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

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

KEYWORDS: effect, financial management practices, performance, cooperative

1. INTRODUCTION

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

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

In Africa, cooperatives societies were started and operated by the colonial rulers under the regulations stipulated by business practice laws (Wambui, 2016). When they gained momentum of growth due to the increased and diversified market, policies to enhance their effectiveness and performance were put in place (Friedman, 2007). In most parts of Africa, cooperatives are a popular microfinance mechanism for poverty reduction through improving access to finance and financial services and have clear guidelines to sustain their effectiveness (Mundia, et al. 2023). According to the International Labour Organization (ILO), cooperatives in Africa contribute significantly to the GDP of many countries on the continent. They play a key role in various sectors such as agriculture, finance, and services, and are often seen as important drivers of economic development and poverty reduction. Cooperatives in Africa provide employment and income for millions of people, particularly in rural areas where they are a vital source of livelihood. They also contribute to food security, access to financial services, and social inclusion. In Kenya, by applying good financial management practices among cooperatives have played a significance role in facilitating the provision of financial services to the people for investment opportunities to individuals and members within the group. In Tanzania, cooperatives follow the modern financing management practices and act as financial intermediaries among members of the group and the community (Gathurithu, 2015). Buwule (2017) notes that financial management practices play a critical role on the performance of cooperatives. Therefore, understanding the financial management practices can aid a cooperative strategically plan and enhance their operations.

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

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

1.1. Statement of the Problem

Effective financial management practices are crucial for the sustainability and success of cooperatives. The Kabwe District Cooperative Union Limited has significant potential to contribute to poverty reduction if managed properly. However, there is a lack of comprehensive information on how specific financial management practices influence the performance of cooperatives in this context. Many Zambian cooperatives have faced failure due to inadequate financial management practices. Mweemba (2019) highlights poor financial oversight as a primary contributor to these failures. A concerning trend is evident in a report by Mundia et al. (2022), which indicated that out of 734 registered cooperatives in Kabwe, 131 were deregistered in 2022 alone, primarily due to improper financial management practices. This statistic underscores the urgent need for enhanced financial oversight within cooperatives. While empirical research by Wambui (2021) illustrates that essential financial management practices—such as budgeting, financial reporting, and capital structure directly impact the overall performance of cooperatives in Zambia, there remains a significant gap in understanding the specific effects of these practices within cooperatives operating in Kabwe. This study aimed to address this critical gap by investigating how various financial management practices affect the operational effectiveness and overall success of the Kabwe District Cooperative Union Limited. Failing to explore this relationship could hinder the cooperative's ability to optimize its operations, negatively impacting its role in poverty alleviation efforts in the region. Therefore, this research seeks to provide insights that can strengthen the financial management practices of cooperatives in Kabwe, enhancing their performance and sustainability.

1.2. Research Objectives

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

1.3. Research Questions

i. What types of financial management practices are used by Kabwe District Cooperative Union Limited?

ii. What is the relationship financial management practices and performance of Kabwe District Cooperative Union Limited?

iii. What measures can enhance the implementation of financial management practices at Kabwe District Cooperative Union Limited?

2. EMPIRICAL LITERATURE REVIEW

2.1 Global review

Organization performance encompasses three specific areas of firm outcomes; financial performance (profits, return on assets, return on investment, among others), product market performance and shareholders' return. (Richard et al, 2009). In their study the found that the bottom line of all other measures of the financial performance is the financial performance since it measures the value added to the wealth of the shareholders. Poor or "careless" financial management practices are a major cause of small business failures (Mundia et al, 2023).

Berryman (2023) found out that when reviving the financial practices applied by small organization in United Kingdom, where he discovered that majority lacked the best financial management practices. According to Mundia et al. (2023), if financial management practices in firms could be improved, then fewer firms would fail. In their study they found that only 10% of the organization never used cash budgeting, whereas 33% used. This inefficient in cash management resulted in huge credit balances at the end of the month.

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

2.2 Continental review

Existing literature already supports the notion that cooperatives serve poor people, even though middle income clients are also among their membership. Varied cooperatives have their own unique financial practices, empirically; studies have shown that the success of a cooperative is measured by its ability to satisfy the member's financial needs. According to Jordan (2019), in his study on the urban cooperative's failure in Nairobi, out of a sample of 200 cooperatives about 60% are financially mismanaged hence cannot meet the member financial needs as an when the fall due.

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

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

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

Management information system, which in addition to automating regular cooperatives operations facilitates performance monitoring and decision making, regulatory reporting and enforcement of risk management and internal controls will ensure better performance. The best financial management practice will lead to better operating environment for the organization

(Nzirwa, 2020). This was in his study on the selected financial practices of small enterprise based in Nairobi, where he looked at a case of Kenya institute of education. This proves that there is need to integrate the performance of the financial part with the overall performance of any organization.

Evaluating the financial performance of cooperatives is a major concern of the entire stakeholder in the sector. According to Griffins (2022), in his study on the evaluation of the performance of cooperatives in Nairobi he found that about 40% of the cooperatives were not active at this was attributed to the way they coordinate their financial affairs. The practices led to fraudulent issues that led to poor financial performances. World has continued to enjoy growth in cooperatives. According to the WOCCU, there are close to 200 million members of cooperatives. This continues to grow in more than 100 countries in the world mobilizing billions of dollars in savings. The cooperatives control major resources that have uplifted the life of the poor in the mostly developing world (Richardson, 2002).

According to Lumumba (2018), he noted that on his case study of Mwalimu co-operative society ltd, Nairobi where a sample of 150 was used. A questionnaire was used in collecting data. The data collected were analyzed by way of tabulation, mean scores, percentages and semantic differential profiles. From the study it was found that, depending on the lending policy in question, members' attitudes varied from positive to negative. Further, it was established that members' satisfaction or dissatisfaction with particular lending policies was not influenced by either salary scale or number of years one had been with the society. From the findings it was recommended that those policies to which members held negative attitudes be dropped and that the government should withdraw its involvement in the running of day-to-day operations of the savings and credit cooperative societies. This could ensure autonomy of such societies and members' full participation in their management could enhance high savings.

2.3 Zambian perspective

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

3. THEORETICAL LITERATURE REVIEW

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

3.1 The principal-agent theory

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

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

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

3.2 Pecking Order Theory

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

3.3 Signaling Theory

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

4. CONCEPTUAL FRAMEWORK

Independent Variables

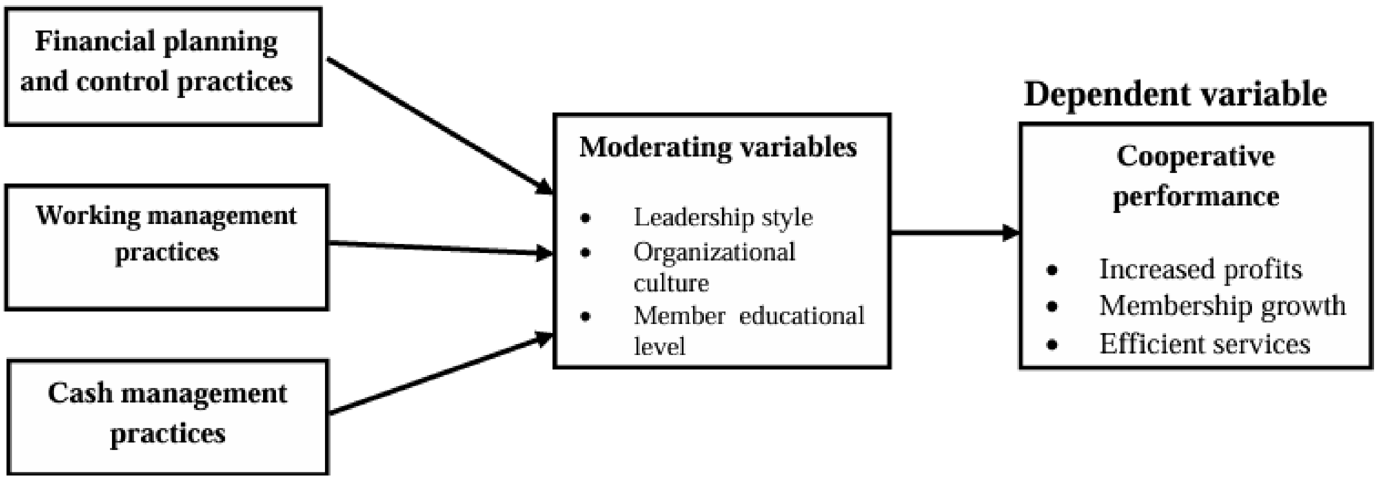

Figure 2. 1: Conceptual framework

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

5. RESEARCH METHODOLOGY

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

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

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

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

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

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

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

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

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

n = sample size required N = size of the population

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

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

$$n = 302.7946537059538$$

Therefore, this study sample size was 302 respondents.

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

The questionnaire was used as the tool for data collection. The use of a questionnaire as the data collection instrument is a common practice in research, as it allows researchers to gather standardized, quantitative data from a large number of respondents in a relatively efficient manner (Boynton and Greenhalgh, 2004). Questionnaires are a suitable data collection method for studies that employ a quantitative approach and a positivist philosophical stance. Kombo and Tromp (2006) stipulate that a questionnaire is a research instrument that consists of a set of questions or other types of prompts that aims to collect information from a respondent. The researcher began by delivering the questionnaires to the respondents at the head office and allows them to answer them on their free time. The researcher then made an appointment when the answered questionnaires can be picked. Data was analysed using the statistical package for social sciences (SPSS) version 27 Justification: The use of SPSS, a widely-used statistical software package, for data analysis was appropriate for this study, because it allows researchers to perform a range of statistical analyses, such as descriptive statistics, correlation analysis, and regression analysis, which are commonly used in studies with a deductive approach and a positivist philosophical underpinning (Pallant, 2020). The quantitative data, collected through structured questionnaires, were analyzed using statistical techniques such as regression analysis to examine the relationships between financial management practices (independent variables) and cooperative performance (dependent variable). This analysis tested the effective financial management practices on positively influenced the performance of the Kabwe District Cooperative Union Limited. By triangulating these data sources, the analysis provided robust conclusions that highlighted the critical role of financial management practices in enhancing cooperative performance and addressing identified challenges.

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

6. RESEARCH RESULTS AND ANALYSIS

6.1 Demographic information

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

6.1.1 Response rate

Table 6. 1: Response rate

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

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

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

6.1.2 Gender

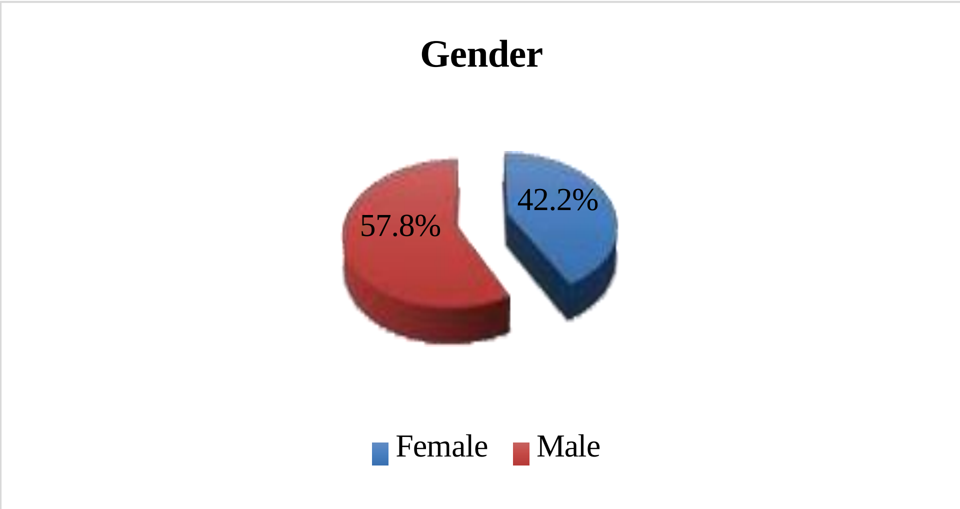

Figure 6. 1: Gender

The findings presented in the figure above indicate the distribution of gender among a sample of 230 respondents, showing a higher proportion of males compared to females. Specifically, males (133) comprised 57.8% of the respondents, while females (97) accounted for 42.2%. This gender imbalance in the sample introduces potential implications for the research findings, particularly if gender-related factors influence responses to the study questions. The predominance of male respondents suggests that the perspectives and experiences reflected in the data might lean more heavily toward male viewpoints. This imbalance necessitates careful consideration when interpreting the findings, as gender plays a crucial role in shaping perceptions, decision-making, and priorities in financial practices and cooperative dynamics.

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

6.1.3 Age

Table 6. 2: Age

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

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

6.1.4 Education Level

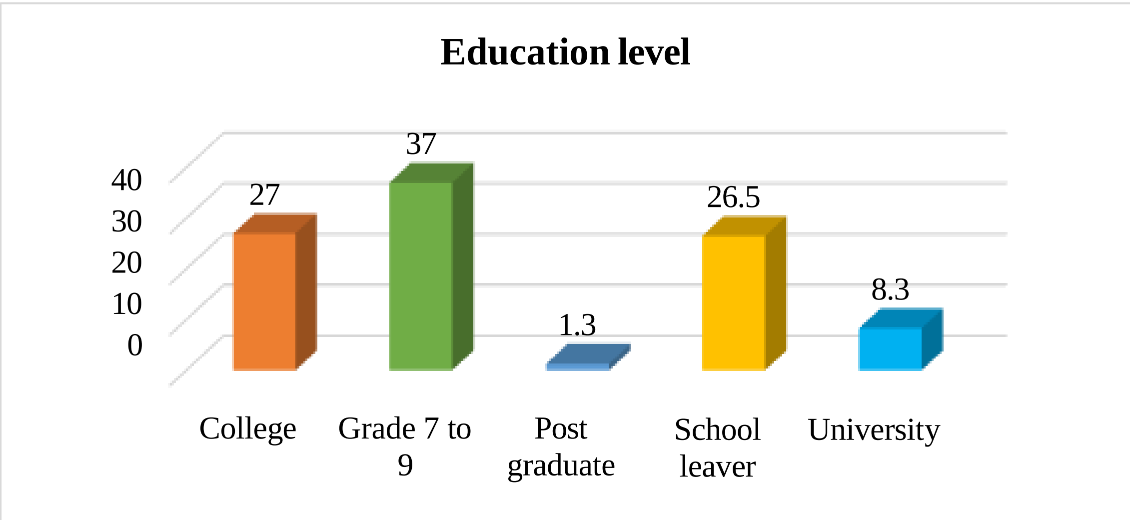

Figure 6.2: Education level

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

6.1.5 Length of service

Table 6.3: Length of service

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

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

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

6.1.6 Position

Table 6.4: Position of respondent

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

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

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

6.2 Knowledge on financial management practices

Figure 6.3: knowledge on financial management practices

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

6.2.1 RO1: To establish types of financial management practices used by the Union Table 6.5: Financial management practices

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

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

22 respondents (9.6%) indicated they follow cash management practices. This represents a limited focus on managing cash flow, which is essential for maintaining liquidity and operational efficiency. 13 respondents (5.7%) reported using working management practices, suggesting an even smaller portion of respondents is engaged in practices related to day-to-day operational financial management. Only 1 respondent (0.4%) indicated engagement in unspecified financial management practices, highlighting minimal diversity in the types of practices reported.

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

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

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

Table 6.6: effect of financial management practices (SD-strongly disagree, D- disagree, N- neutral, A-agree, SA-Strongly agree)

Effect		SD	D	N	A	SA
Financial management practices promote effective use of resources	F	0	3	15	178	34
	%	0	1.3	6.5	77.4	14.8
Cooperatives attain financial stability through the use of financial management practices	F	0	10	15	165	40
	%	0	4.3	6.5	71.8	17.4
Financial management practices are key in the planning of the day-to-day operation of the cooperative	F	0	3	21	187	19
	%	0	1.3	9.1	81.3	8.3
implementing the cooperative' overall strategy requires effective use of financial management practices	F	3	0	20	103	104
	%	1.3	0	8.7	44.8	45.2
Financial management practices, enhance the competitive advantage of the cooperative to increase membership and participation in its activities	F	3	3	81	117	26
	%	1.3	1.3	35.2	50.9	11.3

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

The implication of the findings indicates a strong belief among respondents in the positive effects of financial management practices on various aspects of cooperative performance, including resource utilization, financial stability, operational planning, and strategic implementation. However, the mixed responses regarding competitive advantage suggest that further exploration is needed to understand how financial management practices can directly influence membership and engagement. These insights underscore the importance of enhancing financial management practices within cooperatives to improve overall performance and competitiveness. Addressing the areas of uncertainty could help in refining strategies to leverage financial management for better outcomes.

6.3.1 Rate of overall performance of Kabwe District Cooperative Union Table 6.7: Rate of performance

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

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

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

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

Table 6.8: Strength of impact

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

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

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

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

Table 6.9: Challenges

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lack of training	15	6.5	6.5	6.5
	Lack of training, Inadequate resources	1	.4	.4	7.0
	Lack of training, Inadequate resources, Resistance to change	6	2.6	2.6	9.6
	Lack of training, Inadequate resources, Resistance to change, Poor communication,	33	14.3	14.3	23.9
	Lack of training, Inadequate resources, Resistance to change, Poor communication, Others (conflict of interest)	108	47	47	70.9
	Lack of training, Inadequate resources, Resistance to change, Others (conflict of interest)	38	16.5	16.5	87.4
	Lack of training, Inadequate resources, Poor communication	3	1.3	1.3	88.7
	Lack of training, Inadequate resources, Others (conflict of interest)	4	1.7	1.3	90.4
	Inadequate resources	19	8.3	8.3	98.7
	Resistance to change	3	1.3	1.3	100.0
	Total	230	100.0	100.0	

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

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

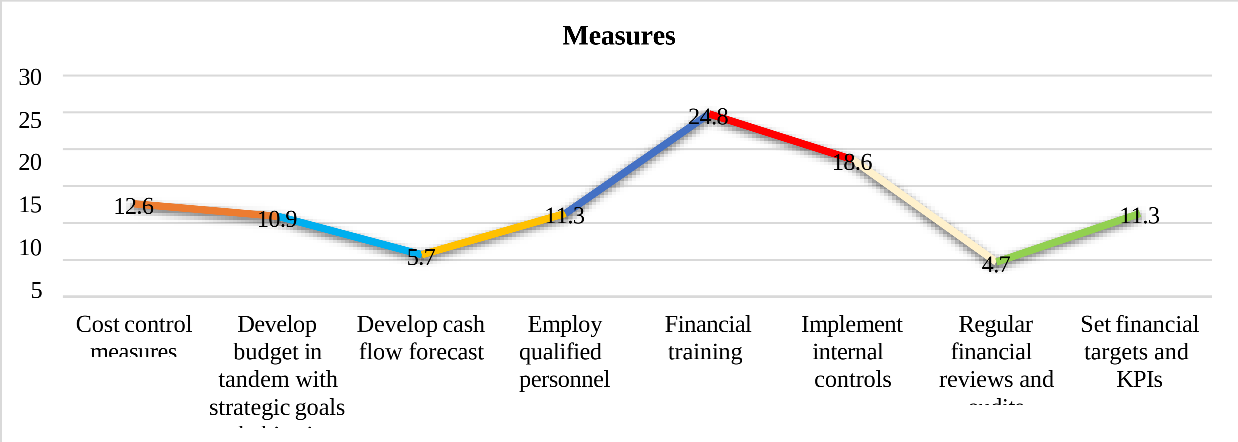

Figure 6.4: Measures

According to the study findings, 57 respondents (24.8%) stated that financial training can be used to address challenges faced in Kabwe District Cooperative Union Limited. This was the most frequently suggested measure, indicating a strong consensus on the need for financial training. Enhancing the financial literacy of cooperative members is seen as essential for improving management practices and decision-making. Other measures according to the findings include implementing internal controls (18.6%), using cost control measures (12.6%), employing qualified personnel (11.3%), setting financial targets and KPIs (11.3%), developing budgets in tandem with strategic goals and objectives (10.9%), developing cash flow forecasts (5.7%) and regular financial reviews and audits (4.7%). The findings above suggest a comprehensive approach to addressing the challenges faced by the Kabwe district cooperative union limited. By focusing on financial training, implementing internal controls, and aligning financial practices with strategic goals, the cooperative can enhance its performance and ensure long-term sustainability.

6.6 Inferential statistics

6.6.1 Model summary

Table 6.10: Model summary

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

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

4.6.2 ANOVA

Table 6. 11: ANOVA

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

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

6.6.3 Coefficients

Table 6. 12: Coefficients

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

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

6.7 : Financial Rations

Table 6. 13: Financial Ratios Summary

Ratio	Formula	2023 Value	2022 Value	Analysis
Liquidity Ratios				
Current Ratio	Current Assets / Current Liabilities	0.45	0.45	Below 1, indicating potential liquidity issues.
Quick Ratio	(Current Assets - Inventory) / Current Liabilities	0.34	0.34	Also below 1, suggesting reliance on inventory for meeting obligations.
Profitability Ratios				
Net Profit Margin	Net Profit / Revenue × 100	2.82%	1.54%	Low profitability, indicating only a small portion of revenue converts to profit.
Return on Assets (ROA)	Net Profit / Total Assets × 100	2.03%	1.08%	Reflects inefficiencies in using assets to generate profit.
Return on Equity (ROE)	Net Profit / Total Equity × 100	12.85%	11.34%	Reasonable return to shareholders, but could be improved.
Efficiency Ratios				
Asset Turnover Ratio	Revenue / Total Assets	0.72	0.69	Indicates moderate efficiency in generating revenue from assets.
Inventory Turnover Ratio	Cost of Sales / Average Inventory	11.22	8.92	High turnover, indicating efficient inventory management.
Leverage Ratios				
Debt to Equity Ratio	Total Liabilities / Total Equity	3.34	3.95	High level of debt relative to equity, indicating financial risk.
Interest Coverage Ratio	(Profit Before Tax + Interest Expense) / Interest Expense	15.49	8.14	Strong ability to cover interest expenses, indicating manageable debt levels in terms of interest obligations.

From the table, the following were observed:

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

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

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

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

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

7. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

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

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

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

The findings indicate a strong consensus among respondents regarding the positive effects of financial management practices on the cooperative's performance. A significant majority believe that these practices promote effective resource utilization, financial stability, and operational planning. Specifically, 89.2% of respondents agreed that financial management practices contribute to financial stability, highlighting their critical role in ensuring the cooperative's long-term success. However, the perception of performance remains concerning, with 59.1% rating it as poor. This disparity suggests that while members recognize the importance of financial management, the current practices are insufficient to drive the desired performance outcomes. Addressing these gaps is essential for enhancing the cooperative's overall effectiveness. From the study findings, it was noted that the lack of knowledge among members and management of the Kabwe District Cooperative Union Limited is one of the key issues that hampers the effective implementation of financial management practices due to the fact that members may not fully understand essential financial concepts such as budgeting, financial reporting, and cash flow management.

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

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

7.4 Financial ratios

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

8. CONCLUSION

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

9. RECOMMENDATIONS

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

a) The cooperative should implement comprehensive financial training initiatives tailored to the specific needs of its members
b) The cooperative should establish clear protocols for financial management practices, ensuring that all members understand

their importance and improve overall financial oversight. The cooperative should conduct regular financial reviews and audits to assess the effectiveness of financial management practices and ensure accountability.

c) The cooperative should develop and implement a strategic financial plan that aligns with the cooperative's long-term objectives.
d) The cooperative should implement structured financial management training programs that focus on essential knowledge on budgeting, cash management and financial reporting.
e) There is need to foster open communication and collaboration within the cooperative to address resistance to change.

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CONFLICTS OF INTEREST
The author of this study declares no conflicts of interest regarding the publication of this paper.

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