysis. The research instruments were validated through a pilot study. To ensure validity, the researcher ensured that the questionnaires had instructions to be followed and the questions were written in simple language which the respondent could easily understand while the validity of the study was ensured using Cronbach alpha test. The researcher undertook various steps to ensure that the study adhered to research ethical standards. Participants were asked to verbally consent to participate in the research, for which they are free to participate or not to. The potential respondents were not identified by name. Confidentiality of respondents was treated as a matter of priority. Further, the researcher engaged in face-to-face meetings with those respondents who were reached before agreeing to answer the questions of this study. The researcher also obtained ethical clearance from National Commission for Science, Technology, and Innovation (NACOSTI) and a letter from the University to introduce the candidate and authority to carry out research.

4.0 RESEARCH FINDINGS AND DISCUSSION

4.1 Descriptive statistics

4.1.1 Organizational Pro-activeness

The study sought the extent proactiveness was deployed in SACCO in an effort to achieve growth objective. The findings were presented in Table 4.1

Table 4.1: Proactiveness on Firm Growth

Statement for Proactiveness in your SACCO	SD	D	N	A	SA	Mean	Std Dev
The SACCO strive to enter new market	8(4.6 %)	(%)	14.9(%)	108(61. 7%)	(%)	3.9029	.86220
The SACCO introduce new financial products to the emerging market	8(4.6 %)	(%)	25(14.3 %)	28(16.0 %)	114(65.1%)	4.3714	1.03629
The SACCO strive to form new partners to gain from new opportunity	8(4.6 %)	(%)	(%)	83(47.4 %)	84(48%)	3.9429	.88223
The SACCO adopt new strategic in response to market change	8(4.6 %)	(%)	(%)	28(16.0 %)	139(79.4%)	4.6571	.88223
The SACCO strive to improve financial product quality to gain competitive advantage	(%)	(4.6%)	(%)	41(23.4 %)	126(72%)	4.6286	.71461
The SACCO pursue differentiated marketing tool such as use of social media	8(4.6 %)	(%)	(%)	30(17.1 %)	137(78.3%)	4.5457	.88420

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The SACCO pursue low-cost strategies to improve its market share	(%)	8(4.6%)	(%)	116(66.3%)	51(29.1%)	4.2000	.66089
There is development of new financial features for the members to choose from	8(4.6%)	41(23.4%)	(%)	41(23.40%)	126(72.0%)	4.5829	.89233
There is provision of improve customer services	6(2.6%)	(%)	(%)	88(51.1%)	81(46.3%)	4.3714	.71461
The SACCO forecast the future market in SACCO changing market	8(4.6%)	(%)	(%)	95(54.3%)	72(41.1%)	4.2743	.86713
SACCO board deploy competent human resource	(%)	(%)	(%)	146(83.4%)	29(16.6%)	4.0286	.76134
Aggregate Mean						**4.3187**	**0.8325**

The findings reveal that SACCOs exhibit strong proactiveness, as evidenced by efforts to enter new markets (mean of 3.9029), introduce new financial products (mean of 4.3714), form new partnerships (mean of 3.9429), and adopt new strategies in response to market changes (mean of 4.6571). These proactive measures are supported by strategic management, product innovation, and customer service improvements, which collectively contribute to growth. Studies by Devlin (2019) and Ademba (2021) support these findings, emphasizing that a proactive outlook and quick action are crucial for high revenues and competitive advantage. Additionally, pursuing differentiated marketing tools, low-cost strategies, and forecasting future market needs further enhance growth. The high mean scores (ranging from 4.0286 to 4.6571) across various items suggest that SACCOs' proactiveness significantly contributes to achieving growth goals. Moreover, efforts to improve financial product quality (mean of 4.6286), develop new financial features (mean of 4.5829), and enhance customer services (mean of 4.3714) demonstrate SACCOs' commitment to competitive advantage and customer satisfaction. The aggregate mean of 4.3187 indicates a strong consensus on the effectiveness of proactiveness in driving growth. Findings from other studies, such as those by Fadda (2019) and Ntwiga (2019), reinforce that higher levels of proactiveness lead to more sophisticated growth. These proactive strategies and their positive impacts are mirrored in various contexts, indicating that SACCOs' proactiveness is a critical factor in their growth and success.

4.1.2 Information Technology Capability

Extent information technology capability id Deployed in SACCOs as presented in Table 4.2

Table 4.2: Information Technology Capability

Information technology capability Statements	SD	D	N	A	SA	Mean	St Dev
The SACCO is able to provide integration IT functional needs and IT application so that the SACCO continue to operation effectively and efficiently in our business	(%)	8(4.6%)	(%)	28(16.0%)	139(79.4%)	4.3257	.55932

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There is IT strategy along with general business strategies in the SACCO	(%)	(%)	(%)	110(62.9%)	65(37.1%)	4.440	.58290
Staff of the SACCO are regularly training in the use if IT new tool, equipment and handwares	(%)	(%)	(%)	85(48.5%)	90(51.5%)	4.537	.58481
IT streaming in marketing intelligence is more efficient and effective to foster risk mitigation	(%)	(%)	(%)	73(41.7%)	102(58.3%)	4.377	.58284
The chief information officers are the key factor in driving change innovation and service enhancement, cost control and reduction in the SACCO	(%)	(%)	9(5.1%)	75(42.9%)	91(52%)	4.383	.57410
Internet services in the SACCO are fast and easy to use	(%)	(%)	(%)	100(57.2%)	75(42.8%)	4.531	.58515
Through adoption of information technology systems increase financial accessibility by customers	(%)	(%)	(%)	74(43.2%)	101(57.70%)	4.4686	.51515
Information Technology integration in out SACCO assist in communicate more often with customers	(%)	(%)	(%)	85(48.6%)	90(51.4%)	4.486	.72601
Customer are utilizing mobile apps to access credit facilities	(%)	(%)	0(0%)	74(42.3%)	101(57.7%)	4.406	.57832
The SACCO technology integration supports the decision-making process and enhance the promotion of banking services	(%)	0(0.0%)	0(0.0%)	79(45.1%)	96(54.9%)	4.703	.5496
The SACCO utilize IT customer relationship systems to foster its relationships with customers	(%)	(%)	0(0.0%)	44(25.2%)	131(74.9%)	4.5086	.58593
Use of ATM increase SACCO operation hours	(%)	(%)	(%)	78(44.6%)	97(55.4%)	4.6057	.71837
The SACCO merger and analysis data collected from various sources for each customer	(%)	(%)	(%)	53(30.3%)	122(69.7%)	4.6029	.54955
Aggregate Mean						**4.4904**	**0.591**

The findings indicate that SACCOs exhibit strong integration of IT capabilities to enhance operational efficiency and growth. Most respondents (79.4%) agreed that SACCOs are effectively integrating IT functional needs and applications, with a mean of 4.3257, highlighting the role of IT in improving business operations. Additionally, IT strategies aligned with business strategies (mean of 4.4400) and regular staff training in IT tools (mean of 4.5371) further demonstrate the importance of IT in driving growth. The use of IT in marketing intelligence for risk mitigation (mean of 4.3771) and the role of chief information officers in innovation and cost control (mean of 4.3829) underscore the significant impact of IT on enhancing SACCO operations. Moreover, the

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deployment of fast and user-friendly internet services (mean of 4.5314) and the adoption of IT systems to increase financial accessibility (mean of 4.4686) highlight the critical role of IT in improving service delivery and customer engagement. SACCOs utilize IT for communication (mean of 4.4857), decision-making support (mean of 4.7029), and customer relationship management (mean of 4.5086). Additionally, the use of ATMs to extend operational hours (mean of 4.6057) and the integration of data analysis for customer insights (mean of 4.6029) demonstrate the strategic advantage provided by IT. Overall, the high mean scores across various items indicate that SACCOs are leveraging IT capabilities to foster growth, enhance competitiveness, and improve customer satisfaction, with an aggregate mean of 4.4903. The study findings are supported by literature, emphasizing the importance of IT capabilities in achieving superior performance and competitive advantage.

4.1.3 Growth of SACCOs

The descriptive statistics for the growth indicator for the DT SACCOs as presented in table 4.3.

Table 4. 3: Descriptive Statistics for growth of SACCOs

Variable	Obs(n)	Total	Mean	Std.Dev.	Min	Max
Interest Income	880	2.219	0.739667	0.8209	0.301	0.523
Assets	880	14.009	2.7818	1.517169	1.304	4.338
Customers Deposits	880	13.163	2.6326	0.219339	1.964	2.969
Memberships	880	1158844	231769	901.955	164417	13241
		6.0640	(5.365)	(2.955)	(52159)	(41219)

The results in Table 4.3 reveal key financial trends for DT SACCOs between 2013 and 2022. Expense income averaged 2.219 billion Ksh, with a standard deviation of 0.8209. Interest income showed an increase during this period, with a minimum of 0.301 billion Ksh and a maximum of 0.523 billion Ksh. Total assets ; averaged 14.009 billion Ksh, fluctuating from a minimum of 1.304 to a maximum of 4.338 billion Ksh, and had a standard deviation of 1.517169. Customer deposits increased by an average of 2.6326 billion Ksh, with a standard deviation of 0.2199339, ranging from 1.964 to 2.969 billion Ksh. Membership grew by 5.365%, equating to 231,769 members, with a standard deviation of 2.955%, indicating a consistent increase. These findings highlight the positive impact of organizational learning capabilities and product innovation on the performance and growth of SACCOs, as noted by Gomes and Wojahn (2017) and Ngugi and Karina (2014)

4.5.7 Descriptive Statistics for Firm growth For SACCO in the last 10 years

The descriptive statistics results for the dependent variable; Firm growth For SACCO in the last 10 years was presented in table 4.4.

Table: 4.4 Firm growth For SACCO in the last 10 years

Financial growth	SD	D	N	A	SA	Mean	Std. Dev
Return on sales (profit/total sales).	(%)	(%)	(%)	86(49.1%)	(%)	4.4057	.57832
Membership in the DT-SACCO	(%)	(%)	(%)	94(53.7%)	81(46.3%)	4.5314	.72547
Asset base of DT- SACCO	(%)	(%)	(%)	116(66.3%)	59(34.7%)	4.4171	.72138
Return on assets (profit/total assets).	(%)	(%)	(%)	146(83.5%)	29(16.5%)	4.6514	.56598
Management efficiency	(%)	(%)	(%)	87(50.7%)	86(49.3%)	4.1657	.48063

The results from Table 4.4 indicate that entrepreneurial orientation significantly contributed to an increase in return on sales (profit/total sales) over the past 10 years, with a mean of 4.4057 and a standard deviation of 0.57832. This growth, measured through profitability and competitiveness,

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aligns with studies by Ramayah & Puspowarsito (2011) and Olson, Slatter, & Hult (2015), which show that firms that grow have twice the probability of survival compared to non-growing ones. Furthermore, the majority of respondents agreed that membership in DT-SACCOs increased significantly over the last decade (mean of 4.5314, standard deviation of 0.72547), linking SACCO evolution to increased profit and market share, as supported by Venter, Rwigema & Urban (2018). Additionally, the asset base of DT-SACCOs showed significant growth (mean of 4.471, standard deviation of 0.72138), with findings supported by Misati et al. (2015), indicating that efforts towards profitability improvement were effective. The return on assets (profit/total assets) also saw a notable increase (mean of 4.6514, standard deviation of 0.56598). Management efficiency improved significantly (mean of 4.1657, standard deviation of 0.48063), in line with findings by Gomes & Wojahn (2017). Overall, the study highlights the pivotal role of entrepreneurial orientation in enhancing financial performance, asset growth, and management efficiency, contributing to the overall growth and competitiveness of SACCOs.

4.2 Inferential Statistics

4.2.1 Relationship between Organizational Pro-activeness and growth of deposit taking SACCOs in Kenya

The study sought to determine the influence of pro-activeness on growth of DTSACCOs in Kenya. In seeking to achieve the objective, the study tested the first hypothesis which was: There is no significant relationship between Organizational Pro-activeness and growth of deposit taking SACCOs in Kenya. This was tested using a partial regression model

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

Table 4.5: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845[a]	.715	.713	1.11168

a. Predictors: (Constant), Organizational Pro-activeness

R is the square root of R-Squared and is the correlation between the observed and predicted values of dependent variable implying that the association of 0.845 between Organizational Pro-activeness and growth of DTSACCOs in Kenya. R-Squared is 0.715 indicated that there existed variation or correlation between pro-activeness and growth of DTSACCOs in Kenya. Adjusted R^2 is called the coefficient of determination which indicates how growth of DTSACCOs vary due to variation in pro-activeness. From table above, the value of adjusted R^2 is 0. 715. The model summary results in Table 4.12 shows R^2 is 0.715, Std Error= 1.11168 indicating that there was a significant variation at 71.4% between growth of SACCOs and Organizational Pro-activeness deployed by the SACCOs in an effort to achieve ROA, ROE, customer base and management efficiency.

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ANOVA Results

The results in Table 4.6 presents results on goodness of fit of the regression model.

Table 4.6: ANOVA Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	679.890	1	679.890	1705.267	.000b
	Residual	68.967	173	.3987		
	Total	748.857	174			

Independent Variables: (Constant), pro-activeness

Dependent Variable: Growth of DTSACCOs

These results in Table 4.6 indicate that the model had an F-ratio of 1705.267, P=0.000<0.05. This result ascertains the regression model, $\mathbf{Y = \beta_0 + \beta_1 X_1 + \varepsilon}$ adopted by the study had a significant goodness of fit as F=1705.267 and far exceeds the critical F-statistic from an F-distribution table (F-critical), it indicates that the null hypothesis should be rejected. This means the observed variance between groups is highly unlikely to be due to random chance and PV=0.000<0.05.

Beta Regression Coefficients

The results on Table 4.7 shows the regression coefficients analysis

Table 4.7: Beta Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	11.717	.509		22.999	.000
pro-activeness	.218	.010	.845	20.808	.000

Independent Variables: (Constant), Organizational Pro-activeness

Dependent Variable: Growth of DTSACCOs

The resultant univariate regression model took the form:

$$\mathbf{Y=11.717+0.218X_1+ę.}$$

The regression results also indicated that predictor Organizational Pro-activeness had a significant, positive relationship with growth of SACCOs as β_2 = 0.218, PV=0.0000, t= 20.808. This clearly indicated that an increase in SACCOs' proactiveness as entrepreneurial orientation would lead to increase in growth of DTSACCOs by 0. 218. Therefore, the condition H_0: $\beta_2=0$, H_2: $\beta_2 \neq 0$ where the coefficient of proactiveness in DTSACCOs is not zero, P= 0.000< 0.05 therefore the study rejects the null hypothesis and accepted the alternative hypothesis accepted that; $\beta_{2\neq}$ 0, which implies that DTSACCOs proactiveness has a significant and positive relationship with growth of DTSACCOs in Kenya.

4.2.2 Model Summary of moderating role of information technology capability in the relationship between organizational proactiveness and the growth of deposit-taking SACCOs in Kenya

The regression analysis demonstrated strong predictive power for both models in explaining the growth of DTSACCOs. In Model 1, the coefficient of determination (R^2=0.715) indicated that

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71.5% of the variance in growth was explained by Organizational Proactiveness alone, with an adjusted R^2=0.713accounting for model complexity. The standard error of the estimate (1.1117) suggested a reasonably accurate prediction. These findings aligned with prior studies that identified proactiveness as a critical factor in driving organizational growth by enabling firms to anticipate and respond to market opportunities (Lumpkin & Dess, 1996). Model 2, which incorporated the interaction between Organizational Proactiveness and IT Capability, demonstrated a substantial improvement. The R^2 increased to 0.915, showing that 91.5% of the variance was explained, with an adjusted R^2=0.912 confirming a superior model fit. The reduced standard error (0.61484) indicated higher predictive accuracy. This result supported literature emphasizing the synergistic role of IT capability in enhancing organizational strategies, such as proactiveness, to drive performance in competitive environments (Teece et al., 1997; Zahra & Covin, 1995). These findings highlighted the importance of integrating IT capabilities with proactive approaches for sustained growth in DTSACCOs.

Table 4.8: Moderating effect Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845a	.715	.713	1.1117
2	.956[a]	.915	.912	.61484

a. Predictors: (Constant), Organizational Proactiveness,
b. Predictors: (Constant), Organizational Proactiveness, *Information technology Capability
c. Dependent: Growth of DTSACCOs

ANOVA Analysis

The ANOVA finding further revealed that at 95% confidence level, the variables produce statistically significant values and can be relied upon to explain the moderating effect of Information technology capability on the relationship between Organizational Proactiveness and growth of DTSACCOs, Kenya.

Table 4.9: ANOVA Analysis for Moderating Effect

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	679.890	1	679.890	1705.267	.000b
	Residual	68.967	173	.3987		
	Total	748.857	174			
2	Regression	684.970	2	342.485	922.146	.000[b]
	Residual	63.887	172	.3714		
	Total	748.857	174			

a. Predictors: (Constant), Organizational Innovation, Proactiveness,
b. Predictors :(Constant), Organizational Innovation, Proactiveness *Information technology Capability

The results of the regression analysis revealed that both models significantly explained the variance in the dependent variable, supporting the predictive utility of organizational innovation, proactiveness, and their interaction with information technology capability. In Model 1, the regression sum of squares (679.890, df=1) and residual sum of squares (68.967, df=173) demonstrated a strong fit, with an F-statistic of 1705.267 (p<.001). The significant results highlighted the importance of organizational innovation and proactiveness as predictors, consistent

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with earlier findings that these factors are critical for enhancing organizational performance and adaptability (Lumpkin & Dess, 1996).

In Model 2, the introduction of an interaction term (Proactiveness × Information Technology Capability) further improved the model's explanatory power. The regression sums of squares increased to 684.970, and the residual sum of squares decreased to 63.887. The F-statistic rose to 922.146 ($p<.001$), indicating that the inclusion of the interaction term significantly enhanced the model fit. These results suggested that information technology capability amplified the effect of proactiveness on the outcome variable, corroborating prior research on the synergistic effects of technological resources and entrepreneurial strategies (Zahra & Covin, 1995; Teece et al., 1997).

Overall, the findings underscored the pivotal role of integrating technological capabilities into strategic organizational frameworks for achieving competitive advantage and superior performance.

Table 4.10: Beta Coefficients of Moderating Effect of IT Capability on Organizational Pro-activeness and growth of deposit taking SACCOs in Kenya

Coefficients a Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.717	.509		22.999	.000
	Organizational Proactiveness	.218	.010	.845	20.808	.000
2	(Constant)	3.888	1.063		3.659	.000
	Organizational Innovation	.285	.042	.643	6.758	.000
	*IT Capability	.090	.025	.244	3.666	.000
b. Growth of DTSACCOs						

The regression coefficients provided insights into the predictors of growth in DTSACCOs. In Model 1, Organizational Proactiveness was shown to have a significant positive impact on growth, with an unstandardized coefficient $B=0.218$ ($t=20.808$, $p<.001$). The standardized coefficient $\beta=0.845$ indicated that proactiveness explained a substantial portion of the variance in growth. This result suggested that organizations adopting proactive strategies, such as anticipating market trends and acting ahead of competitors, experienced enhanced growth, aligning with prior research emphasizing proactiveness as a critical dimension of entrepreneurial orientation (Lumpkin & Dess, 1996).

Model 2 expanded the analysis by incorporating Organizational Innovation and its interaction with IT Capability. Organizational Innovation had a significant positive effect ($B=0.285, t=6.758, p<.001$), with a high standardized coefficient ($\beta=0.643$), highlighting its centrality in driving growth. IT Capability further amplified growth, with $B=0.090$ ($t=3.666$, $p<.001$) and $\beta=0.244$, suggesting a moderating role. These findings aligned with literature on dynamic capabilities, which posits that innovation and IT resources synergistically enhance organizational performance in dynamic environments (Teece et al., 1997). Together, the results underscored the importance of fostering proactiveness, innovation, and technological integration to sustain competitive advantage and growth in DTSACCOs.

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5.0 CONCLUSION OF THE STUDY

This study offers a comprehensive analysis of the interplay between organizational proactiveness IT capabilities, and the growth of deposit-taking SACCOs in Kenya. The findings indicate that SACCOs exhibit strong proactiveness, significantly contributing to market expansion, product innovation, partnership formation, and strategic adaptation. The integration of IT capabilities has been shown to enhance these proactive strategies, providing SACCOs with the tools to better anticipate market trends, manage risks, and improve operational efficiency. The study concluded that proactiveness contribute significantly to growth of Deposit Taking SACCOs in Kenya. Through pro-activeness in DTSACCOs in Kenya lead to increase in their growth. The study revealed that DTSACCOs embraced entrepreneurial orientation through proactiveness to improve market share through entering new market, introducing new financial products to the emerging markets and forming new partners to gain from new opportunity, collaborating effectively with both the internal and external environments and maintaining implementation of the new processes or new products. Further, descriptive results revealed that through proactiveness, SACCOs were forecasting the future market in SACCO changing market as SACCO's ability to forecast future market needs provides it with an avenue for implementing necessary changes that can help it gain a competitive advantage in the market and deployment of competent human resource to provide quality financial product and services.

6.0 RECOMMENDATIONS OD THE STUDY

The study recommend that measures should be undertaken to enhance proactiveness in SACCOs to contribute significantly to growth of Deposit Taking SACCOs in Kenya. Adoption of pro-activeness in DTSACCOs in Kenya will lead to increase in growth of DTSaccos. The study revealed that DTSACCO embraced entrepreneurial orientation through proactiveness and thus improving their market share by entering new market, introducing new financial products to the emerging markets and forming new partners to gain from new opportunity, collaborating effectively with both the internal and external environments and maintaining implementation of the new processes or new products. Adoption of new strategies in response to market change, striving to improve financial product quality to gain competitive advantage while pursuing differentiated marketing tools, and differentiated marketing instruments. This will lead to attraction of more customers, improvement of sales volumes through awareness of products and services hence boosting customer base, leading to an increase of financial returns. Based on the findings and limitations of this study, further research can be conducted to explore is longitudinal studies**,** which would allow for the examination of changes and developments in organizational proactiveness and IT capabilities over time, providing a deeper understanding of their impact on growth. Additionally, cross-country comparisons could offer valuable insights into how different regulatory environments, market conditions, and cultural factors influence the relationship between organizational proactiveness, IT capabilities, and growth.

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