Member Engagement and Governance Practices in Credit Cooperatives: An Investigation of their Impact on Financial Performance in South-South Nigeria

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Abstract
This study examines member engagement and governance practices in credit cooperatives: an investigation of their impact on financial performance in south-south Nigeria. Through a mixed-methods approach involving surveys and interviews, the study aims to provide insights into the factors influencing the effectiveness and sustainability of credit cooperatives in the region. The study finds that credit cooperatives exhibit moderate to high levels of member engagement, indicating a strong commitment and active participation among members. Effective governance practices, including transparency and accountability, are prevalent within credit cooperatives, although variations exist across different organizations. Financial performance analysis reveals favorable outcomes, with credit cooperatives achieving their financial objectives and contributing to economic empowerment. Furthermore, the study identifies strong positive correlations between member engagement, governance practices, and financial performance. Higher levels of member engagement are associated with increased transparency, accountability, and improved financial performance. Effective governance practices, characterized by greater transparency and accountability, are positively correlated with enhanced financial outcomes. Based on these findings, recommendations are provided to enhance member engagement, strengthen governance practices, and improve financial performance within credit cooperatives. These recommendations include fostering greater member participation, investing in capacity-building programs, and diversifying revenue streams. Hence, this study contributes to the understanding of cooperative management and provides practical insights for policymakers, regulators, and cooperative stakeholders to support the sustainable growth of credit cooperatives in Nigeria and beyond.

Keywords*: Member Engagement, Governance Practices, Credit Cooperatives, Financial Performance.*

Introduction

Credit cooperatives play a vital role in fostering financial inclusion and economic development, particularly in regions like South-South Nigeria, where access to traditional banking services may be limited. These cooperatives, formed by members with a common bond, offer financial services such as savings, loans, and other financial products tailored to meet the needs of their members (Alkali, et al., 2018).

Member engagement and governance practices within credit cooperatives are crucial factors that influence their overall effectiveness and sustainability. Member engagement refers to the active involvement and participation of members in the cooperative's activities, decision-making processes, and governance structures. On the other hand, governance practices encompass the policies, procedures, and mechanisms put in place to ensure effective leadership, accountability, transparency, and sound management of the cooperative's affairs (Gitonga & Miano, 2020).

Despite the significance of member engagement and governance practices, there is a gap in understanding their impact on the financial performance of credit cooperatives, particularly in the context of South-South Nigeria. While some studies have explored these issues in other regions or sectors, there is a need for empirical research specifically focusing on credit cooperatives in this region to provide insights into the unique challenges and opportunities they face.

Understanding the influence of member engagement and governance practices on the financial performance of credit cooperatives in South-South Nigeria is essential for several reasons. Firstly, it can help identify areas where improvements are needed to enhance the cooperatives' efficiency, effectiveness, and sustainability. Secondly, it can inform policymakers, regulators, and stakeholders about the importance of fostering a conducive environment for cooperative development and ensuring appropriate regulatory frameworks are in place. Finally, it can contribute to the existing body of knowledge on cooperative economics and management, thereby facilitating informed decision-making and best practices in the sector (Anania, 2021).

Against this backdrop, this study seeks to investigate the relationship between member engagement, governance practices, and financial performance in credit cooperatives operating in South-South Nigeria. By examining these factors and their interplay, the study aims to provide valuable insights that can guide policymakers, practitioners, and researchers in enhancing the overall performance and impact of credit cooperatives in the region.

Statement of the Problem

Credit cooperatives in South-South Nigeria would ideally exhibit high levels of member engagement and adhere to robust governance practices. Members would actively participate in cooperative activities, decision-making processes, and governance structures. Governance practices would be characterized by transparency, accountability, effective leadership, and sound management, ensuring the efficient and sustainable operation of the cooperatives. In this ideal state, credit cooperatives would experience optimal financial performance, contributing significantly to the financial inclusion and economic development of the region.

However, the reality often falls short of this ideal. Credit cooperatives in South-South Nigeria face several challenges related to member engagement and governance practices, which ultimately affect their financial performance.

Many credit cooperatives struggle to foster active member participation and involvement in cooperative activities and decision-making processes. Members may lack awareness, interest, or incentives to engage actively, leading to a disconnect between the cooperative's leadership and its members.

Governance structures within credit cooperatives may be inadequate or poorly implemented, leading to issues such as lack of transparency, weak accountability mechanisms, ineffective leadership, and poor management practices. This can result in mismanagement of resources, conflicts of interest, and a lack of strategic direction, undermining the overall effectiveness and sustainability of the cooperatives.

If these problems persist and remain unresolved, several negative consequences may ensue. Weak member engagement and governance practices can lead to financial mismanagement, inefficiencies, and operational challenges within credit cooperatives. This, in turn, can jeopardize their financial stability and sustainability, posing risks to the savings and investments of their members.

Persistent issues related to member engagement and governance can erode trust and confidence among members, stakeholders, and the wider community. A lack of transparency, accountability, and effective leadership may tarnish the reputation of credit cooperatives, making it difficult to attract and retain members and investors.

Credit cooperatives play a vital role in promoting financial inclusion, supporting entrepreneurship, and fostering economic development, particularly in underserved communities. However, if the problems of low member engagement and weak governance persist, the socio-economic impact of these cooperatives may be diminished, hindering efforts to alleviate poverty and promote inclusive growth in South-South Nigeria.

In light of these potential consequences, addressing the challenges related to member engagement and governance practices within credit cooperatives is imperative to ensure their long-term viability and positive socio-economic impact in the region.

Objectives of the Study

The main objectives of the study is on member engagement and governance practices in credit cooperatives: an investigation of their impact on financial performance in south-south Nigeria. The specific objectives of the study are:

i. To assess the level of member engagement within credit cooperatives in South-South Nigeria, including factors influencing member participation, attitudes towards cooperative activities, and the extent of involvement in decision-making processes.
ii. To evaluate the governance practices implemented by credit cooperatives in the region, examining aspects such as transparency, accountability, leadership effectiveness, and adherence to regulatory frameworks, and identifying areas for improvement.
iii. To examine the relationship between member engagement, governance practices, and financial performance in credit cooperatives operating in South-South Nigeria, analyzing indicators such as profitability, asset quality, liquidity, and efficiency, and identifying any significant correlations or causal relationships between these variables.

Research Questions

The study will provide answers to the following research questions:

i. What are the factors influencing member engagement within credit cooperatives in South-South Nigeria, and how do these factors impact member participation, attitudes towards cooperative activities, and involvement in decision-making processes?

ii. What governance practices are currently implemented by credit cooperatives in South-South Nigeria, and to what extent do these practices adhere to principles of transparency, accountability, effective leadership, and regulatory compliance?

iii. What is the nature of the relationship between member engagement, governance practices, and financial performance in credit cooperatives operating in South-South Nigeria?

Statement of Hypotheses

The following hypotheses in null form (H_0) will guide the study:

H_{01}: There is no significant relationship between the factors influencing member engagement within credit cooperatives in South-South Nigeria and member participation, attitudes towards cooperative activities, and involvement in decision-making processes.

H_{02}: Governance practices implemented by credit cooperatives in South-South Nigeria do not significantly adhere to principles of transparency, accountability, effective leadership, and regulatory compliance.

H_{03}: There is no significant correlation between levels of member engagement, quality of governance practices, and key financial indicators (such as profitability, asset quality, liquidity, and efficiency) within credit cooperatives operating in South-South Nigeria.

Scope of the Study

The scope of the study encompasses credit cooperatives operating within the geographical region of South-South Nigeria. Specifically, the study will focus on investigating member engagement and governance practices within these cooperatives and their influence on financial performance.

The study will include an examination of factors influencing member engagement, such as participation in cooperative activities, attitudes towards cooperative principles, and involvement in decision-making processes. It will also assess the governance practices implemented by credit cooperatives, including transparency, accountability, leadership effectiveness, and adherence to regulatory frameworks.

Financial performance indicators, such as profitability, asset quality, liquidity, and efficiency, will be analyzed to evaluate the impact of member engagement and governance practices on the overall financial health of credit cooperatives in the region.

Significance of the Study

The significance of the study lies in its potential to benefit various individuals, institutions, and stakeholders involved in the credit cooperative sector in South-South Nigeria. These include:

Credit Cooperative Members: Members of credit cooperatives stand to benefit from the study as it aims to enhance their understanding of the importance of active engagement and participation in cooperative activities. By identifying factors that influence member engagement and governance practices, the study can empower members to advocate for improvements within their cooperatives, leading to better services and outcomes for all members.

Cooperative Leadership and Management: Managers, board members, and other leaders of credit cooperatives can benefit from the study by gaining insights into effective governance practices and strategies for enhancing member engagement. The findings can help them identify areas for improvement in governance structures, leadership effectiveness, and member communication, ultimately leading to more efficient and sustainable cooperative operations.

Policymakers and Regulators: Policymakers and regulatory authorities responsible for overseeing the cooperative sector can benefit from the study's findings to inform policy formulation and regulatory frameworks. By understanding the challenges and opportunities faced by credit cooperatives in South-South Nigeria, policymakers can enact measures to support the sector's development, promote good governance practices, and ensure the protection of members' interests.

Researchers and Academics: Researchers and academics interested in cooperative economics, governance, and development can use the study's findings to contribute to the existing body of knowledge in this field. The empirical evidence generated by the study can serve as a basis for further research, comparative studies, and theoretical advancements in cooperative theory and practice.

Development Organizations and NGOs: Development organizations and non-governmental organizations (NGOs) working to promote financial inclusion and economic development in South-South Nigeria can benefit from the study's insights into the role of credit cooperatives in community empowerment. The findings can inform the design and implementation of programs aimed at strengthening cooperative institutions, improving member livelihoods, and fostering sustainable development outcomes.

Conceptual Review

Member engagement within Credit Cooperatives

Member engagement serves as the cornerstone of cooperative success, fostering a sense of ownership, empowerment, and collective responsibility among members. Within the context of credit cooperatives, which operate on principles of self-help and mutual assistance, active member engagement is essential for ensuring the effective functioning and sustainability of these organizations.

However, the level of member engagement within credit cooperatives in South-South Nigeria is influenced by various factors that shape member participation, attitudes towards cooperative activities, and the extent of involvement in decision-making processes. Understanding these factors is crucial for assessing and improving member engagement within the cooperatives.

One of the primary factors influencing member participation is the level of awareness and understanding of cooperative principles and benefits (Anania, 2021). Members who have a clear understanding of the purpose and advantages of credit cooperatives are more likely to actively engage in cooperative activities. Lack of awareness or misconceptions about the cooperative model may hinder member involvement (Odhiambo, 2012).

Another significant factor is the perceived value and relevance of cooperative activities to the members' financial and social needs. When credit cooperatives offer services and benefits that align with members' requirements, such as affordable credit, savings opportunities, or business support, it enhances member engagement. Members are more likely to participate when they see tangible benefits and believe that the cooperative meets their specific needs (Dayanandan & Huka, 2019).

Attitudes towards cooperative activities also play a role in member engagement. Positive attitudes, such as trust in the cooperative's leadership, satisfaction with previous cooperative experiences, and a sense of belonging to the cooperative community, can motivate members to actively participate. On the other hand, negative attitudes, such as distrust, perceived unfairness, or a lack of perceived benefits, may lead to disengagement or reduced involvement.

The extent of involvement in decision-making processes is another critical aspect of member engagement. When members have opportunities to contribute their ideas, opinions, and perspectives in shaping cooperative policies, procedures, and strategic directions, they feel a sense of ownership and are more likely to actively engage. In contrast, a lack of meaningful participation in decision-making can lead to disengagement and feelings of exclusion among members.

The leadership and communication practices within credit cooperatives also influence member engagement. Effective and transparent communication channels that keep members informed and engaged in the cooperative's activities and decision-making processes foster a sense of involvement and trust. Additionally, cooperative leaders who demonstrate a participatory and inclusive leadership style, actively seeking and valuing member input, can enhance member engagement.

Furthermore, external factors such as the socio-cultural context and economic conditions can impact member engagement within credit cooperatives. Socio-cultural norms, values, and traditions may shape members' attitudes towards cooperative participation. Economic factors, including income levels and financial stability, can influence the extent of members' involvement in cooperative activities.

To enhance member engagement within credit cooperatives in South-South Nigeria, it is essential to address these factors. Strategies may include conducting awareness campaigns to educate potential members about cooperative principles and benefits, aligning cooperative services with members' needs, fostering a positive cooperative culture, promoting transparent communication, and actively involving members in decision-making processes. By addressing these factors, credit cooperatives can create an environment that encourages and sustains high levels of member engagement, leading to the overall success and impact of the cooperatives in the region.

Evaluating Governance Practices within Credit Cooperatives

Governance practices within credit cooperatives play a crucial role in shaping their operations, decision-making processes, and overall performance. Effective governance ensures that cooperatives operate in a transparent, accountable, and ethical manner, thereby safeguarding the interests of members and promoting the long-term sustainability of the organization (Diminah et al., 2018).

Evaluating the governance practices implemented within credit cooperatives operating in the South-South region of Nigeria is crucial for ensuring effective and sustainable operations. Robust governance is essential for maintaining transparency, accountability, and sound management, which are key factors in the success of credit cooperatives. In evaluating governance practices, several aspects need to be considered (Gitonga & Miano, 2020).

One aspect of evaluating governance practices is assessing the clarity and effectiveness of the cooperative's governance structure. This includes examining the cooperative's constitution and bylaws, which outline the roles, responsibilities, and decision-making processes of various governing bodies such as the board of directors, committees, and general assembly. An evaluation should determine if the governance structure is well-defined, understood by all stakeholders, and aligns with cooperative principles and best practices (Atty et al., 2018).

Transparency is a critical element of good governance. Evaluating transparency involves assessing the cooperative's practices in providing timely and accurate information to its members. This includes financial reporting, disclosure of key decisions, and access to relevant documents. Transparency ensures that members are well-informed about the cooperative's operations, financial health, and any potential risks or challenges it may face.

Accountability is another important aspect to evaluate. This involves examining whether mechanisms are in place to hold cooperative leaders and managers accountable for their actions (Drona & Walsh, 2018). An evaluation should assess the cooperative's internal control systems, including financial management practices, risk management procedures, and mechanisms for addressing conflicts of interest. Additionally, the evaluation should consider the extent to which cooperative leaders and managers are held accountable by members and external stakeholders (Khafid & Nurlaili, 2017).

The effectiveness of leadership within credit cooperatives is a significant factor to evaluate. This includes assessing the competencies, qualifications, and ethical conduct of cooperative leaders. Evaluators should examine the leadership's ability to provide strategic direction, promote member engagement, and foster a cooperative culture. Effective leadership is essential for ensuring the cooperative's vision and goals are aligned with the needs and aspirations of its members (Lemmi & Nakkiran, 2019).

Sound management practices are also crucial for evaluating governance within credit cooperatives. This involves assessing the cooperative's operational efficiency, risk management strategies, and decision-making processes (Hammond & Luiz, 2016). Evaluators should examine if the cooperative has clear policies and procedures in place for loan management, risk assessment, and internal controls. Additionally, the evaluation should consider the cooperative's ability to adapt to changing market conditions and effectively manage its resources (Mmari, 2019).

In evaluating governance practices, it is important to consider the cooperative's compliance with legal and regulatory requirements (Melak et al., 2018). This includes assessing if the cooperative operates within the framework set by relevant authorities and adheres to reporting obligations. Evaluators should also examine the cooperative's engagement with regulatory bodies and its commitment to upholding ethical standards and industry best practices. To conduct a comprehensive evaluation of governance practices, a combination of methods can be employed. This may include reviewing relevant documents such as the cooperative's bylaws and financial reports, conducting interviews with cooperative leaders, members, and external stakeholders, and benchmarking against recognized governance standards and guidelines. Hence, evaluating the governance practices implemented within credit cooperatives in the South-South region of Nigeria is essential for identifying areas of strength and areas that require improvement. By conducting thorough evaluations, credit cooperatives can enhance their governance practices, strengthen member trust, and ensure the long-term viability and positive impact of the cooperatives in the region.

Relationship between Member Engagement, Governance Practices, and Financial Performance in Credit Cooperatives

The relationship between member engagement, governance practices, and financial performance in credit cooperatives is crucial for understanding the factors that contribute to the success and sustainability of these cooperatives (Azis et al., 2018). Member engagement and effective governance practices play significant roles in influencing the financial performance of credit cooperatives.

Member engagement refers to the active participation and involvement of members in cooperative activities, decision-making processes, and governance structures. When members are engaged, they contribute their time, skills, and resources to the cooperative, which can have a positive impact on its financial performance in several ways (Hafizah et al., 2016).

Firstly, member engagement fosters a sense of ownership and commitment among the members. When members feel a strong connection to the cooperative and perceive it as their own, they are more likely to support its financial success. Engaged members may increase their savings, make regular loan repayments, and actively promote the cooperative among their networks, leading to improved financial performance (Hammad et al., 2016).

Furthermore, engaged members can contribute valuable insights and ideas to the cooperative's decision-making processes. Their active participation in strategic discussions and governance structures can result in more informed and effective decision-making, leading to better financial outcomes. Engaged members may also provide feedback on the cooperative's products and services, enabling the cooperative to adapt and meet the evolving needs of its members, which can positively impact financial performance (Oseni & Sanni, 2016).

Effective governance practices complement member engagement by providing a framework for transparency, accountability, and sound management within credit cooperatives. Governance practices encompass the structures, processes, and behaviors that guide the cooperative's operations and decision-making. When governance practices are robust, they can positively influence financial performance in several ways (Oyerogba et al., 2017).

Transparency and accountability are fundamental components of good governance. Transparent practices, such as timely financial reporting and disclosure of key decisions, build trust among members and external stakeholders. When members have confidence in the cooperative's operations and financial management, they are more likely to engage actively and make financial investments, which can contribute to improved financial performance (Uzonwanne, 2015).

Accountability mechanisms within governance practices ensure that cooperative leaders and managers are held responsible for their actions. When leaders are accountable for their decisions and performance, it promotes responsible management of financial resources and reduces the risk of mismanagement or misconduct. Effective governance practices also help mitigate conflicts of interest, ensuring that decision-making is driven by the best interests of the cooperative and its members.

Additionally, sound management practices supported by good governance contribute to financial performance. Effective management practices, including strategic planning, risk management, and efficient resource allocation, enhance the cooperative's operational efficiency and financial sustainability. By implementing effective governance practices, credit cooperatives can establish strong managerial systems that optimize financial performance and mitigate potential risks.

The relationship between member engagement, governance practices, and financial performance in credit cooperatives is reciprocal. Engaged members are more likely to support and advocate for effective governance practices, while good governance practices create an environment conducive to member engagement. This symbiotic relationship fosters a cycle of positive outcomes, leading to improved financial performance in credit cooperatives.

It is important to note that the relationship between member engagement, governance practices, and financial performance may vary based on the specific context and characteristics of each credit cooperative. Factors such as the size of the cooperative, the socio-economic conditions of the community it serves, and the regulatory environment can influence the strength and nature of this relationship.

Hence, member engagement and effective governance practices are integral to the financial performance of credit cooperatives. Engaged members contribute to the financial success of the cooperative through increased participation, support, and valuable insights. Meanwhile, good governance practices ensure transparency, accountability, and sound management, which enhance financial performance. By fostering a positive relationship between member engagement and governance practices, credit cooperatives can achieve sustainable financial success and effectively serve the needs of their members and communities.

Theoretical Framework

This study is theoretically underpinned on stakeholder theory.

The Stakeholder Theory posits that organizations should consider the interests of all stakeholders, including members, employees, customers, suppliers, and the community, rather than solely focusing on maximizing shareholder value. This theory is highly relevant to the study as it provides a framework for understanding the relationships between various stakeholders within credit cooperatives and how their interests influence organizational behavior and outcomes.

Stakeholder Theory emphasizes the importance of member engagement and effective governance practices in credit cooperatives by recognizing members as primary stakeholders whose interests should be prioritized. According to this theory, credit cooperatives have a responsibility to create value not only for their members but also for other stakeholders, such as employees, regulators, and the wider community.

Member engagement is central to Stakeholder Theory as it highlights the importance of fostering meaningful relationships and interactions between credit cooperatives and their members. Engaged members are more likely to actively participate in cooperative activities, contribute to decision-making processes, and advocate for the cooperative's interests. By prioritizing member engagement, credit cooperatives can build trust, loyalty, and commitment among their members, leading to improved organizational performance and sustainability.

Furthermore, Stakeholder Theory underscores the significance of effective governance practices in ensuring accountability, transparency, and stakeholder participation within credit cooperatives. Governance mechanisms such as democratic decision-making structures, clear communication channels, and robust oversight mechanisms are essential for aligning the interests of members with the goals and objectives of the cooperative. By adhering to principles of good governance, credit cooperatives can enhance stakeholder trust, mitigate risks, and promote long-term value creation.

In summary, Stakeholder Theory provides a theoretical foundation for understanding the importance of member engagement and governance practices within credit cooperatives. By recognizing members as primary stakeholders and emphasizing the need for stakeholder-oriented decision-making, this theory highlights the relevance of the study in exploring the relationships between member engagement, governance practices, and financial performance within credit cooperatives operating in South-South Nigeria.

Empirical Review

Dzingai and Fakoya (2017) conducted a panel data analysis to investigate the effect of corporate governance structure on the financial performance of listed mining firms in South Africa. Their study, titled "Effect of Corporate Governance Structure on the Financial Performance of Johannesburg Stock Exchange (JSE)-Listed Mining Firms," revealed a weak negative correlation between Return on Equity (ROE) and board size, as well as a weak but positive correlation between ROE and board independence. Additionally, they found a positive but weak correlation between ROE and sales growth, and a negative and weak relationship between ROE and firm size.

Sathyamoorthi, Baliyan, Dzimiri, and Wally-Dima (2017) examined the impact of corporate governance on financial performance within the consumer services sector in Botswana. Titled "The Impact of Corporate Governance on Financial Performance: The Case of Listed Companies in the Consumer Services Sector in Botswana," their research employed Return on Assets (ROA) as the dependent variable to measure profitability. They considered board size, gender diversity, male-female representation on the board, composition of executive and non-executive directorship, number of sub-committees, and frequency of board meetings as independent variables. Their findings revealed significant positive relationships between board size and the number of male board members, as well as between board size and the number of non-executive directors. Moreover, they identified significant positive relationships between the number of non-executive members and the number of male board members. Conversely, negative significant relationships were observed between male board representation and female board representation, as well as between the number of executives and gender diversity. Furthermore, ROA exhibited a strong negative relationship with the number of sub-committees.

Dopico and Rogers (2017) carried out a research on non-cooperative members categorized as net borrowers may experience lower loan approval rates, higher loan interest rates, and potentially elevated interest rates on deposits for existing credit union members. They argued that if non-financial cooperatives become substantial net borrowers within individual credit unions, it could have varied effects across credit unions and subsets of current credit union members. It's emphasized that net borrowers should not control resources to the detriment of net savers.

Nwankwo, Ogbodo, and Ewuim (2016) did a study on examining how the age and size of a cooperative society affect financial performance, it was discovered that age and size are positively correlated with financial performance. The research utilized questionnaires as the main instrument, employing descriptive statistics such as means, tables, and frequency counts, alongside inferential statistics including correlation and regression analyses to test formulated hypotheses.

Rebelo, Leal, and Teixeira (2017) conducted a study titled "Management and Financial Performance of Agricultural Cooperatives: A Case of Portuguese Olive Oil Cooperatives," utilizing financial assessment and a multi-criteria approach (PROMETHEE II) as the methodology. Their findings suggested that the presence of professional management does not necessarily lead to improved financial performance. This underscores the notion that differently structured cooperatives may have conflicting stakeholder interests. Ultimately, the primary objective of a cooperative society is the economic development of its shareholder-owners.

Methodology

Research Design

The study will make use of survey research design. This approach allows for a comprehensive examination of member engagement, governance practices, and financial performance within credit cooperatives, providing both numerical data and rich insights from participants.

Population of the Study

The population of interest comprises One Thousand Six Hundred (1600) credit cooperative members, leaders, managers, and relevant stakeholders operating in the South-South region of Nigeria.

Sample Size

The sample size is 320 respondents. It was determined using the Taro Yamane formula below:

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

Where n = the sample size

N = represents the population

E = represents the margin of error

L = constant

For the purpose of this study, N will be equal to 1600; e will be assumed to be 5%. Therefore, the sample size of this research work will be:

$$N = \frac{1600}{1 + 1600(0.05)^2}$$

$$N = \frac{1600}{1 + 1600 \text{ x } 0.0025}$$

$$N = \frac{1600}{1 + 4}$$

$$N = \frac{1600}{5}$$

$$N = 320$$

Sampling Technique

The study adopted a stratified sampling technique to ensure the sample represents the desired characteristics or representation from various credit cooperatives and demographic groups. This choice was made due to its convenience and the fact that it aligns with the researcher's specific goals. By utilizing stratified sampling, the researcher can gather the information needed to fulfill the study's objectives effectively.

Instrument of Data Collection

The study used questionnaire as the major research instrument.

Method of Data Collection

This research utilizes both primary and secondary methods of data collection to gather information.

Methods of Data Analysis

This study employed both descriptive statistics and correlation analysis as its statistical methodologies. Descriptive statistics were used to summarize and visually represent the main characteristics of the variables under investigation. This process involved calculating measures such as means, standard deviations, frequencies, and percentages to provide a comprehensive overview of the central tendencies, variabilities, and distributions within the dataset.

In contrast, correlation analysis was employed to explore the relationships between the variables. Specifically, correlation coefficients, including Pearson's correlation coefficient, were computed to determine the strength and direction of associations among the variables of interest. The significance of these correlations was assessed to determine whether the observed relationships were statistically significant or merely chance occurrences.

Results

Table 1: Descriptive statistics on Assessing Member Engagement

Variable	Mean	Median	Standard Deviation
Age	39.6	38	5.87
Participation Score	6.8	7	0.8

Source: Field Survey, 2024

Table 1 above depicts assessment of the cooperative member engagement. The average age of credit cooperative members in the sample is approximately 39.6 years, with a median age of 38 years. The standard deviation of 5.87 suggests that the ages are relatively spread out from the mean. The average participation score, measured on a scale of 1 to 10, is 6.8, with a median of 7. The standard deviation of 0.8 indicates that the participation scores are relatively close to the mean, suggesting consistent levels of engagement among members.

Table 2: Descriptive Statistics on Evaluating Governance Practices

Variable	Mean	Median	Standard Deviation	Minimum	Maximum
Transparency Score	7.7	8.0	1.1	6	9
Accountability Score	7.0	7.0	0.8	6	8
Leadership Effectiveness Score	8.0	8.0	0.8	7	9

Source: Field Survey, 2024

On average, credit cooperatives in the sample demonstrate high levels of transparency, with a mean transparency score of 7.7 out of 10. Accountability scores are slightly lower, with a mean score of 7.0, indicating moderate levels of accountability within cooperatives. Leadership effectiveness scores are relatively high, with a mean score of 8.0, suggesting strong leadership within cooperatives.

Table 3: Descriptive Statistics on examining the Relationship between Member Engagement, Governance Practices, and Financial Performance

Variable	Mean	Median	Standard Deviation	Minimum	Maximum
Member Engagement Score	8.0	8.0	0.8	7	9
Financial Performance Score	7.0	7.0	0.8	6	8

Source: Field Survey, 2024

Credit cooperatives in the sample exhibit high levels of member engagement, with an average member engagement score of 8.0 out of 10. Financial performance scores are also relatively high, with an average score of 7.0, indicating positive financial outcomes for cooperatives.

Test of Hypotheses

Table 4: Correlation Analysis

Variables	Correlation Coefficient (r)
Member Engagement vs. Participation	0.759

Source: Field Survey, 2024

The correlation coefficient (r) between member engagement and participation in decision-making processes is 0.759, indicating a strong positive correlation. This suggests that as member engagement levels increase, there tends to be a corresponding increase in participation in decision-making processes within credit cooperatives.

Table 5: Correlation Analysis

Variables	Correlation Coefficient (r)
Transparency vs. Financial Performance	0.645
Accountability vs. Financial Performance	0.618

Source: Field Survey, 2024

The correlation coefficient (r) between transparency and financial performance is 0.645, indicating a moderate positive correlation. This suggests that as transparency levels increase within credit cooperatives, there tends to be a corresponding increase in financial performance.

The correlation coefficient (r) between accountability and financial performance is 0.618, also indicating a moderate positive correlation. This suggests that as accountability levels increase within credit cooperatives, there tends to be a corresponding increase in financial performance.

This correlation analysis supports Hypothesis 2, indicating a positive relationship between effective governance practices (transparency and accountability) and financial performance within credit cooperatives.

Table 6: Correlation Analysis

Variables	Correlation Coefficient (r)
Member Engagement vs. Transparency	0.643
Member Engagement vs. Accountability	0.586
Member Engagement vs. Financial Performance	0.765
Transparency vs. Financial Performance	0.673
Accountability vs. Financial Performance	0.618

Source: Field Survey, 2024

The correlation coefficient (r) between member engagement and transparency is 0.643, indicating a moderate positive correlation. This suggests that as member engagement levels increase, there tends to be a corresponding increase in transparency within credit cooperatives.

The correlation coefficient (r) between member engagement and accountability is 0.586, also indicating a moderate positive correlation. This suggests that as member engagement levels increase, there tends to be a corresponding increase in accountability within credit cooperatives.

The correlation coefficient (r) between member engagement and financial performance is 0.765, indicating a strong positive correlation. This suggests that as member engagement levels increase, there tends to be a corresponding increase in financial performance within credit cooperatives.

The correlation coefficient (r) between transparency and financial performance is 0.673, indicating a moderate positive correlation. This suggests that as transparency levels increase within credit cooperatives, there tends to be a corresponding increase in financial performance.

The correlation coefficient (r) between accountability and financial performance is 0.618, indicating a moderate positive correlation. This suggests that as accountability levels increase within credit cooperatives, there tends to be a corresponding increase in financial performance.

This correlation analysis supports Hypothesis 3, indicating a positive relationship between member engagement, effective governance practices (transparency and accountability), and financial performance within credit cooperatives.

Summary of Findings

The study examined member engagement, governance practices, and financial performance in credit cooperatives in Nigeria's South-South region.

The study found that member engagement levels in credit cooperatives operating in the South-South region of Nigeria are generally high, indicating active participation and commitment among members. Governance practices varied across cooperatives, but most demonstrated a commitment to transparency and accountability. Credit cooperatives exhibited favorable financial performance, achieving their objectives and generating sustainable returns for members.

The study revealed strong positive correlations between member engagement, transparency, accountability, and financial performance. Higher levels of member engagement were associated with increased transparency, accountability, and improved financial performance. Effective governance practices, characterized by greater transparency and accountability, were positively correlated with enhanced financial performance.

Overall, the findings highlight the critical role of member engagement and robust governance practices in shaping the financial performance and sustainability of credit cooperatives. By fostering active participation, transparency, and accountability, credit cooperatives can strengthen their resilience, enhance member satisfaction, and contribute to socio-economic development at the grassroots level.

Conclusion

In conclusion, this study provides valuable insights into the dynamics of member engagement, governance practices, and their impact on financial performance within credit cooperatives operating in the South-South region of Nigeria. Through a comprehensive analysis of survey data and interviews, several key conclusions can be drawn.

Firstly, the findings indicate that credit cooperatives in the region exhibit moderate to high levels of member engagement. This underscores the importance of active member participation in cooperative activities, which contributes to the vibrancy and sustainability of credit cooperatives.

Secondly, the study highlights the significance of effective governance practices in enhancing the performance of credit cooperatives. While variations exist in governance practices across different cooperatives, the overall commitment to transparency and accountability is evident. Strengthening governance mechanisms can further bolster the financial resilience and operational efficiency of credit cooperatives.

Thirdly, the analysis reveals favorable financial performance outcomes among credit cooperatives in the South-South region. This suggests that credit cooperatives are successful in achieving their financial objectives, generating sustainable returns, and contributing to the economic empowerment of their members.

Furthermore, the study identifies strong positive correlations between member engagement, governance practices, and financial performance within credit cooperatives. Higher levels of member engagement are associated with increased transparency, accountability, and improved financial performance. Effective governance practices, characterized by greater transparency and accountability, are positively correlated with enhanced financial outcomes.

In conclusion, the study underscore the importance of fostering member engagement and implementing robust governance mechanisms to achieve positive financial outcomes within credit cooperatives. By promoting a culture of active participation, transparency, and accountability, credit cooperatives can strengthen their resilience, enhance member satisfaction, and contribute to inclusive economic development in the South-South region of Nigeria.

Recommendations

Based on the findings of the study, the following recommendations are proposed:

i. Cooperatives should leverage digital platforms and communication channels to facilitate transparent communication and encourage active member involvement in decision-making processes.

ii. Cooperatives should establish robust internal control mechanisms, including regular audits, risk assessments, and performance evaluations, to ensure adherence to best practices and regulatory standards.
iii. Cooperatives should develop comprehensive business plans and strategic objectives aligned with the needs and aspirations of their members and communities.

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