THE INFLUENCE OF NORMSIN SAVINGS MOBILIZATION IN CO-OPERATIVES IN NYAMIRA COUNTY

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Abstract - The purpose of the research which looked at norms and savings mobilization in co-operatives in Nyamira County was conducted using correlation methodology among co-operative members in savings and credit co-operatives. The statistical sample consisted of 186 members who were randomly selected and studied through questionnaire. The validity of the questionnaire's reliability was ascertained by the researcher using the Cronbach's alpha coefficient which was at 0.991. The data was analyzed using STATA 13 software. The results showed that normsdid not significantly influence saving mobilization through co-operatives among the people of Nyamira. Therefore, it is recommended that the spirit of adopting normsin co-operatives and among the populace of Nyamira County be taken seriously when dealing with savings mobilization, government policies and programmes. The findings of the study will be useful for the County and National Governments in formulating coherent Policies that inculcate patriotism, courtesy and cohesion among co-operators when addressing developmental challenges in co-operatives.

INTRODUCTION

Norms make people equal and acceptable in any given community as they break barriers that would otherwise hinder free participation of individuals in services or practices of a certain organization. They help to give any community or organization their identity and direction in operations. It is therefore important to understand the import of norms in savings mobilization in co-operatives.For an effective association of individuals, properly defined norms address challenges in the organization before they go out of hand. Resource mobilization in co-operatives can be seen from the perspective of social capital which plays a crucial role(Putman, 2000). A co-operative brings togetherpeopleand allow them free choice, in order to create a more cohesive society.In Nyamira County, the concept of co-operation was used during the preparation of land for planting, weeding, harvesting, initiation, weddings and funerals. Co-operation was important for attaining social harmony and encouraging joint action any time need arose. Norms is an elements of social capital whichstrengthens collective or economic benefits derived from preferential treatment and cooperation between individuals and groups (Putman, 2000).

Savings mobilization can be said to be theact of assemblingandorganizing savings to supportobjectives in time of need. The process of mobilizing savings involves assessing the readiness of members' institutions,modalities of raising deposits responsibly, financial discipline, establishing policies and procedures, developing products, devising marketing strategies, and determining the costs(Kiaehn, B.,2006).

Descriptive research design was used as the study was to determine the current status of credit handling in co-operatives. Respondents were selected using proportionate stratified sampling and systematic random sampling so as to cover the whole County. The research collected both qualitative and quantitative data to enhance the reliability and validity of the results with the unit of observation being the member of the co-operative society. The target population was taken as the total savers from the 108 registered co-operative societies in Nyamira County from where a sample of 220 members was randomly selected and requested to fill questionnaires. The unit of analysis was taken as the members of the registered co-operative societies in Nyamira County. The Cronbach's Alpha coefficient of correlation was used to analyze data obtained through the Likert-type of questions to determine the significant effect of each variable on savings mobilization.

Measurable parameters

Norms	• Membership • Volume of savings • volume of loans given • No. of loanees • No. of new societies registered • Savings mobilization

LITERATURE REVIEW

According to Maclaver, (1932),Harold Laski emphasized that organizations exist to achieve purposes or interests which a group of men have in common and that every organization presupposes an interest which its members all share. From a sociological perspective, social norms are informal understandings that govern the behavior of members of a society (Thesaurus, 2003). Accordingly; sociology recognizesthat smaller group units, such as a team or an office, may also endorse norms

separately or in addition to cultural or societal expectations. In that perspective, norms are regarded as collective representations of acceptable group conduct as well as individual perceptions of particular group conduct. They can be viewed as cultural products which represent individuals' basic knowledge of what others do and think that they should do (Caldini, 2003).Furthermore, the roles of norms are to guide behavior in a certain situation or environment as "mental representations of appropriate behaviour and sustainability (Gerber, 2009), (Santos & Van Der, 2016). Norms may not be the law but their influence on social control can at times overshadow the formal laws since they regulated how people or members behaved in given situations. Norm enable members, communities or society to build consensus, get on common ground and respect restrictions. In this study, we adopt the definition of norms as a principle of right action binding upon the members of a group and serving to guide, control, or regulate proper and acceptable behavior. Norms then are explained through the action of individual members who voluntarily apply to join co-operatives and accept to abide by their resolutions.

A study by Ndii (2016) on, 'FromPolls to Academia, Stealing is now the Norm', asserted that defense of academic fraud was emblematic of a society without moral compass. The study based its analysis by looking at one Research Assistant whose qualifications lacked justification in output. It concluded that proper functioning of systems was predicated on most people being honest and that there was no system or institution that could work when dishonesty was the norm: from money to elections to qualifications where stealing was the normative behaviour in our public realm. It did not show how such behaviour would impact on savings mobilization.

A study by Prakash, (2013) on the Relevance of Japanese Agricultural Co-operatives' Experience for Developing Countriesshowed that co-operatives supported the provision of services in various sectors like health, food security, sustainable health and employment creation. The study looked at the performance of the post-war agricultural co-operatives' performance as influenced by the number of agricultural co-operatives, their size, crop yield and land size, organizational structure, training, and prefecture. It was based on an analysis of factors of production and labour involvement with the size of the co-operative impacting on the rate of return to members with the age factor and involvement of gender issues in co-operative management.According to the study, norms and trust enabled Japan to strongly emerge from the Second World War as a strong economy. Similarly, the study established that agricultural co-operatives provided economic and social services to members with high economic returns, innovations and services helping sustain and develop them according to the study. However the influence of norms did not come out clearly.

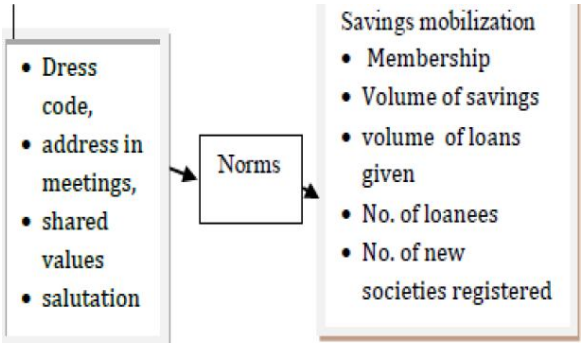
A study by Ndirangu & Nyamongo (2015) on the effect of financial innovation on monetary policy in Kenya during the period 1998–2013 showed that the fast pace of financial development in Kenya had not caused structural shifts. Using the cumulative sum (CUSUM) of squares of recursive residuals, the study showed that monetary targeting was a feasible policy stance for Kenya during the period of study. That demand may not have correlated to savings mobilization as influenced by norms and how co-operatives could stabilize money demand through financial innovation like the Front Office Savings activity (FOSA).

Knack & Keefer (1996) measured econometrically correlations between confidence and civic cooperation norms, with economic growth in a big group of countries and found that confidence and civic cooperation had a great impact in economic growth, and that in less polarized societies in terms of inequality and ethnic differences, social capital was bigger. The level of cohesion of a group also affected its social capital.However, the influence of each element needed to be brought out clearly.

Conceptualization

The concept is that as people understand each other, they build trust, tend to work together more easily and take joint action which improved their aspirations' positive outcome. Norms enable people to come and work together through a co-operative enterprise that facilitated savings mobilization. The standards they setaffected the interactions and the rate of savings mobilized.The robust standards setby co-operatives influenced normswhich impacted on savings mobilization as shown in figure 1.

The conceptual framework shows that people come together using norms to form a business organisation called a co-operative society. Through the co-operative, they mobilize resources, open opportunities and provide services thereby generating wealth and creating employment.



Indicators Independent Dependent Variable

Figure 1: Operational Framework Structure
Source: Author 2016

Conclusions/implications

The model summary showed that186 questionnaires were returned being properly filled and acceptable for analysis. The mean for norms was30.58065 and its standard deviation was 5.444209. The model was analyzed by using interrelation between the savings mobilization and norms. The influence of norms on savings mobilization was tested using the student 't' distribution whose value -1.41 and the p-value was 0.156. The concluding therefore was that norms significantly influencedsavings mobilization in Nyamira County.In the general analysis, the model confirmed that norms were statistically significant in influencing savings mobilization in Nyamira County as one of the elements of social capital. Knowing that norms were the accepted standards of behaviour within a co-operative in relation to the co-operative principles and that they formed a strong base on which members operated without causing offence to other members, it became important to see how norms made collaboration strong within co-operatives. The research established that there existed norms within co-operatives in Nyamira County which guided members and leaders within the co-operatives' organization, leadership and management. A summary of findings is intable 2.The existence of standards within co-operatives ensured that members played within established parameters that enhanced respect, tranquility and order in co-operatives. The set standards made it easier for members to relate well and elect credible leaders for assumption of office.The setting of leadership norms, standards and practices enabled andstrengthened.The conclusiondrawn from the findings explains the major reasons that underpin the members' affinity to save. The participation in guaranteed co-operative services like Front Office Services Activity also played a special role in motivating members to participate in savings mobilization. It could be concluded from the research that members' participation, individual motivation, goodwill and the co-operation spirit among members were important in the success of production co-operatives and savings mobilization.Norms in co-operatives were an integral part of co-operative involvement which ensured a steady growth of co-operative activities; produce marketing and savings mobilization. Therefore norms significantly influenced savings mobilization in Nyamira County.

Implications

No co-operative society dealing with mobilized resources should be allowed to deviate from its registered by-laws and charted path. Since the co-operative formed a vital link between members and external intermediaries,the relationship attained through membership must not be taken for granted.Elected members should discharge their obligations and responsibilities in tandem with the expectations of a modern society. Leadership norms should be clearly defined and explained to members. In the finding that norms significantly influenced savings mobilization, there was need to strengthen it, thereby giving the people a sustainable option to generate local wealth and thereby improve an equitable standard of living among the people.

Finally, the research showed how a simple econometric model could be used to explain on an important economic phenomenon like savings mobilization in Nyamira County and the whole country.

Measure of Norms	Classification	Rating	Frequency	Per cent	Cumulative per cent	% positive effect
1. Leadership has standards	No response		1	0.54	0.54	81.72
	Strongly disagree	1	14	7.53	8.06	
	disagree	2	1	0.54	8.60	
	neutral	3	18	9.68	18.28	
	Agree	4	80	43.01	61.29	
	Strongly agree	5	72	38.71	100	
2. Happiness due to Respect at co-operative	No response		1	0.54	0.54	87.63
	Strongly disagree	1	5	2.69	3.23	
	disagree	2	6	3.2	6.45	
	neutral	3	11	5.91	12.37	
	Agree	4	71	38.17	50.54	
	Strongly agree	5	92	49.46	100	
3. Shared values	No response		0	0	0	74.73
	Strongly disagree	1	4	2.15	2.15	
	disagree	2	11	5.91	8.06	
	neutral	3	32	17.20	25.27	
	Agree	4	100	53.76	79.03	
	Strongly agree	5	39	20.97	100	
4. Observe time	No response		2	1.08	1.08	56.99
	Strongly disagree	1	4	2.15	3.23	
	disagree	2	29	15.59	18.82	
	neutral	3	45	24.19	43.01	
	Agree	4	79	42.47	85.48	
	Strongly agree	5	27	14.52	100	
5. Care	No response		2	1.08	1.08	61.29
	Strongly disagree	1	2	1.08	2.15	
	disagree	2	29	15.59	17.64	
	neutral	3	39	20.97	38.71	
	Agree	4	68	36.56	75.27	
	Strongly agree	5	46	24.73	100	
6. Start with prayers	No response		0	0	0	89.25
	Strongly disagree	1	6 6	3.23	3.23	
	disagree	2	0	3.23	3.23	

	neutral	3	14	7.53	10.75	
	Agree	4	56	30.11	40.86	
	Strongly agree	5	110	59.14	100	
7. Decently dressed	No response		2	1.08	1.08	71.51
	Strongly disagree	1	5	2.69	3.76	
	disagree	2	17	9.14	12.90	
	neutral	3	29	15.59	28.49	
	Agree	4	90	48.39	76.88	
	Strongly agree	5	43	23.12	100	
8. Follow-up on members' concerns	No response		1	0.54	0.54	56.99
	Strongly disagree	1	7	3.76	4.30	
	disagree	2	24	12.90	17.20	
	neutral	3	48	25.81	43.01	
	Agree	4	65	34.95	77.96	
	Strongly agree	5	41	22.04	100	

Source: Research findings, 2016

Table 2: Summary of measurement of parameters of Norms

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