

The Influence of Global Cooperative Principles on Leadership Effectiveness in SACCOS in Kampala City, Uganda

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Abstract:

Purpose: The purpose of this paper is to examine the relationship between global cooperative principles and leadership effectiveness of Savings and Credit Cooperative Societies (SACCOS) in Kampala City.

Design/Methodology/Approach: The study uses a positivist design through a quantitative approach where hypotheses are tested using linear regression analysis based on survey data ($n = 161$) from members of Savings and Credit Cooperative Societies in Uganda.

Findings: The findings reveal very weak correlations and non-significant relationships between all the global cooperative principles and leadership effectiveness in SACCOS in Kampala City.

Originality/Value: This study provides empirical evidence on the relationship between global cooperative principles of voluntary and open membership, democratic member control, economic member participation, autonomy and independence, education, training and information, cooperation among cooperatives and, concern for community in SACCOS in Kampala City. Within available literature and, to the best of the authors' knowledge there is no research that has been conducted along the concepts of global principles of cooperatives and leadership effectiveness within the confines of Kampala City. Thus, the findings from this study are critical in bridging the current research gap.

Keywords: SACCOS, cooperatives, principles, leadership, effectiveness, Uganda

1. INTRODUCTION

Uganda, like many of the developing countries continues to grapple with high levels of poverty. Estimates from the World Bank puts Uganda's poverty levels at 41%. This has been exacerbated by the COVID-19 pandemic, which has led to an increase of people below the poverty line from 21% prior to the pandemic (World Bank, 2021). To manage this situation, the Government of Uganda, has over the last 10 years, embarked on programmes that are geared towards alleviating poverty in the country. Most of these measures have revolved around using SACCOS as channels for improving the household incomes of low-income earners.

SACCOS are aligned with the global movement of cooperatives whose values and principles are focused on building improved societies where members take charge of their economic, social and cultural affairs (Cheney et al., 2014). As cooperatives, SACCOS are supposed to be led according to globally-accepted principles of voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among co-operatives and concern for the community (Raniga, 2017). SACCOS are concerned with the pooling of finances from members and are overseen by elected leaders who serve as agents and stewards of the financial resources vested in their care.

1.1. Problem Statement

Uganda is currently experiencing considerably high numbers of new SACCOS that are started to mitigate the challenges of poverty through improvement of people's economic livelihoods. However, it is not clear whether due diligence is normally done to ensure that rules and regulations are followed by the leaders of these institutions to protect members' savings. Moreover, there are reports of SACCOS that close because of misappropriation of funds and related governance issues. Furthermore, the haphazard manner in which SACCOS are established across the country might be a challenge to enabling their members appreciate and later on implement policies and global principles that govern cooperatives. The study examines and establishes the efficacy of these concerns by examining the degree to which knowledge and implementation of global cooperative principles, or lack of it, influences the realisation of leadership effectiveness in SACCOS in Kampala City, Uganda.

1.2. Hypotheses

H₁: Voluntary and open membership is not significant to leadership effectiveness in SACCOS.

H₂: Democratic member control is not significant to leadership effectiveness in SACCOS.

H₃: Economic member participation is not significant to leadership effectiveness in SACCOS.

H₄: Autonomy and independence is not significant to leadership effectiveness in SACCOS.

H₅: Education, training and information is not significant to leadership effectiveness in SACCOS.

H₆: Cooperation among cooperatives is not significant to leadership effectiveness in SACCOS.

H₇: Concern for community is not significant to leadership effectiveness in SACCOS.

2. LITERATURE REVIEW

2.1. Theoretical Perspectives

The appreciation of global cooperative principles and their influence on leadership effectiveness in SACCOS may be achieved through the tenets of the institutional theory and stewardship theory. The institutional theory argues that the realisation of organisational effectiveness is directly impinged upon by the involvement of external parties (Fligstein, 1997; Hung, 1998). Such entities can influence the operations of the organisations either positively or negatively depending on the degree to which they are aligned or misaligned to the firm's strategic goals and objectives. Concerning SACCOS, the institutional theory helps to appreciate how the practice of the global cooperative principles interplays with the national policies and entity regulations to ensure their growth and sustainability.

Similarly, the research uses the stewardship theory to appreciate the nature of voluntarism in SACCOS where members and leaders work together as stewards to ensure proper use of available resources on behalf of other stakeholders (Davis et al., 1997). It brings out the members' need to attain visible social capital as the major motivating factor for their continued service to the SACCOS (Stoop et al., 2021). It further allows the acknowledgement that good stewardship is based on ethical personal behaviours, which in turn, work as harbingers for successful implementation of global cooperative principles and realisation of leadership effectiveness (Song et al., 2017).

2.2. Cooperative Principles

The genesis of the global cooperative principles dates back to the year 1973 when they were first formulated in Paris, France. They were re-stated in 1966 in Vienna, Austria and, re-formulated and elaborated in 1995 in Manchester, United Kingdom (ICA, 2017). The final document of the cooperative principles was fundamentally the work of the International Co-operative Alliance (ICA) and the Co-operative Education Materials Advisory Services (CEMAS) (ICA, 2015). The effort of these two bodies resulted in the adoption of seven cooperative principles as being representative of the spirit of the co-operative movement and have been globally accepted ever since. These include; voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among co-operators and concern for community (ICA, 2015).

2.2.1. Voluntary and Open Membership

The principle of voluntary and open membership (VOM) states that co-operatives are voluntary entities which members join voluntarily to contribute to and use available services and products without bias to their gender, racial, religious or political differences (ICA, 2015). Members choose to be part of or leave a particular cooperative out of their free will and not because they are coerced by any individuals or state machinery (ICA, 2012). The voluntary aspect of cooperatives is critical to their ability to remain viable and sustainable in the market and is the base on which elective positions are populated and leadership is actualised (Brown et al., 2012). Therefore, forcing members to co-operate frustrates the core principle of cooperation and denies them the chance to exercise their rights as co-operators (ICA, 2015).

The aspect of open membership relates to the degree to which people can be allowed to become members of a cooperative without bias on their gender, political, social, racial or religious affiliations (ICA, 2012). Members have power and authority to co-own and make decisions on all aspects of the cooperative (Fisher & Nading, 2021). However, they also have the obligation and should be willing to accept responsibilities of leadership as enshrined in the individual cooperative by-laws.

2.2.2. Democratic Member Control

Democratic member control (DMC) is a cooperative principle, which presents that co-operatives are democratic organisations that are controlled by their members (ICA, 2015). Consequently, members of cooperatives are expected to be actively involved in formulating policies, making decisions and working as stewards of available resources. They need to avail themselves for elective positions through the democratic principle of one-man-one-vote and ensure accountability and good governance in their decision-making processes (Namoga, 2016). The realisation of democratic member control in cooperatives generally and SACCOS particularly, is reflected in the engagements that members pursue to make critical decisions concerning their activities, management and leadership (Mateo & Cristofaro, 2017). It is achieved through management and governance structures that are typically mirrored in the work of the Secretariats and Executive Boards respectively (ICA, 1995).

Notably, democratic dispensations in cooperatives are normally pursued and achieved through diversity of Board members and their reflection of openness, transparency and accountability (Bernile et al., 2018). It is imperative that leaders' competencies and skills are periodically audited to ensure that they are in tandem with the needed skill-sets and members can be allowed space, time and resources to voice their concerns regarding any issues related to their cooperative (Ferdman, 2014).

2.2.3. Member Economic Participation

The principle of member economic participation (MEP) relates to capital contributions and their usage to improve economic and social conditions of the members (ICA, 2012). It requires that members contribute equitably to, and democratically control their co-operatives' capital as a common property. It is concerned with allocation of surpluses towards developing the co-operative, providing for shareholders' dividends and supporting other activities that may be approved by members (ICA, 2015). The principle pursues the attainment of members' self-reliance through saving, investing and generation of additional capital.

The principle of MEP may be viewed as the financial translation of what cooperatives stand for and, the implications that precipitate the doctrines of voluntarism and democratic member control (Tumwine et al., 2015). The concept of capital from the perspective of the cooperatives' culture is evident in the funds that are pooled by the members and used to offer credit and undertake investments (Bwana & Mwakujonga, 2013). It is also true that cooperatives can boost economic activities through meeting the socio-cultural needs and aspirations of their members. The notion that cooperatives are co-owned and democratically controlled enterprises marks the difference between the value of a member's share in a cooperative and the equity share in a stock-owned company (Webb & Cheney, 2014).

2.2.4. Autonomy and Independence

The cooperative principle of autonomy and independence (AAI) is concerned with ensuring that cooperatives carry out their activities and relate with other stakeholders in a manner that assures their democratic control (ICA, 2015). First introduced and formulated in 1991, the principle involves the relationships cooperatives embrace with their stakeholders along the core values of self-help, self-responsibility and democracy (Pencavel, 2014). These values allude to cooperatives as entities that have freedom to act independently in their governance processes, control affairs in their own preferred ways and set their own management and operation rules, regulations, policies and by-laws (ICA, 2017).

Whereas governments have a duty to enact legal frameworks that govern cooperatives in their jurisdictions, individual cooperatives are expected to formulate specific policies that are aligned to their explicit operational mandates (ICA, 2015). Cooperatives additionally have responsibility to self-regulate in line with government legal expectations and as a prerequisite for good governance. Appropriate and sound self-regulation enables Board members to evaluate their ethical and moral stands and execute agreements with integrity, fairness and honesty on behalf of the SACCOS' members (Kyazze & Nsereko, 2015). The authenticity and integrity of Boards is critical to the realisation of autonomy and independence and the attainment of effective leadership, enterprise growth and sustainability (Leroy et al., 2015).

2.2.5. Education Training and Information

The principle of education, training and information (ETI) revolves around the provision of education and training to members of the cooperative and disseminating appropriate information to the public about their activities (ICA, 2015). ETI relates to the reality of acquiring new knowledge, skills and expertise to enable members adapt and successfully manage through the ever-changing and competitive markets (Chuang, 2013). It is concerned with utilising opportunities occasioned by new technologies to develop deeper appreciation of the nature of cooperatives from historical, current and future perspectives (ICA, 2017).

The need for education for co-operators is geared at understanding global cooperative principles and values and knowing how to apply them in the leadership, management and operations of the cooperative business (ICA, 1995). On the other hand, training enables members to acquire new skills to effectively participate in and manage the operations of the cooperative. It forms the basis on which Board members are elected and their leadership skills enhanced (Pearce & Patel, 2017). Moreover, it is critical that cooperatives share facts about their activities with the public not only to entice them to become members but also to seek for their acceptance, goodwill and social harmony (Rafique & Khoo, 2018).

2.2.6. Cooperation among Cooperatives

Cooperation among cooperatives (CAC) is a cooperative principle which relates to the understanding that by working together through local, national, regional and international structures, members are better served through knowledge, managerial and financial support (ICA, 2015). The principle resonates the cooperative value of solidarity and is directed at the common desire for the cooperative movement to establish a better, equitable and more sustainable future for all humanity (Grabo & van Vugt, 2016). The appreciation of cooperatives as socio-economic entities that relate to other cooperatives is significant in their ability to harness the strengths of one cooperative while mitigating the weaknesses of another. The principle adjures that while individual cooperatives can realise growth at their local levels, this can greatly be enhanced at a wider and broader audience with other cooperatives (Fisher & Nading, 2021).

Moreover, given that each cooperative works and develops in a specific social, economic and political environment, its cooperation with other cooperatives in different environments is key to ensuring its strategic positioning (Osievskvy, 2016). Working in federation with others can equally allow financial cooperation where those with liquidity issues can benefit from financial support of those more financially stable. However, this is possible when all entities involved practice openness and transparency, accountability, flexibility, reciprocity and adherence to the cooperative identity (Errasti et al., 2017).

2.2.7. Concern for Community

The principle of concern for community (CFC) states that “Co-operatives work for the sustainable development of their communities through policies approved by their members” (ICA, 2015). Thus, the principle is concerned with the cooperative values of self-help and self-responsibility. The need for cooperatives to concern themselves with the communities in which they operate is essential to their growth and sustainability because it dictates the degree to which their services and activities can be accepted (Majee & Hoyt, 2011).

The need for cooperatives to ensure sustainable development of their communities relates to the creation of social benefits, improvement of living standards for the current and future generations and promotion of peaceful coexistence (Nyarku & Ayekpe, 2019). Cooperatives work in communities with diverse economic and socio-cultural dimensions and, it is therefore, in their interests that they are intentional in implementing projects and programs that meet such needs. This must be done in a manner that promotes peace and social justice while assuring sustainable economic development for all through non-partisan policies (Majee & Hoyt, 2011).

2.3. Leadership Effectiveness

Leadership effectiveness may be defined as “the successful exercise of personal influence by one or more people that results in accomplishing shared objectives in a way that is personally satisfying to those involved” (Fenimore & Nirenberg, 2012). It is the leaders’ ability to effectively influence others to attain organisational goals. Leaders’ quest to attain leadership effectiveness is critical to their survival because it involves the manner in which they manage available resources and, formulate systems and processes that can ensure good governance (Namoga, 2016). Leadership effectiveness may be attained through the leaders’ reflection of good personal behaviours, self-awareness, ability to communicate effectively and actively engagement with followers.

2.3.1. Personal Behaviour

The leaders’ reflection of good personal behaviour is critical to their ability to lead effectively because it deals with issues of moral and ethical dispensation. It also reverberates their effort to enthuse personal masterly, reflect self-efficacy and pursue internal loci of control (Raelin, 2017). Reflection of good personal behaviours helps leaders to take personal responsibility for their actions and conduct themselves in an ethical manner. In social organisations such as SACCOS, the need for leaders to always reflect good personal behaviour is critical to their ability to be accountable and lead effectively (Zhu et al., 2015).

Studies indicate that the ability of leaders to reflect good personal behaviours is essential in enabling them clarify their personal values and organisational vision and sell it to their followers (Kouzes & Posner, 2012). It is also related to the extent to which leaders can engage their followers to realise teamwork and ensure organisational success (Simons, 2016). Other studies reiterate that when leaders reflect good personal behaviours, they do not only attract positive attention from their followers and stakeholders but can also effectively lead people with diverse views and in similarly complex and dynamic environments (Burch & Guarana, 2014; Maznevski et al., 2013). Such leaders have potential to reflect high levels of self-awareness, confidence, honesty, self-leadership and self-regulation (Collins & Jackson, 2015).

2.3.2. Self-awareness

The leadership behaviour of self-awareness is concerned with leaders’ ability to appreciate their knowledge and skills, know their strengths and weaknesses and pursue effective followership (Showry & Manasa, 2014). These attributes are fundamental to their reflection of leadership effectiveness since they lead to personal confidence that is necessary to get tasks accomplished successfully (Caldwell & Hayes, 2016). Self-awareness further helps leaders to make unbiased self-observation and self-assessment (Neck & Manz, 2013). Studies have revealed that self-awareness involves leaders comprehension of their ethical stands and comparing them with acceptable organisation moral behaviour (Goleman, 2013).

Leaders' self-awareness is concerned with their ability to reflect high levels of emotional intelligence not only to understand their followers' emotional needs but also portray personal behaviours that show true empathy and sympathy (McCleskey, 2014). It is additionally evident in leaders' reflection of high levels of leadership self-efficacy and personal mastery (Mao et al., 2019; Schein & Schein, 2017). Specifically, within the context of cooperatives, self-awareness of leaders allows them to develop confidence to mentor others towards pursuing and attainment of social harmony and developing skills to lead successfully (Lussier, 2013). It is also important in helping leaders assess and reflect on their behaviours with a view to learning from the observations presented for the benefit of the members of the cooperative and its major stakeholders (Renesch, 2002; Taylor & Wang, 2012).

2.3.3. Communication

The leaders' ability to communicate effectively involves their effort to ensure that the information is clear and similarly disseminated in an appropriate and concise manner. Moreover, such information must be strategically relevant, strong and focused (Cotton, 2013). Leaders need to practice visionary communication to ensure that the goals, objectives, strategies and vision of the organisation are communicated to others effectively (Kholes et al., 2015). They also need to practice emotional communication, which is characterised, by leadership practices of active listening and feedback and achieved through non-verbal and body language communication (Tyler, 2011).

Effective communication further calls for leaders to determine the kind of communication and align it to the business strategy. Particularly, the need to ensure that the communication strategy is embedded and part of the wider organizational strategy is aligned to the resources that are necessary to implement it (Whitzman, 2016). It is common knowledge that unless a strategy has the blessing of top management, it is bound to fail due to possible lack of corporate acceptance and support. (Bernile et al., 2018).

2.3.4. Followership

The perception of followership as an enabler of leadership effectiveness is concerned with the ability of leaders to enthuse honesty and allow others to undertake independent thinking and participate actively in the organisation's affairs (Manning & Robertson, 2016). It is reflected in the leaders' capacity to know themselves and positively anticipate their followers' perception of them (Leroy et al., 2015). Effective followership may be pursued along the leaders' pursuit of methods to identify followers' needs and galvanise resources to build them into new leaders through mentoring and coaching (Alipour et al., 2017). Moreover, leaders must pursue positive, continuous and active engagements with followers to ensure that they do not only understand their visions but can also accept and own them (de Zilwa, 2014).

Literature indicates that leaders who pursue effective followership are less stressed and attain higher levels of individual and organisational performance (Manning & Robertson, 2016). This is more essential in SACCOS where members work as volunteers and therefore, their recognition as active players by leaders can be a motivating factor (Uhl-Bien et al., 2014). Yet, the realisation of effective followership requires that leaders can self-lead, possess mastery of their tasks and put their competencies to effective use (Bernerth & Hirschfeld, 2017).

3. METHODOLOGY

3.1. Research Philosophy and Design

The study undertook a positivist philosophy that was reflected in a quantitative approach to identify, collect and analyse data (Creswell & Creswell, 2018). The use of the quantitative method allowed the collection of data using a research survey questionnaire which was considered appropriate for collecting data from a relatively large sample size and with many variables (Bryman, 2016).

3.2. Sampling

The study used the probability random sampling technique to determine the sample population for the study. This was majorly aligned to ensuring that possible errors of estimates were minimised and that each unit in the population had a chance to be part of the sample (Flight & Julious, 2016). Thus, the sample population was calculated as 1,600 from the assumption that each of the 53 active SACCOS in

Kampala City had a recommended minimum of 30 members. The sample size for the study was obtained from this population using Nassiuma’s (2000) formula:

$$n = \frac{Nc^2}{c^2 + (N - 1)e^2}$$

Where n = sample size, N = population size, c = coefficient of variation ($\leq 30\%$), and e = error margin ($\leq 3\%$).

This formula was considered appropriate because it helped to minimise errors and enhanced stability of the estimates obtained (Nassiuma, 2000). Thus, by substituting in the formula; a population of 1,600 SACCOS’ members, a margin of error of 3% at a confidence level of 95% and an estimate of 30% of the population that were likely to respond positively, the sample size for the study was established as 161.

$$= 1,600*(0.3)^2 / (0.3)^2 + (1,600-1) * 0.3)^2 = 160.9 \approx 161.$$

3.3. Data Collection and Analysis

Quantitative data was collected using a survey research questionnaire (SRQ) that comprised four questions on respondents’ characteristics, 28 on global cooperative principles and 15 on leadership effectiveness. The use of a survey approach allowed the deployment of the Likert scale along responses of strongly disagree = 1, disagree = 2, neither agree nor disagree = 3, agree = 4, strongly agree =5. This approach was essential in mitigating the challenges of human bias and ensuring ease of data analysis and presentation (White & Millar, 2014). Data was collected through online and manual procedures over a period of 60 days with participants filling in the answers without external assistance. Whereas emails and social media were used to send the online questionnaires to over 200 possible participants, 102 responses (51%) were received while of the 100 manual questionnaires, 59 (59%) responded positively.

3.3.1. Validity and Reliability

The internal validity of the questionnaires was determined and achieved from using questions that were aligned to the variables of the study (Bolarinwa, 2015). The questions were set along attributes of global principles of cooperatives as enshrined in their description while those on leadership effectiveness aligned to its ethos as categorised by available studies on the concept. External validity was achieved by using a sample population of members from SACCOS that were operational and, therefore, expected to provide realistic responses on the concepts of the study(Thomson, 2011).

The reliability of the survey questionnaire was realised from ensuring that answers were provided along the same measurement scale (Heale & Twycross, 2015). The study used the Cronbach’s coefficient alpha test to determine the average correlation of the items involved (Cronbach & Shavelson, 2004). The test returned a value of 0.826 on the items, which was acceptable as a measure of reliability for the instrument.

Table1. Results of the Cronbach’s coefficient Alpha test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.826	.825	40

3.3.2 Procedures of data analysis

The study undertook regression analysis to establish and predict the relationship between the independent variables and dependent variable in the study. This was considered appropriate in realising accurate explanations for the variables and determining emerging correlations (Ivey, 2016). Moreover, the sub-variables of leadership effectiveness were aggregated to form one dependent variable for ease of analysis and interpretation. Outcomes of regression analysis were presented and discussed in form of descriptive statistics, correlations and coefficients (Srivastave, 2011).

4. RESULTS AND DISCUSSION

4.1. Characteristics of the Respondents

Results of data analysis showed that most of the respondents 117 (72.6%) had been part of their SACCOS for less than 10 years while majority of the SACCOS under study 104 (64.6%) had been in existence for the same period. Most of the respondents 113 (70.2%) had a functional role of membership while 17 (20.0%) served on the Board. Moreover, majority of the respondents 110 (68.3%) did not know or had not been exposed to global cooperative principles that govern SACCOS in Uganda.

4.2. H₁: Voluntary and Open Membership and Leadership Effectiveness

Results show that the global cooperative principle of voluntary and open membership (VOM) correlates with leadership effectiveness up to 0.192 and that only 3.7% variation in leadership effectiveness can be explained by practices aligned to the principle. Moreover, practices concerned with restraint ($\beta = 0.413$, $t = 0.880$) and pay ($\beta = 0.248$, $t = 0.829$) reflect positive outcomes while those of membership ($\beta = -0.753$, $t = -2.361$) and discrimination ($\beta = -0.124$, $t = -0.476$) have negative outcomes as shown in the equation:

$$LE = 43.225 - 0.206M - 0.041D + 0.081R + 0.074P$$

Where LE = Leadership Effectiveness, M = Membership, Discrimination, R =, Restraint and P = Pay.

These results reflect a very weak and non-significant relationship between VOM and leadership effectiveness as evidenced in p-values >0.05 . Particularly, results show that members' ability to participate in the work of the SACCOS and, without financial pay has positive bearing to the realisation of leadership effectiveness. However, the SACCOS' inability to pursue voluntary membership and desist from biases of discrimination seem to have a negative relationship with their potential to attain leadership effectiveness. These results are in tandem with reality of SACCOS' membership in Uganda that is generally aligned to members with similar social, economic and sometimes, economic interests (UCA, 2016). They are similarly reflective of the governments' current agenda to empower her citizens through grass root based interventions such as formation of SACCOS.

4.3. H₂: Democratic Member Control and Leadership Effectiveness

Findings indicate that the global cooperative principle of DMC correlates with leadership effectiveness up to 0.231 and that 5.3% variation in leadership effectiveness can be attributed to practices that engender the ethos of DMC. Results show that whereas responsibility ($\beta = 1.000$, $t = 0.018$) shows a positive outcome, those of openness ($\beta = -1.266$, $t = 0.022$) audits ($\beta = -0.032$, $t = 0.923$) and voice ($\beta = -0.166$, $t = 0.742$) have negative effects as shown in the equation:

$$LE = 44.378 + 0.215R - 0.210O - 0.008A - 0.028V$$

Where LE = Leadership Effectiveness, R = Responsibility, O = Openness, A = Audits and V = Voice.

These results show a very weak and non-significant relationship between the cooperative principle of democratic members control and leadership effectiveness with all sub-variables returning p-values >0.05 . Results show that most SACCOS' leaders are not open, transparent and accountable, their skills and competences are not normally audited and do not allow others to voice their concerns without intimidation. This realisation portends a dangerous situation as the essence of the success of SACCOS as social enterprises is aligned to the degree to which leaders can galvanise resources to attain and sustain credible social capital (Stoop et al., 2021).

4.4. H₃: Member Economic Participation and Leadership Effectiveness

The global cooperative principle of member economic participation correlates with leadership effectiveness up to 0.177 and 3.1% change in leadership effectiveness may be explained by practices, which foster the attainment of MEP in SACCOS. Results reveal positive outcomes for share capital ($\beta = 1.000$, $t = 0.018$) and ROI ($\beta = -1.266$, $t = 0.022$) and negative outcomes for community ($\beta = -0.166$, $t = 0.742$) and dividends ($\beta = -0.032$, $t = 0.923$) as shown in the equation:

$$LE = 41.389 - 0.165C + 0.662S + 0.177R - 0.546D$$

Where LE = Leadership Effectiveness, C = Community, S = Share, R = ROI, D = Dividend

Evidence from the results shows a very weak and non-significant relationship between MEP and leadership effectiveness as realised in p-values >0.05. Specifically, leadership effectiveness is positively influenced by the appropriateness of share capital and return on investment. However, it is negatively impacted upon by their failure to engage in social activities and receive dividends on their share investments. The realisation that some SACCOS are devoid of active and meaningful social engagements deprives members of their ability to grow as a group and may be a hindrance to attaining mutualism (Banerjee, 2016).

4.5. H₄: Autonomy and Independence and Leadership Effectiveness

The cooperative principle of autonomy and independence (AAI) associates with leadership effectiveness up to 0.207 and 4.3% variation in leadership effectiveness may be explained by roles related to AAI. The results reveal positive outcomes for registration ($\beta = 0.284$, $t = 0.471$) by-laws ($\beta = 0.562$, $t = 0.226$) and governance ($\beta = -0.616$, $t = 0.172$) and negative results for regulation ($\beta = -1.172$, $t = 0.038$) as shown in the equation:

$$LE = 41.578 + 0.284RE + 0.562B - 1.172R + 0.616G$$

Where LE = Leadership effectiveness, RE = Registration, B = By-Laws, R = Regulation, G = Governance

Evidence from the results shows a very weak and non-significant relationship between the practice of AAI and leadership effectiveness as witnessed in p-values >0.05. Notably, results seem to suggest that the need for SACCOS to register with regulators, implement their by-laws and pursue good governance are essential for them to attain leadership effectiveness. These results are in agreement with extant literature where good governance in SACCOS is seen as critical to their financial performance and sustainable growth (Andersson et al., 2020; Kyazze et al., 2017). However, the portrayal of current government regulation as a negative influence to leadership effectiveness may be reflective of their archaic nature.

4.6. H₅: Education, Training and Information and Leadership Effectiveness

Results of linear regression analysis show that the cooperative principle of education, training and information (ETI) relates with leadership effectiveness up to 0.290 and that 8.4% variation in leadership effectiveness can be explained by engagements related to ETI. There are positive outcomes for training ($\beta = 0.437$, $t = 0.099$) benefits ($\beta = 1.360$, $t = 0.482$) and negative outcomes for board ($\beta = -1.158$, $t = 0.556$) and knowledge ($\beta = -0.620$, $t = 0.395$) as shown in the equation:

$$LE = 41.834 + 0.099T + 0.348B - 0.217B - 0.155I$$

Where LE = Leadership Effectiveness, T = Training, B = Benefits, B = Board, I = Knowledge

Evidence from the results shows a very weak and non-significant relationship between the cooperative principle of education, training and information and leadership effectiveness as seen in p-values >0.05. The influence of the principle of ETI to leadership effectiveness in SACCOS is specifically evident in the leaders' ability to conduct trainings for their members and the benefits that accrue from such interventions. Nevertheless, there is little evidence of leaders' effort to undertake trainings and share knowledge with other SACCOS. Whereas these results may echo the general competitive nature of SACCOS as social business enterprises, they may similarly be reflective of the short period of leadership tenures that do not allow meaningful knowledge acquisition and transfer practices (Bernie et al., 2018).

4.7. H₆: Cooperation among Co-operatives and Leadership Effectiveness

Findings reflect that the principle of cooperation among cooperatives (CAC) correlates with leadership effectiveness up to 0.210 and that only 4.4% change in leadership effectiveness can be explained by activities surrounding efforts towards CAC. Results reveal positive outcomes for efforts on collaboration ($\beta = 0.469$, $t = 1.134$), social placement ($\beta = 0.332$, $t = 0.822$) and knowledge sharing ($\beta = 0.473$, $t = 1.061$) and negative outcomes for financial support ($\beta = -0.322$, $t = 0.462$) as the equation shows:

$$LE = 39.799 + 0.113C + 0.082P - 0.075FS + 0.109K$$

Where LE = Leadership Effectiveness, C = Collaboration, SP = Social Placement, FS = Finance Support, K = Knowledge Sharing

These results present a very weak and non-significant relationship between the cooperative principle of cooperation among cooperatives and leadership effectiveness as evidenced in p-values >0.05. Whereas most SACCOS seem to have some levels of engagement with other SACCOS especially in the areas of collaboration and knowledge sharing, this is lacking when it comes to financial support. This may be attributed to leadership issues of trust, transparency and accountability. It may also be reflective of failure of members to reach consensus on such contentious matters (Namoga, 2016).

4.8. H₇: Concern for Community and Leadership Effectiveness

Findings on the relationship between the principle of caring for community and leadership effectiveness indicate that the principle correlates with leadership effectiveness up to 0.262 and that 6.9% variation in leadership effectiveness can be explained by practices related to CFC. Results reveal positive outcomes for peace and justice ($\beta = 0.030$, $t = 0.948$) environment ($\beta = 1.077$, $t = 0.023$) and impact ($\beta = 0.073$, $t = 0.857$) and negative outcomes for social development ($\beta = 0.269$, $t = 0.490$) as seen in the equation:

$$LE = 41.160 - 0.061SD + 0.008PJ + 0.267E + 0.016I$$

Where LE = Leadership effectiveness, SD = Social development, P = Peace, E = Environment, I = Impact

Evidence from the results shows a very weak and non-significant relationship between the cooperative principle of concern for community and leadership effectiveness as reflected in p-values >0.05. Leadership effectiveness in SACCOS in Kampala City seem to be more influenced by their alignment to the achievement of sustainable social development than promotion of peace, ensuring protection of the environment and the realisation of positive impact on the community. This is in line with the expectations of SACCOS as social financial institutions whose major goals are to improve own members' livelihoods through pooling of resources and not necessarily those of the wider communities in which they operate (Said et al., 2018).

5. CONCLUSIONS

The findings from the study have revealed that there are very weak and non-significant correlations between all the global principles of cooperatives and leadership effectiveness in SACCOS within Kampala City. Yet, the reason for imposing these principles on cooperatives is to ensure leadership effectiveness in these entities through good governance. Moreover, the fact that only 32% of the respondents had heard about the global cooperative principles could be the reason that they are not reflected in the daily operations of the SACCOS. These results can be used to put forth a consideration that lack of appreciation and practice of global cooperative principles may be partly to blame for lack of leadership effectiveness in SACCOS in Uganda and could be part of the reason for failure of SACCOS in the country.

Specifically, there is realisation that members are recruited involuntarily in line with social and economic generality at the expense of membership diversity. This may have adverse effect of denying individual SACCOS the ability to harness competences and skills that would be reflected in the diversity of their members and the realisation of sustainable leadership effectiveness.

Similarly, the apprehension that some SACCOS do not offer dividends to their shareholders is a matter of concern because it has tendency to demotivate members from continuous saving, as they look further afield for financial institutions that can offer a handsome return on their investments. This is exacerbated by failure of SACCOS to undertake education and training measures, which could be used to inform stakeholders about the status and health of the business and create the basis for explaining their performance.

The study further determines that SACCOS in Kampala City are regulated by policies and regulations that may not help them attain high levels of leadership effectiveness. Scrutiny of current laws

governing SACCOS shows that these are not only out-dated but are integrated with those of microfinance institutions yet, there is a fundamental difference between the two. This may be the reason why SACCOS are not eager to engage with other SACCOS in terms of sharing knowledge, finances and other resources.

6. RECOMMENDATIONS

In line with the findings from the study and available literature on the concept of SACCOS and their leadership in Uganda, it is obvious that leadership of SACCOS and the Government of Uganda are yet to appreciate the importance of the global cooperative principles to the realisation of leadership effectiveness. Therefore, the study recommends that the government should produce a framework that highlights each of the principles of cooperatives and their importance to the realisation of good SACCOS' performance. Leaders of SACCOS should be made to understand and appreciate the principles and in turn educate, train and inform their members and communities about their relevance to their attainment of sustainable performance.

It is further recommended that in order to ensure good governance and adherence to the cooperative principles, audits on the performance of SACCOS' leaders should be undertaken annually. Such audits should be extensive and cover areas of membership, savings and credits, shareholding and stakeholder engagements undertaken by the SACCOS. However, this can only be possible if the current regulations, policies and laws governing SACCOS are not only delineated from those of the wider sector of microfinance but also reviewed and revised to reflect the challenges and opportunities presented by the current fiscal, social and economic environments of the country.

7. AREAS OF FURTHER RESEARCH

Research in the cooperative sector generally and SACCOS in particular within the Ugandan context is still scarce. This in contrast to countries like Kenya where the cooperative movement and specifically that of the SACCOS' sector continue to attract considerable research interest. It is hoped that extensive study into the nature of SACCOS, the reasons for their success and/or failures as well as the role of government regulations concerning SACCOS should be undertaken.

Even though this study has highlighted the current state of leadership effectiveness from the perspective of global cooperative principles, there is need for a bigger study with a wider scope of participants and larger sample size. Moreover, given that the study was conducted in an urban setting, it would be interesting to note how the dynamics of findings would change with the integration of views of participants from semi-urban and rural contexts.

Furthermore, even though there is emerging research on the concepts of governance, accountability and ethics of leaders in organisations, specific study into these aspects from the perspective of SACCOS in Uganda would be welcome. This is because there are increasing reports of failed SACCOS in the country with the major reason being highlighted as bad governance. Such a study would help to ascertain such allegations and provide possible appropriate remedies for consideration.

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