

Factors Influencing Deposit Mobilisation in Higher Learning Institutions'

Financial Entities: A Case Study of TEWW-SACCOS Ltd

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Abstract

This paper reports the study findings that had assessed the factors influencing deposit mobilisation in Tanzania's higher learning institutions' financial entities a case of TEWW SACCOS LTD. The specific objectives of the study were to determine the factors mostly influencing the TEWW SACCOS LTD deposit mobilisation; establish the effect of interest rates on a variety of services on its deposit mobilisation; and determine the extent to which employees' salary levels affect its deposit mobilisation. The study was conducted on three campuses and eight centres of the IAE. Purposive sampling was used to draw a sample of 45 respondents from a population of 85 TEWW SACCOS' members from whom primary data was collected. Data analysis used descriptive statistics processed under SPSS version 20. The findings indicate that most of the respondents (42.2% and 22.2%, respectively) confirmed that the employee's salary levels and the varying services rendered adversely affected the TEWW SACCOS LTD deposit mobilisation. The interest rates, are also, insignificantly affected the variety of services and TEWW SACCOS's deposit mobilisation. The effects of employees' salary levels emerged to be three times more adverse than any other factor on TEWW SACCOS LTD deposit mobilization. Thus, it is recommended that the TEWW SACCOS LTD needs to increase number or service varieties rendered while rethinking the applicable collateral. Moreover, the TEWW SACCOS LTD management through the employer should endeavoured into reformation and encourage more members to join the TEWW SACCOS LTD to boost the deposit mobilisation.

Keywords: Deposit Mobilisation, SACCOS, Interest rate, Salary

Introduction

Financial institution such as the Savings and Credit Co-operative Society (SACCOS) acts as financial intermediary in a global economy. They use loan and deposit services to channel idle funds of the members into valuable production and other investment projects serving its members to attain their socio-economic goals. Simply put, such financial societies enable members to save for the future. The growth of individual economy depends on capital accumulation, which in turn depends on investment and proportional savings to match it. This study, therefore, assessed factors influencing deposit mobilisation in higher learning institutions' financial institutions using a case of the Institute of Adult Education, which is better known by its Kiswahili name of Taasisi ya Elimu ya Watu Wazima SACCOS LTD, hence TEWW SACCOS LTD.

Most of the SACCOS members at the Institute of Adult Education opened bank accounts for their monthly salary deposits from the employer. Meanwhile, a few of the employees also voluntarily belong to the TEWW SACCOS LTD operating in their domicile at work. This non-mandatory approach to SACCOS creates a problem of limited number of accounts opened in TEWW SACCOS LTD and relatively slow down deposits and servicing of the TEWW SACCOS LTD undertakings. As a result, though the TEWW SACCOS LTD had been in existence for 42 years the membership remained constricted since registered for operations.

It was registered on 29th May 1979 under the saving and Credit Co-operative Society Act of 1968, with registration number DSR. 205. Currently, TEWW SACCOS LTD operates under new amendment Act No: 6 of 2013 for savings and credit co-operative society. However, the operating mechanism for TEWW SACCOS LTD is likely to end up with failure to mobilise adequate deposits from the members, which affect the disbursement of loan or invite higher interest rate is possible to make the SACCOS' operations sustainable.

In consequence, the SACCOS in higher learning institutions concentrated less on tapping the members' salaries as deposits, but more on general (side) income accumulated by its members through entrepreneurial activities. Mobilising deposits from a single economic segment limits sources of money for lending, which is an integral part for improving their financial performance capable of translating into SACCOS growth. Also members are encouraged to buy shares, which expand the client base and raise in savings with the growth of membership.

Other higher learning institutions have introduced material gifts to members who save regularly and relatively more than others in the SACCOS. Sometimes, motivators entailed awarding the best savers with certificates (Amiry, 2013).

The TEWW SACCOS LTD caters for three campuses of the Institute of Adult Education, in addition to 61 educational centres spread out in different parts of the country. In all, the Institute has 258 employees composed of 114 academic and 144 non-academic staff. The SACCOS' operations revealed an ultimatum on possible default for loanable funds disbursed to its members. The TEWW SACCOS LTD's records indicate that some members delayed their loan repayments and sometimes even failed to comply with the loan agreement schedules. The delayed loan repayments attracted additional interest charges of about 6% per annum, which accrued monthly as per loan agreement between PPF Pensions Fund and TEWW SACCOS LTD, which consign the loan contract agreement with PPF Pension fund on behalf of its members.

Studies on SACCOS deposit mobilisation in higher learning institutions were rarely conducted by different actors of financial institutions, apart from non-higher learning institutions indicating alarming drastic drops of deposit mobilisation in SACCOS operating in both public and non-public sectors. Despite the interventions undertaken over the last 10 years to promote financial inclusion, in most parts of the world people are still not saving enough, or they do so through informal channels. According to the Global Findex 2 (Demirguc - Kunt et al., 2015) about 56 percent of the adults in the world saved a certain amount of money between 2013 and 2014, whereas only 27.4 percent saved in a formal institution during the period under review. This phenomenon is especially more pronounced in developing than in developed countries. In contrast, some evidence suggests that the poor do save and have a small surplus that they do not use for essential expenditures (Collins, et al., 2009).

However, the channels that they use for saving are mainly informal, such as keeping the money at home or with friends and family, buying jewellery or livestock, lending to others, or investing in family businesses. In Latin America and the Caribbean, according to the Global Findex database, 48 percent of households reported saving in one form or another, 45 percent reported having a savings account in a formal institution, whereas only 16 percent reported saving in a financial institution. These percentages are like those of Sub-

Saharan Africa and extremely low in relative to the emerging and developed economies.

The SACCOS' credit and deposits are closely related in the sense that they represent almost two sides of the same coin. Likewise, the question of whether loans make deposits or deposits make loans attract two kinds of answers depending on which side of the coin one is looking at. The financial institutions, the world over, thrive on their ability to generate income through their lending activities. For SACCOS, the lending activity only becomes possible when the entity can mobilise enough funds from the customer base.

Since SACCOS depend much on depositor's money as a primary source of funds, there are some possible relationships between the ability of the SACCOS to mobilise deposits and the amount of loan granted to its members. Deposit mobilisation depends on the cost of deposits. It is the size of the deposits that largely decide the lending potential of a financial institution such as SACCOS (Rajeshwari, 2014). Indeed, SACCOS must have adequate deposits to meet the lending volume required by its members while maintaining extra cash for loans and other services for its members (depositors). The SACCOS cannot achieve this funds mobilisation to support service provision without clear strategies for mobilising more people to deposit funds and save. Yet, as Collins et al. (2009) have documented, low-income households in developing countries save resources in a wide variety of informal and semi-formal savings devices, though such alternative savings can be quite costly.

Literature Review

Theoretical foundations governed the current study based on the three theories deployed to assess the factors influencing deposits mobilisation in TEWW SACCOS Ltd. These three theories are the loanable fund theory, lifecycle theory, and Keynesian theory of Absolute Income Hypothesis.

The loanable fund theory (LFT) applies the law of supply and demand. This theory stipulates that, the demand for supply of loanable funds are the roots that determine the interest rates. It uses a classical market analysis to describe the supply, demand, and interest rates for loans in the market for loanable funds. Ideally, based on these early proponents, the supply of a loanable fund comes from the firms or individuals who want to save; these are the lenders. The demand for loanable funds originates from the entrepreneurs or investors who want to buy capital assets (i.e., to invest); these and are the borrowers.

Negotiations in the loanable market are made in terms of the real interest rate. The market interest rate is, therefore, determined when there is an equilibrium between the demand for and supply of loanable funds. In other words, the loanable funds market works on the principle of equilibrium. At equilibrium requires both savers and investors and the interest rate spread not to be so wide that one party feels discouraged. After all, the increase in interest rates on loan increases makes it more expensive to borrow, and the demand for the loan decreases. On the contrary, as the interest rate on savings decreases, the supply of loanable funds drops because lower interest rate discourages net savers.

This theory was deemed appropriate for the current study since it explains well the importance of TEWW SACCOS Ltd as an example of SACCOS in higher learning institutions to observe the trend of demand for and supply of loanable funds among the loan beneficiaries to determine the correct interest rate to charge. Any change in the interest rate that might occur can have a different impact on both short and long-run in various magnitudes for either side of stakeholder. The decrease in interest rate change in the short run would cause aggregate demand for loanable funds to increase because there would be more investment spending. Contrary, in the long run, more investment spending will cause the long run aggregate supply curve to increase as well. This theory informs the study on how the TEWW SACCOS Ltd's income must be either saved or disbursed. This implies that a decrease in loanable fund consumption will lead to an increase in savings; otherwise an increase in loanable fund savings will cause the supply of loanable funds to increase tremendously.

The second relevant theory is the lifecycle theory (LCT), which postulates financing through the institutional lifecycle. The market mix classifies the age of micro-finance institutions (MFIs) into new, young, and mature. According to LCT, Microfinance Finance Institutions (MFIs) are expected to be financially sustainable when they attain the age of maturity. New MFIs are not typically self-sufficient and the mature ones are usually profitable. Young MFIs are mainly operationally sustainable while financially sustainable and profitable.

This theory is also appropriate for the current study to explain the existing stage in under which TEWW SACCOS Ltd, as an example of SACCOS in Tanzania's higher learning institutions, falls. The LCT connotes that, the management of TEWW SACCOS LTD would have gained experience over time, hence sharpening its capacity to mobilise deposits and disburse loans to its members

efficiently. Such potentialities can facilitate TEWW SACCOS Ltd's navigation from being a small, inefficient and un-sustainable SACCOS to large, sustainable and financially sustainable SACCOS. Financial sustainability is celebrated by financial regulators authority for enhancing outreach to the poor in a consistent way. This would make financial sustainability a supreme SACCOS' development lag necessary for every SACCOS in higher learning institutions. Notably, the role of micro financial institution financing structure and efficiency measures in defining financial sustainability. Low-cost financing sources (equity) support financial sustainability. Regulatory costs linked with deposit collection also constrain financial sustainability (Bayai et al., 2016).

The third and most related theory in this study was the Keynesian theory of Absolute Income Hypothesis (1970). This theory focuses on current income to explain changes in savings and consumption behaviour of the economic agents. The income of interest under this theory is the absolute/disposable income. Keynes postulates that consumption will increase at a decreasing rate as the income increases other things remaining constant. This implies that part of the income will be saved at an increasing rate as the disposable income increases. Thus, consumption and savings are functions of disposable income. Other things being constant, the assumption is that rich people will save more than poor people or those with higher income (salary) will likely save more than their counterparts with less income (salary).

The current study applied the Keynesian theory of Absolute Income Hypothesis as consumption was an inactive residual of the amount of income remaining after saving. Under this view, the decision of any TEWW SACCOS Ltd's loan beneficiary member to save will be determined by the income (salary) for the utility lost from consuming.

By implication, consumption is dependent variable influenced by the interest rate (a key factor of saving behaviour). Thus, it is assumed that an individual TEWW SACCOS Ltd loan beneficiary's savings are positively associated with an increase in his/her absolute income (salary) increases because more excess in income (salary) entails a higher saving rate in his/her SACCOS account. Based on this assumption, we applied this theory to understand the prevailing TEWW SACCOS Ltd circumstance.

In a study conducted in Nigeria by Nwanchuku et al. (2011) entitled "What Drives Private Saving in Nigeria" found that private savings fluctuated in

relation to interest rate on deposit. Meanwhile, the growth rate of real per capita and degree of financial depth impacted positively the private savings whereas fiscal balance negatively influenced private savings in Nigeria. This study, however, was confined to private savings fluctuating in relation to interest rate on deposit but not on the effect of interest rates/charges on a variety of services provided by financial institutions such as SACCOS deposit mobilisation at higher learning institution.

Similarly, a study by Ndanshau (2012) entitled “Interest rates and other Determinants of financial savings: An empirical investigation in Tanzania” found no strong evidence on real interest rate to influence national savings in Tanzania. However, the interest rate reform has had a positive impact on financial deepening which ultimately affects saving rate. Though the study managed to depict the real interest rate versus its influence on national savings and financial deepening effects on the savings rate, it did not highlight the effect of interest rates/charges on the variety SACCOS services pertaining to deposit mobilisation, specifically in higher learning institutions.

Furthermore, a study by Luvate et al. (2016) entitled “Assessment of interest rates influence on deposit mobilisation for selected savings and credit co-operative societies in western Kenya” revealed that most of the respondents (59.6%) agreed that the prevailing interest rates helped respondents in deciding where to save their money, 21.9 percent were uncertain, 16.7 percent disagreed, 2.2 percent strongly agreed with the statement whereas a fraction (1.3%) strongly disagreed with the statement.

The scenario indicates that most of the customers agreed that the prevailing interest rates helped respondents in deciding where to save their money. The study, however, was confined to the prevailing interest rates and decisions regarding where to save the money depending on whether the interest was low or high, contrary to the effect of interest rates/charges on a variety of services on financial institutions such as SACCOS in case of deposit mobilisation for higher learning institutions.

Audu (2015) examined the impact of target deposit mobilisation on the banking industry by focusing on selected banks in Maiduguri Metropolis. The study found that deposit mobilisation practice of “target deposit” given to bank staff has several social and financial implications for the banks and their marketers. Whereas “target deposit” has resulted in an increase in the size

of bank deposits coupled with financial gain and promotion of marketers, the concomitant negative impact as exemplified in unethical practices and the health implication of marketers chasing, deposits leaves much to be desired. The study only focused on the “target deposit for bank industry” and not necessarily on the factor mostly influencing SACCOS deposit mobilisation in Tanzania’s higher learning institutions.

Chelangat et al. (2018) conducted a study entitled “Savings Mobilisation Strategies and the Growth of Savings and Credit Co-operative Societies in Nairobi City County, Kenya.” The study specifically had examined the effect of product development on the strategic growth of SACCOs in Kenya. The study revealed that product development/diversification affects the growth of savings and credit co-operatives significantly. The study also found that group lending significantly affected the growth of savings and credit co-operatives. Meanwhile, new product development/ product line extension significantly affected the growth of savings and credit co-operatives. The study also showed that the mode of disbursement, savings products range as expressed and interest on loan/ interest rates also significantly affected the growth of savings and credit co-operatives greatly. However, the study neither linked the most influential factors on the SACCOS deposit mobilisation nor did it establish the effect of interest rates/charges on the variety of SACCOS services on deposit mobilisation as well as the extent to which employees’ salary levels/amounts affected the SACCOS deposit mobilisation elsewhere. In fact, the study fully revolved around saving mobilisation.

In a study conducted by Mansour (2012) that had assessed the factors that influence deposit mobilisation in Tanzania using a case of commercial banks (NBC, NMB, CRDB, PBZ, Barclays and BOA) based in Dar es Salaam, Tanzania, found that the level of banking charges ranked first among the ten factors considered in the study in deposit mobilisation in financial institutions supported by 97.2 percent of the respondents. This factor was followed by location of the bank, which was supported by 97.1 percent respondents and the third factor was marketing strategies backed up by 91.5 percent respondents. The fourth factor was quality of the service rendered, supported by 88.6 percent respondents; the fifth factor was the level of technology back-up (76.1%); the sixth factor was level of interest rate (73.3%); then came level of internet banking (71%) in seventh factor. The eighth factor ranked was the variety

of the services rendered (66.6%). The ninth factor was level of ATM charges 59.4 percent respondents and the tenth factor ranked was level of employee's compliance backed-up by 50 percent respondents. Although the study ranked the factors influencing deposit mobilisation in financial institutions, it was confined to the bank industry and overlooked other micro and macro financial institutions such as SACCOS.

Nkuru (2015) in a study entitled "Factors Affecting growth of SACCOs within the Agricultural Sector in Kenya: A Case of Meru Farmers SACCOs" established that most of the respondents interviewed (40%, n=80) had income level between (Kshs11, 000 and Kshs30, 000). Meanwhile, the respondents with the highest income level were 15 (7.5%). This might have negative implication for the growth of the SACCOS since low levels of income translate into low sums of money contributed to the SACCOS (in terms of deposits) each month as supported by the most of the respondents (44.5%, n=89) who contributed amounts of below Kshs 5,000 as opposed to only 25(12.5%) respondents who contributed Kshs16, 000-20,000 per month. In addition, other SACCOS members had quietly borrowed from commercial banks with SACCOS loans still outstanding. Furthermore, 77.7 percent of the respondents indicated that the amount of income they contributed affected the growth of the Meru Farmers' SACCOs and, thus, the SACCOS might fail to meet adequately its obligations of providing loans to members. Though study concentrated on the effects of income levels on the growth of SACCOS it did not consider the most influencing factors on the SACCOS deposit mobilisation nor the extent to which the employees' salary levels/amount affected the SACCOS deposit mobilisation in higher learning institutions.

Materials and Methods

The study population consisted of TEWW SACCOS Ltd.'s members from the Institute of Adult Education (IAE) in Tanzania. The IAE comprised three campuses, and 61 educational centres spread out country-wide. It had a workforce of 258 made up of 114 academic and 144 non-academic staff (IAE, 2021). Yet, it was only 85 employees who were TEWW SACCO Ltd members. The reasons for the TEWW SACCOS Ltd choice based on some unsustainability indicators to manage its operations in the short-run in terms of performance and policy. Moreover, the branches IAE with its headquarters in Dar es Salaam were

scattered all over the country with a substantial number of SACCOS' members having broader experience than any other members elsewhere in the country as per its lifelong from the time its start.

Purposive sampling techniques was used to obtain the required members from TEWW SACCOS Ltd. The choice enabled the researcher to obtain those respondents who were useful in data collection for this study. The purposive sampling employed in the study was judgmental. Subsequently, a sample size of 45 TEWW SACCOS Ltd.'s members was generated from a population of 85 members, hence representing 52.94 percent of the TEWW SACCOS Ltd members at IAE. The distribution of the respondents for the selected purposive sampling were obtained from Mwanza campus (5 members), Dar es Salaam campus (15) members and Morogoro campus (6 members).

Other respondents were obtained from the IAE centres comprising four members from the Kigoma centre, three from Singida, two from Kagera, two members from Pwani (Coast) centre, one from Tabora, four from the Mbeya centre, 1 from Arusha and two provided useful information for assessing factors influencing deposit mobilisation in higher learning institutions' financial institutions using a case study of TEWW SACCOS Ltd.

The study collected both primary and secondary data. Primary data was gathered from respondents using a structured questionnaire. The questionnaire was administered physically or via the telephone. The secondary data, on the other hand, was obtained from various TEWW SACCOS and IAE records sources. The rationale of employing these data collection methods was to collect enough information for the research to achieve its objectives as the study was exploratory in nature.

Data collected using self-administered structured and telephone-administered questionnaires were coded into SPSS before running descriptive statistics with frequency tables to achieve the first specific objective. The subsequent descriptive statistics with cross tabulation helped to achieve the second and third objectives of the study. Descriptive statistics with frequency tables based on the first specific objective targeted helped to identify the factors mostly influencing the TEWW SACCOS Ltd deposit mobilisation. Meanwhile, descriptive statistics with cross tabulations were ran to establish the effect of interest rates/charges on a variety of services on SACCOS deposit mobilization and determine the extent to which the employees' salary levels/amount affected the TEWW SACCOS

Ltd deposit mobilisation to achieve the second and third objectives of the study, respectively. This approach was consistent with Mansour (2012) and Luvate et al. (2016). In addition, the t-statistic test was conducted for the second and third objectives to establish whether there were significantly different effects for some important factors or not after ranking based on the deposit mobilisation strength in TEWW SACCOS Ltd.

Results

The study sought to determine the factor influencing the TEWW SACCOS Ltd deposit mobilisation the most. The study found that most of the respondents (42.2% and 22.2%, respectively) confirmed that employees' salary levels and a variety of the service rendered most adversely affected the TEWW SACCOS Ltd deposit mobilisation at IAE. The other factors include interest rate (13.3%), dividend level (8.9%) and the last two factors were quality of the service and location of SACCOS (which tied at 6.7%) respondents, as Table 1 illustrates:

Table 01: FACTORS INFLUENCING SACCOS DEPOSIT MOBILISATION

Considered factor	Frequency	Percentage	Rank
Employees Salary Level	19	(42.2)	1
Variety of Services	10	(22.2)	2
Rate of Interest Level	6	(13.3)	3
Dividends Level	4	(8.9)	4
Quality of Services	3	(6.7)	5.5
Location of SACCOS	3	(6.7)	5.5
	45	(100)	----

Source: Field Data, 2021

The study further sought to establish the effect of interest rates/charges for the variety of services on TEWW SACCOS Ltd deposit mobilisation and to determine the extent to which the employees' salary levels/amount affected the SACCOS deposit mobilisation. The results show effect of the interest charges TEWW SACCOS Ltd imposes on services (Table 02). Regarding the effect of TEWW SACCOS Ltd interest rates on its members, 4.44 out of 60 percent of those who strongly agreed with perceptions cited interest charges over the rest

of the factors as affecting TEWW SACCOS' deposit mobilisation. Conversely, none strongly disagreed with perceptions. The implication is that the interest rate factor had no effect on TEWW SACCOS Ltd deposit mobilisation. The study also found that for the employees' salary amount (levels) in TEWW SACCOS Ltd 37.78 percent of the respondents strongly agreed with this factor relative to the rest of the factors, out of the 60 percent of the strongly agreed with the perceptions provided.

Table 02: PERCEPTION OF SACCOS'S CUSTOMERS ON DEPOSIT MOBILISATION

Factors considered	Perceptions of SACCOS's customers on deposit mobilisation					Total
	5	4	3	2	1	
SACCOS's location	1(2.22%)	1(2.22%)	0(0%)	2(4.44%)	1(2.22%)	5(11.11%)
Services variety	6(13.33%)	1(2.22%)	0(0%)	1(2.22%)	1(2.22%)	9(19.99%)
Interest rate Level	2(4.44%)	1(2.22%)	0(0%)	0(0%)	0(0%)	3(6.66%)
Service quality	1(2.22%)	0(0%)	1(2.22%)	1(2.22%)	1(2.22%)	4(8.88%)
Employees' salary levels	17(37.78%)	2(4.44%)	1(2.22%)	1(2.22%)	0(0%)	21(46.66%)
Dividend Level	0(0%)	0(0%)	0(0%)	1(2.22%)	2(4.44%)	3(6.66%)
Total	27(60%)	5(11.11%)	3(6.67%)	6(13.33%)	4(8.89%)	45(100%)

Source: Field Data, 2021

Where: 5: Strongly agree, 4: Agree, 3: Neutral, 2: Disagree, 1: Strongly disagree

The study also checked for significance level of some factors considered under specific objectives two and three. The output shows that the average for interest charge on facilities offered by TEWW SACCOS LTD is 1.45 versus 1.74 for employee salary. We read the value in the second row labelled "Equal variances not assumed". We will use the second row since we almost never have any reason to consider *a priori* that the amount of variation within each group will be the same (the p-value in the two rows is usually almost the same anyway). In the output a column labelled "Sig. (2-tailed)" is the p-value, which is .006, implying that the difference in the mean score is statistically insignificant ($p > .005$) as indicated in Table 03:

Table 03: GROUP STATISTICS AND INDEPENDENT SAMPLE TEST

Factors considered	N	Mean	Standard deviation	Standard error			
Facilities							
Interest charges	45	1.45	2.146	3.742			
Employee's salary	45	1.74	3.024	5.635			
Leven's test for quality		t-test for quality of means					
Variance							
	F	Sig	t	df	Sig 2 tail	Mean dif	std err 95%
Equal variance assumed	12.213	.000	1.251	4	.006	92.6	7.421
Equal variance not assumed			1.001	6	.006	92.6	8.213

Source: Field data 2021

Discussions

The study sought to determine the most influential factors on SACCOS deposit mobilisation at TEWW SACCOS Ltd. The results indicate that employees' salary levels ranked first with a 42.2 percent response rate. Indeed, it emerged to which is most adversely affect the SACCOS deposit mobilisation at TEWW SACCOS Ltd. This finding implies that as the level of salary increases, it induces savings. Other things being constant, it is assumed that those TEWW SACCOS Ltd members with higher salaries can save more in their TEWW SACCOS Ltd account than their low-income earners or those who own much in terms of income (salary) will likely save more than their fellows with less income (salary). This finding is in line with the Keynesian theory of Absolute Income Hypothesis, which stipulates that consumption will increase at a decreasing rate as the income increases, other things being constant. In other words, part of the income would be saved at an increasing rate as the disposable income short up. Therefore, consumption and savings are functions of disposable income.

These findings contradict those by Mansour (2012), who had found the level of banking charges to rank first among the ten factors considered in the study to affect deposit mobilisation. His findings was supported by 97.2 percent respondents. The difference if the most influential factor in the two studies could be attributable to the size of the sample taken (the current study had 45 respondents whereas the comparative study had 72). Moreover, the contexts of the two studies differ: SACCOS for the current study and banks for the comparative study. Furthermore, the factors considered in the current study are

limited compared to those in comparison study. The current study considered only six factors some are like those in the comparison study (Location, Variety of services rendered, Level of interest rate/charges and quality of services rendered) whereas others are different (Employees' salary amount /level and dividend).

The second factor influencing the TEWW SACCOS Ltd deposit mobilisation emerged to be variety of the services (22.2%). This finding implies that having different types of services other than loan issuance may add value to TEWW SACCOS Ltd deposit mobilisation. In other words, abnormalities found in deposit mobilisation in TEWW SACCOS Ltd appears to be associated with limited services offered by the SACCOS to its members. This finding is contrary to Mansour (2012), whose the second most significant factor influencing deposit mobilisation in his study was the location of the bank, which was supported by 97.1 percent of the respondents. The factor of variety of the services rendered was ranked as eighth factor in his study and was supported by 66.6 percentage of the respondents, the differences emerged in this ranking maybe attributable to the different contexts of the two studies (banks and SACCOS) and the sample sizes.

The third most significant factor established in the current study that influenced the TEWW SACCOS Ltd deposit mobilisation is interest rate as expressed by 13.3 percent of the respondents. This finding implies that the interest charges attached either to the disbursed loan or deposits are not user-friendly to the TEWW SACCOS Ltd members who might shy away from the SACCOS, which in turn could affect the members' deposits or increasing the burden to repay the loan. This finding also is opposite to those of Mansour (2012), who ranked marketing strategies third among the factors influencing deposit mobilisation in financial institutions, with 91.5 percent of the respondents in that study indicating so. The reasons for the observed ranking differences may be resulted out of the context in which the two studies were conducted (bank &SACCOS) and the sample sizes used (45 Staffs for SACCOS & 72 Staff for banks).

The fourth most significant factor emerged to dividend level, which in the current study was supported by 8.9 percent of the respondents. This factor appears to be less influential when it comes to TEWW SACCOS Ltd deposit mobilisation that other factors. The explanation is that dividends were rarely or completely not observed in the TEWW SACCOS Ltd. Thus this neglect could have led to a

decrease in TEWW SACCOS Ltd's deposit mobilisation. This finding contradicts to those by Mansour (2012) who had ranked the quality of the service rendered fourth, with 88.6 percent of the respondents in that study backing it up. These ranking differences might stem from the different contexts of the two studies (banks & SACCOS), sample sizes used (45 for SACCOS & 72 for banks) and the reason that the Mansour's study did not use the dividend factor.

The least ranked factors in the current study were the quality of services and location of TEWW SACCOS Ltd. These were ranked fifth by only 6.7 percent respondents —the lowest—hence having hardly any impact on deposit mobilisation in TEWW SACCOS Ltd. This finding could signal that with the advancement in technology the location cannot influence the decision to deposit or otherwise. Meanwhile, the quality of services provided by TEWW SACCOS Ltd seems not that preferable to the members. This finding challenges those found by Mansour (2012) which ranked as fifth factor the level of technology. These differences could emanate from the different contexts of the two studies (banks & SACCOS), sample sizes used (45 for SACCOS & 72 for banks). Also, the current study did not consider the level of technology factor as.

The study further sought to establish the effect of interest rate/charges for a variety of services on TEWW SACCOS Ltd deposit mobilisation and to determine the extent to which the employees' salary levels/amount effect the TEWW SACCOS Ltd deposit mobilisation. The study found that the interest charges on TEWW SACCOS Ltd- offered facilities services are insignificant at $p > .005$ Table 03. This implies that the interest charged does not affect the deposit mobilisation of the SACCOS Ltd. As Table 02 illustrates, only 4.44 percent out of 60 percent of those who strongly agreed with perceptions opted for this effect over the rest of the factors. Implicitly its effect are insignificant when it comes to inducing deposit mobilization in IAE SACCOS Ltd. This finding is inconsistent with the loanable fund theory since there is no need for negotiations in the loanable market. In essence, the market interest rate is not adhered to determine whether the demand for and supply of loanable funds has not been equal. Any increase or decrease the interest rate that might not impact on TEWW SACCOS Ltd members in both short and long-term, since to them the factor was largely inconsequential. In this regard, the current study's finding contradicts the Luvate et al. (2016) who found that most of the respondents (59.6%) agreed that the prevailing interest rates helped respondents to decide where to save their money.

The findings of the current study further disagree with study those by Chelangat et al. (2018), whose study established that interest on loan/ Interest rates also significantly affected the growth of savings and credit co-operatives. Like the current study Ndanshau (2012) also concluded that there was no strong and conclusive evidence on real interest rate influencing national savings in Tanzania. On the other hand, as Ndanshau (2012) observed, the interest rate reform has had a positive impact on financial deepening generally, which ultimately affects the savings rate contrary to the current study findings.

The current study also found that the effects of employees' salaries in TEWW SACCOS Ltd were three times stronger than any other factor in affecting deposit mobilisation for the SACCOS under review. As Table 02 illustrates, the respondents strongly agreed that employees' salary level affected the TEWW SACCOS Ltd's deposit mobilization as reported by 38 percent respondents. In other words, the effects brought about by this factor on deposit mobilisation is more than triple the times of any other singular factor when it comes to deposit mobilization in TEWW SACCOS Ltd. Indeed, the salary cap tends to positively or negatively influence the SACCOS members' participation in such co-operative entities.

The findings of the current study partly support and partly disagree with Nkuru (2015) whose research indicated a negative implication for the growth of SACCO since low levels of income translates into paltry sums contributed to the SACCOS each month as supported by the majority of respondents in that study. In addition, other SACCOS' members secretly borrowed from commercial banks while still owing SACCOS loans.

Overall, the current study concluded that most of respondents (42.2% and 22.2% respectively) confirmed that the employees' salary levels and variety of the service rendered are the most significant factors that adversely affected TEWW SACCOS Ltd deposit mobilisation. These two factors are followed by interest rate, whose influence was on the low side and was articulated by only 13.3 percent of the respondents. On the other hand, the study found insignificant effects on deposit mobilisation in TEWW SACCOS Ltd engendered by interest rate. Finally, the study found that the effects of the employees' salaries on TEWW SACCOS Ltd deposit mobilisation were three times more than any other singular factor. In fact, the records from TEWW SACCOS Ltd (COASCO, 2017) indicate that its operations contradict the life-cycle theory,

which requires Microfinance Finance Institutions (MFIs) are expected to be financially sustainable when they attain the age of maturity. After all, new MFIs are not typically self-sufficient and matured ones are usually profitable. Yet, the TEWW SACCOS Ltd had been in operations for more than four decades having been launched in 1979 but without necessarily attaining the required maturity and membership numbers that would make it even more sustainable. Based on the age-wise analysis criteria developed in a study conducted by Rupa (2018), the MFIs have been divided into three categories: 'New', 'Young' and 'Mature' based on the maturity of their microfinance operations. The MFIs are classified based on their age as follows: (i) Age less than 10 years – New MFI; (ii) Age between 10 to 15 years – Young MFI; and (iii) Age more than 15 years – Mature MFIs. As such, TEWW SACCOS Ltd with 42 years under its belt falls under the Mature MFI. In this regard, the management of TEWW SACCOS Ltd would have gained ample experience over time, hence sharpening their potentials to mobilise deposits and disburse loans to its members efficiently. Such potentials could also have allowed TEWW SACCOS Ltd to navigate from being a small or young, inefficient and unsustainable SACCOS to mature, sustainable and financially sustainable entity. Paradoxically, all these positive attributes have never been achieved by TEWW SACCOS Ltd as the findings of the current study illustrate. Thus, the study recommends that the TEWW SACCOS Ltd increase the variety and quality of service rendered and, simultaneously, rethink the collateral appended to its loan portfolio. Moreover, the TEWW SACCOS Ltd management, through the employer should venture into reformation and encourage more members to join the TEWW SACCOS Ltd to boost the deposit mobilisation and minimise the possible loan default rate, which led to the collapsing of the otherwise veteran TEWW SACCOS Ltd.

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