

Effect of Cooperative Values on the Financial Performance of Thrift and Credit Society in Educational and Tertiary Institutions in Kaduna State, Nigeria

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Abstract

The study investigated the effect of cooperative values on financial performance of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State, Nigeria. The study adopted descriptive survey research design. The population of the study comprised of 10,393 management committee of educational and tertiary institution thrift and credit societies in Kaduna State. The sample size consisted of 385 drawn from the population using Taro Yamane formula. Census sampling technique was used because the population size was manageable. The study was guided by two research questions and two research hypotheses. Data was collected from the respondents with the aid of a structured questionnaire. The instrument was validated by experts from department of Cooperative Economics and Management from Faculty of Business Administration in Nnamdi Azikiwe University, Awka, Anambra State Nigeria. The reliability of the instrument was determined using Cronbach's Alpha with a reliability coefficient of 0.97. Data collected were analysed using descriptive statistics. Arithmetic mean and standard deviation were used to answer research questions while the hypotheses were tested using t-test with the aid of statistical package for social sciences (SPSS, version 26). The results obtained shows that at $F=71.19$ and $P=0.000<0.05$, cooperative values have significant influence on the financial performance of thrift and credit societies in educational and tertiary institutions in Kaduna State. The study concluded that cooperative core values have positive relationship with financial performance of thrift and credit societies in Kaduna State. The study recommended that cooperative society should constantly educate her members as regard to the cooperative core values through periodical seminar and conferences, these will their trust and confidence in the society management teams the society at large.

Keywords: Cooperative, Core, Values, Society, Financial, Performance, Thrift, Credit, Equity, Asset, Educational, Institutions.

Introduction

Cooperative is an idea that has existed since the beginning of mankind. People realized that by working together, they might accomplish more than the sum of each individual's efforts. Early human society realized the benefits of collaboratively hunting, fishing, gathering food, living, worshipping,

cooking, and providing shelter in groups, as well as addressing individual and community needs (Onugu, Usman and Moore, 2019). Cooperatives operate in every sector of the global economy. Cooperatives are unique in that they generate money for their members, whether they be service customers, producers, or independent business owners (International Co-operative Alliance, 2015) Investor-owned firms benefit both consumers and workers, not only the wealthy. Co-operatives contribute to reducing global inequality, which can have significant economic, social, cultural, environmental, and political impacts if not addressed. This spirit of working together for mutual benefit extends beyond individual interactions to form the foundation of a cooperative society, particularly evident in the collaborative environments of tertiary institutions.

Cooperative societies in tertiary institutions exist to enhance the economic and social welfare of staff and faculty by providing financial services such as savings and credit, allowing members to access funds for academic or personal needs while reducing reliance on external lenders. They also leverage collective purchasing power to offer goods and services at discounted prices, improving affordability for members (Mazzarol, Limnios and Reboud, 2013). Building on the essential role that cooperative societies play in supporting the financial and social needs of members in tertiary institutions, it is important to understand the core values that guide these cooperatives, ensuring that they operate democratically, fairly, and sustainably to benefit all members equally.

The cooperative movement is based on the values of honesty, self-help, self-responsibility, members' democracy, equality, equity, and solidarity, and members believe in the ethical values of honesty, openness, and caring for others (ICA, 2015). In addition to these, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others (Uwaramutse, Towo, and Machimu, 2022). These values form the basis for the operations of cooperative societies, emphasizing the importance of transparency, fairness, and concern for the well-being of all members and the community at large. These values are not only ethical guidelines but also have practical implications for the financial performance of cooperatives. For instance, honesty and openness are essential for building trust and credibility, which are crucial for the long-term success and sustainability of a cooperative (Azim, Kuang and Meropy, 2017).

Cooperative values among others can influence the performance of a cooperative society. According to Fatihudin, (2018), financial performance is the accomplishment of the company's financial performance for over a given period covering the collection and allocation of finance measured by capital adequacy, liquidity, solvency, efficiency, leverage and profitability. Financial performance of cooperative society can be measured in various form, or rather has various performance indicators. For instance, the following can be used as financial performance indicator in cooperative society; net income, net profit, return on equity, return on asset (Uwaramutse, Towo and Machimu, 2022).

Zelhuda, Abdul, Suraya, M. and Faruk, (2017) argue that the current ratio, leverage (borrowed funds), net fixed asset turnover, investment, dividend, and co-operative size are factors contributing to the financial performance of agricultural co-operatives. According to Lee, (2014) the number of board of members, and co-operative age are also other factors that affect financial performance in cooperative. There are studies that have taken into account other causative factors which negates the financial success of cooperative societies around the world, such as norms and values of the organizations towards business, for instance honesty.

Honesty is an important value in cooperative societies, as it is considered a foundation for cooperative principles and values. Honesty is a prerequisite for good relations among people and within the cooperative community (Atty, Mohamed and Youssef, 2018). Therefore, for financial performance of cooperatives, their values matter, this has therefore necessitated this study to address

the gap by analyzing the effect of Cooperative Values on the financial performance of thrift and credit societies in educational and tertiary institutions in Kaduna State, Nigeria.

Statement of the Problem

In recent years, the financial performance of thrift and credit societies in educational and tertiary institutions in Kaduna State, Nigeria, has come under scrutiny. These societies play a pivotal role in providing financial support to their members, offering savings and credit facilities aimed at improving members' economic welfare. However, despite their potential to enhance financial inclusivity and economic empowerment, many thrift and credit societies are struggling with issues such as low profitability, poor loan recovery rates, and financial mismanagement. These challenges have raised concerns about their sustainability and ability to meet members' financial needs effectively.

One critical but often overlooked factor influencing the financial performance of these societies is the role of cooperative values. Cooperative values-such as honesty, openness, self-help, democracy, equality, equity, and solidarity-are foundational principles that guide the operations of cooperative societies. When properly adhered to, these values promote trust, transparency, accountability, and member participation, which can directly impact the financial performance and long-term viability of these societies. However, in many instances, there is a growing gap between the cooperative values these societies profess and the actual practices they exhibit. This disconnect may be contributing to financial underperformance, poor member engagement, and overall inefficiency in service delivery. Given this context, the problem addressed in this study is the lack of empirical understanding regarding the extent to which cooperative values influence the financial performance of thrift and credit societies in educational and tertiary institutions in Kaduna State. Without this understanding, it remains difficult to determine whether the promotion and implementation of cooperative values could serve as a strategic mechanism for improving the financial outcomes of these societies. Therefore, this study seeks to investigate the effect of cooperative values on the financial performance of thrift and credit societies, with a focus on identifying the specific cooperative values that are most impactful in enhancing financial performance and sustainability.

Objectives of the Study

The broad objective of this study is to find out the effect of Cooperative Values on Financial Performance of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State. Specifically, this study seeks to:

1. Ascertain the effect of value of honesty on net income of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State.
2. Assess the effect of value of openness on net profit of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State.

Research Questions

The following research questions are raised in line with the specific objectives to guide this study;

1. To what extent does the value of honesty affect the net income of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State?
2. How does the value openness influence the net profit of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State?

Research Hypotheses

The following hypotheses were tested at 0.05 level of significance

H₁: The value of honesty has no significant effect on the net income of Cooperative Societies in Educational and Tertiary Institutions in Kaduna State.

H₂: The value of openness has no significant effect on net profit of Cooperative Societies in Educational and Tertiary Institutions in Kaduna State.

Literature Review

Cooperative Society

International Co-operative Alliance (ICA) described cooperative as an autonomous community of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise (ICA, 2015). It is argued that cooperative can only be a true association or society, when people of like minds come together without any form of course or indirectly influenced to as human beings on the basis of equity, for the promotion of their economic interest (Bernard, Moxnes and Saito, 2019).

Cooperative comprises a voluntary network of individuals who own or control a registered business that distributes benefits on the basis of use or ownership where ownership is largely weighted equally across individual members. Benefits are generated by, for example, a share of surplus or profits, improved working conditions and benefits, lower prices, higher quality of product, product type and variety that better serve members' preferences, and better access to credit (International Co-operative Alliance, 2015). Members control the cooperative on the basis of one member, one vote, with a guaranteed platform to exercise voice. Members invest in the cooperative and thus have a financial stake in the organization (McKillop, French, Quinn, Sobiech, and Wilson, 2020). This shows that, cooperative society is a legally incorporated organisation that is owned and controlled by its members, who in turn uses the services or purchases the product sold by the society.

Cooperatives are formed based on particular values and principles which distinguished her from similar or other businesses. These values are self-help, self-responsibility, democracy, equity solidarity. There are seven internationally-recognized cooperative principles which are: voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives, and concern for community (Ezemezu, 2023). Also, in the tradition of cooperative founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperatives are defined around a set of principles and values. If these are misunderstood, ignored or dismissed, the co-operative risks departing from its purpose and resembles or demutualises into an investor-owned firm. Adherence to co-operative principles and values can strengthen active members' participation or diminish this if they are ignored (Ghauri, Mazzarol, and Soutar, 2021).

However, Cooperatives are special type of association of people with like minds, who come together voluntarily to meet a common need through a democratically-controlled enterprise. While contributing a fair equity. This coming together wouldn't be true if not fuelled by the willingness of the members and based on the premises of cooperative values and principles enshrined by the International Cooperative Alliance (ICA).

Cooperative Core Values

Values are basic and fundamental belief that guide or motivate attitudes or actions. Value is an important concept in cooperatives, which can help to determine what is important, and provide the general guidelines for conduct. Values, in a narrow sense, are that which is good, desirable, or worthwhile (Sage, 2018). According to International Cooperative Alliance, (2015), traditionally, the cooperative movement has had deep ties to the world's wide array of religions and ideologies. It has continuously explored its own belief systems and attempted to identify those personal ethics and social ideas, if any, that are shared by cooperators and motivate future actions (Usman, 2021). By doing so, the movement seeks to find common ground among its members and foster a sense of unity and purpose that transcends individual beliefs and cultural differences. This ongoing exploration helps to sustain the cooperative principles and ensures that the movement remains relevant and adaptable to the changing social and ethical landscape. Cooperative values are characteristics of the members, and they comprise a set of values and norms that reduce the uncertainty of members in relation to each other and to an uncontrollable business environment. These values include self-help, self-responsibility, democracy, equality, equity, and solidarity. By adhering to these shared principles, cooperative members create a trustworthy and stable environment that fosters collaboration and mutual support, even in the face of external challenges and market fluctuations. This shared value system not only strengthens internal cohesion but also enhances the resilience and adaptability of the cooperative as a whole. The cooperative values serve as guidelines for all cooperative organizations and their members. Cooperatives around the world share several founding traits that anchors on principles and values adopted by the ICA in 2015. These associations are comprised of autonomous individuals and created based on the guiding standards of volunteerism, democracy, and a set of common cultural, social and economic needs. One of the ways cooperatives differ from other business structures is their adherence to cooperative principles and values that reflect social, political, and business concerns (ICA, 2015).

Cooperative Ethical Values

In addition to augment the main cooperative values, some sets of other values were made up. These values are called ethical values in cooperative. They are traditional ethics established by the founders of the cooperative organization. All cooperatives function under the ideals of honesty, openness, social responsibility and caring for others. These values act as the foundation for cooperative principles. The principles are essentially guidelines for how members can successfully integrate and practice the core cooperative values in every area of their organization (International Cooperative Alliance, 2015). Both the values and principles are crucial in all areas, from everyday operations to elections and policies. There are the ethical values in cooperative;

Honesty

This value has the quality of both end and means. Honesty is a good in itself and is a means to other goods. Honesty is an important prerequisite to continuing good relations among persons and within collectives such as co-operatives. Honesty is both a quality of, and a means to, human fulfillment (Barker, Colter, Cumbie, Gessner and Joyal, 2018). Truth is a critically important component of rewarding community and collective life (Pobihushchy, 2012). Honesty is the sine qua non for the individual and the collective of individuals experiencing and benefiting from the truth. Owners rightly expect transparency and honesty from their cooperative. One may ask, how do we demonstrate this responsibility on behalf of our community? Or how do we acknowledge the truth about our business' unfair practices and use that awareness to work to transform the system? That's why out of the core value, need for honesty is imperative in achieving a successful cooperative.

Openness

The emergence of relationality calls for an orientation of ‘openness’ (Byrne, McCarthy, and O’Loughlin, 2023). Openness to engage in relationality is based on ‘responsivity and anticipation’ to the openness of the other in the interaction (O’Súilleabháin, Howard, Hughes, 2018). Hence, for relationality to emerge there must be a perception of the openness of the one as well as openness of the other (Barker, Colter, Cumbie, Gessner and Joyal, 2018). Does the cooperative assess and respond to the needs of the community through an open and transparent dialogue? In view to answer this question openness was made a subsidiary value of cooperative. This value refers to the structured and reasonable availability to the membership of information and knowledge relevant to the successful life of the organization/ collective (Barker, Colter, Cumbie, Gessner and Joyal, 2018). This value presupposes that the governance of the organization is a democracy; hence the membership collective is the repository of the authority exercised in that governance. One way to increase openness in relationships is to express your thoughts and feelings honestly and respectfully. Sharing opinions, emotions, needs, and desires can help you connect with others on a deeper level, and create more trust and intimacy (Pobihushchy, 2012).

Economic/Financial Performance Measurement/Indicators

The economic performance of an organization is typically evaluated based on the achievement of its economic goals. These goals can be long-term, such as sustainable growth and development, or short-term, like stabilizing business operations in response to sudden and unpredictable events known as economic shocks.

Net income

Traditionally, net income was the key performance measure of a business. Over time, however, accounting standard setters came to believe that net income by itself was an insufficient, and possibly even useless, measure of financial performance (Gazzola and Amelio, 2014, Nzewi & Audu, 2023). Individuals, organizations, and companies are often motivated to generate net income through their various pursuits. The primary purpose of this net income is to help cover their basic necessities and enable survival. However, once these fundamental needs are met, the net income can then be directed towards attaining more recreational and leisure-oriented goals. Profitability is a strategic objective pursued by economic unity. It reflects the ability of the company to invest the funds it receives from multiple sources and reduce its expenses to the extent that it achieves incomes in order to maximize the wealth of the owners and to maintain the survival of the unit and its continuation (Ajanthan, 2013, Uchenna & Audu, 2021; Uchenna & Audu, 2022). Profitability represents a large number of policies and decisions. It is a general indicator of the company's financial performance (Heikal, Khaddafi and Ummah, 2014).

Net Profit

Net profit specifically represents a company's total earnings derived from its core business activities, after deducting all associated expenses. Expenses subtracted include the costs of normal business operation as well as depreciation and taxes. Net profit is commonly referred to as a company’s “bottom line” and is a true indicator of a company’s profitability. Net profit is a company’s actual profit, once all expenses are taken away from its revenue. It is used as the ultimate measure of how profitable a business is. Since it appears at the very end of financial statements, it is also known as the bottom line.

Theoretical Framework

Resource-Based Theory (RBT)

Resource-Based Theory (RBT), propounded by Edith Penrose in 1986. The theory (RBT) posits that a firm's performance is primarily determined by its internal resources. These resources, which can be tangible (like financial capital and physical assets) or intangible (such as knowledge, skills, and organizational culture), must be valuable, rare, inimitable, and non-substitutable (VRIN) for the firm to achieve and sustain a competitive advantage. The theory suggests that differences in firms' resources lead to variations in their performance, and it emphasizes the importance of resource heterogeneity and immobility, meaning that these unique resources cannot be easily replicated or transferred to other firms. For a firm to sustain a competitive advantage, its resources must be valuable, rare, inimitable, and non-substitutable (VRIN), (Malik & Audu, 2023).

Applying RBT to the study of cooperative values and their impact on the financial performance of thrift and credit societies reveals that these values are significant intangible resources. Cooperative values like trust, mutual support, and democratic governance contribute to a unique organizational culture, which can be a source of competitive advantage. Societies that effectively embed and leverage these values may achieve better financial performance, as these values enhance cohesion, member satisfaction, and loyalty.

Empirical Review

Rahman, Rahman, Rahman and Masud (2023) investigated the impact of trade openness on the cost of financial intermediation and bank performance in BRICS countries—Brazil, Russia, India, China, and South Africa. Utilizing a panel data approach from 2000 to 2020, the research employs a quantitative research design with fixed-effects and random-effects models to assess the relationship between trade openness and key banking indicators, including net interest margins, return on assets (ROA), and cost-to-income ratios. The result reveal that increased trade openness is associated with a statistically significant reduction in the cost of financial intermediation, with a 1% increase in trade openness leading to a 0.15% decrease in net interest margins ($p < 0.05$). Furthermore, the study demonstrates that trade openness positively influences bank performance, with ROA improving by 0.12% ($p < 0.01$) in response to greater openness. The cost-to-income ratio also decreases by 0.20% ($p < 0.05$), indicating improved operational efficiency in the banking sector. This research, conducted in the BRICS countries, highlights the beneficial effects of trade openness on the financial sector, suggesting that more open economies tend to have more efficient and profitable banking systems. The study showed that investment in government securities and market openness positively affect bank intermediation costs while the trilemma index negatively affects them. The study contributes to the literature on international finance and banking by providing empirical evidence on the role of trade policies in shaping financial intermediation costs and overall bank performance in emerging markets.

Usman and Umebali (2021) examined the influence of management committees on the performance of cooperatives in tertiary institutions in Kaduna state, Nigeria. Survey design was adopted and a sample size of 312 was generated out of 1,412 population of the study. Questionnaire was the major instrument used in data collection. Data were presented and discussed using descriptive statistics, frequencies and percentages; while the hypothesis was tested using Regression Analysis at a 5% level. The result of the study suggested that the socio-economic characteristic of committee members is critical to cooperative performance. The results showed that cooperative performance was

influenced by committee members' knowledge and application of cooperative values and principles in business decisions (F-ratio of 17.414). It also revealed that committee members' socio-economic characteristics have significant influence on cooperative performance (F-ratio of 16.426). In conclusion, therefore, the anticipated relations and path-like effects of identified variables influence performance suggest opportunities to address issues that could retard cooperative performance.

Chance, Cicon, and Ferris (2015) examined Poor performance and the value of corporate honesty in United State. Utilizing a sample of publicly traded companies from 2000 to 2012, the authors employ multiple regression analyses to assess the impact of corporate honesty on firm value, as measured by stock price reactions and market valuation metrics. The findings indicate that firms that openly acknowledge their poor performance experience a statistically significant increase in stock price, with an average abnormal return of 2.5% ($p < 0.01$) within the first week of disclosure. Additionally, these firms see a long-term improvement in market valuation, with a 4.8% increase in Tobin's Q over the subsequent year. The study also reveals that the market reacts more favorably to honesty in industries with higher levels of competition and for firms with a history of consistent earnings reports. These results suggest that corporate honesty not only mitigates the negative effects of poor performance but also enhances the firm's reputation and market position. The study contributes to the literature on corporate governance by highlighting the strategic value of transparency in maintaining investor confidence and improving financial outcomes, especially during periods of underperformance.

Methodology

This study adopted descriptive survey research design. The study was carried out in Kaduna State, Nigeria. The population of the study comprised of ten thousand three hundred and ninety-three management committee of the educational and tertiary institutions of thrift and credit societies in the study area. The sample size for the study consisted of three hundred and eighty-five determined using Taro Yamane formula, the sampling was done using census sampling technique. The instrument for data collection was a structured questionnaire with two sections: Section 'A' covered the 'socio-economic characteristics' of the respondents, while Section 'B' focused on the research questions and objectives. The questionnaire utilized a 5-point Likert scale, ranging from Strongly Agree (SA) to Strongly Disagree (SD), with the intermediate options being Agree (A), Undecided (UD), and Disagree (D).

The instrument was face and content validated by two research experts. These experts were from the Department of Cooperative Economics and Management at Nnamdi Azikiwe University, Awka. They were asked to assess the appropriateness, comprehensiveness, and clarity of the questionnaire items. Their feedback was used to modify the structure of the questionnaire items. To ensure reliability, the researcher used test-retest reliability, which was applied using Cronbach's alpha coefficient to test the reliability of the instrument with a reliability coefficient of 0.97. The researcher administered and collected the data with the help of three research assistants. These assistants were briefed by the researcher on the best approaches to engage with study participants, ensuring a polite disposition and a seamless data collection process. Mean and standard deviations were used to answer research questions. This method was chosen due to its simplicity in presenting data for easy understanding. Inferential statistical tools, advanced t-tests and F-statistics, were employed to test the formulated hypotheses 0.05 level of significance.

Data Presentation and Analysis

The presentation and analysis of data collected from the field was carried out in this chapter. The aim is to present the data in an interpretable form so that the variables of the study can be comprehensive. Out of the 385 copies of questionnaires that were distributed, 308 (80%) copies of the questionnaires were filled and returned, while 77 (20%) copies of the questionnaires were not recovered.

Analysis of Data Related to Research Questions

Decision Rule:

The decision in the analysis section is determined by the average of the response of respondents. Strongly Agreed (5 points), Agreed (4 points), Disagreed (3 points), Strongly Disagreed (2 points) and Undecided (1 point). The average of the responses:

$$\frac{(5 + 4 + 3 + 2 + 1)}{5} = 3.0$$

Therefore, mean score below 3.0 would be considered as rejected and mean score of 3.0 and above will be considered as accepted.

Research Questions 1: To what extent does the value of honesty affect the net income of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State?

Table 1: Effect of Honesty on Net Income of Thrift and Credit Society in Kaduna State (308).

Value of Honesty	N	Mean	StdDev	Remark
We see honesty as an all-important factor in achieving net income net gain to members in our society.	308	3.6	1.3	Accepted
Honesty is a means of member’s net income generation by our society.	308	3.1	1.4	Accepted
Truthfulness is a benefiting factor in income generation for members of our cooperative society.	308	3.3	1.3	Accepted
Honesty is one of the values for enhancing the net income generation for members.	308	3.6	1.05	Accepted
Net Income				
Net income is achieved by members of our society due to the application of the value of honesty by our cooperative.	308	3.5	1.4	Accepted
Revenue is generated in our society to cooperative for members’ stake due to the value of honesty.	308	3.03	1.1	Accepted
Net income is gained in our cooperative activities due to exhibition of truthfulness.	308	3.1	1.4	Accepted
Income generation of members is enhanced due to the value of honesty.	308	3.3	1.2	Accepted
Grand Mean	308	3.32	1.27	Accepted

Table 1 reveals the descriptive statistics that the value of honesty is a significant factor contributing to the net income of Thrift and Credit Societies in educational and tertiary institutions in Kaduna State. The respondents were asked to what extent does cooperative core value influences the society’s net-income, the result shows a grand mean value of 3.32 and standard deviation of 1.27, all the

variables met the theoretical mean threshold. Hence, it is accepted. Thus, the cooperative society core value of “Honesty” has a significant effect on the net income of the cooperative society in the study area with a grand mean value of 3.32 and a standard deviation value of 1.27.

Research Question 2: How does the value openness influence the net profit of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State?

Table 2: Distribution of Openness on Net Income Thrift and Credit Societies in Kaduna State (n=308)

Value of Openness	N	Mean	STD DEV	Remark
Members of our society have access to the level of their earnings by exhibition of the value of openness	308	3.1	1.0	Accepted
Through transparent and open dialogue members of our society find it easy to assess their earnings.	308	3.4	0.9	Accepted
Openness encourages accountability in the process of achieving the society’s net profit.	308	3.5	1.2	Accepted
The value of openness promotes deeper level of connection for increase in membership and higher level of net profit in our society.	308	3.1	1.3	Accepted
Net Profit				
Members achieve a greater level of earning in their society due to the value of openness.	308	3.4	1.2	Accepted
Member’s net earnings are achieved due to open dialogue and transparency in financial matters.	308	3.1	1.3	Accepted
Our cooperative, society’s net profit is enhanced by openness and accountability in business activities.	308	3.2	1.1	Accepted
Net profit is made in our society due to deeper level of openness.	308	3.3	1.4	Accepted
Grand Mean		3.26	1.18	Accepted

Table 2 shows the descriptive statistics that reveals that the value of openness positively influences the net profit of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State. The respondents were asked the extent cooperative value of ‘Openness’ influences their cooperative society’s net profit based on various variables captured in the questionnaire, the result shows a grand mean value of 3.26 and standard deviation of 1.18, all the variables met the theoretical mean threshold. Thus, it is accepted. Therefore, the cooperative value of openness affects the net profit of the cooperative societies in Kaduna State. This is justified by the grand mean score of 3.26 which met the theoretical mean threshold of 3.0 and grand standard deviation of 1.18. This shows that cooperative value of openness significantly influences their net profit positively.

Test of Hypotheses

Decision Rule: Reject the null and accept the alternate if P-value < 0.5; if otherwise accept the null Hypothesis.

Hypothesis One:

H₁: The value of honesty has no significant effect on the net income of Cooperative Societies in Educational and Tertiary Institutions in Kaduna State.

Table 3: T-test analysis on the value of Honesty on the Net Income of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State.

Variables	t-test (t_{cal})	Sig.	Decision
Constant (c)	4.87	.000	Statistically significance
Cooperative value of Honesty	8.495	.000	Statistically significance

Table 3, shows the t-test value of cooperative value of honesty is significant; which represents 8.495. However, since the p-value is .000 which is less than the critical value 0.05, this study upholds and concludes that there exists a positive significant relationship between cooperative core value of honesty and cooperative society's net income in Kaduna State at 5% level of significance.

Hypothesis Two:

H₂: The value of openness has no significant effect on net profit of Cooperative Societies in Educational and Tertiary Institutions in Kaduna State.

Table 4: T-test analysis on the value of openness on the Net Profit of Thrift and Credit Societies in Educational and Tertiary Institutions in Kaduna State.

Variables	t-test (t_{cal})	Sig.	Decision
Constant (c)	4.87	.000	Statistically significance
Cooperative value of openness	6.855	.003	Statistically significance

Table 4, the t-test value of Cooperative value of openness is significant; which represents 6.855. However, since the p-value is .003 which is less than the critical value 0.05, we, therefore, reject the null hypothesis and accept the alternate and conclude that cooperative value of openness has significant effect on the society's net profit in the study area at 5% level of significance.

Discussion of Findings

Cooperative core value of 'honesty' has positive influence on the financial performance of thrift and credit societies in the study area. This implies that, as the independent or potential thrift and credit societies in the study fails to observe and practice the core value of cooperative movement promulgated by the International Cooperative Alliance (ICA) (1995) in their everyday activities, it will have adverse effect on their financial performances. In other words, a 1% increase or decrease in non-adherence of value of honesty by the societies will bring about 26.0% decreases or increases in the financial performance of the thrift and credit societies as a whole, this conforms with result Chance, Cicon, and Ferris (2015) which states that corporate honesty not only mitigates the negative effects of poor performance but also enhances the firm's reputation and market position.

Cooperative core value of 'openness' has significant effect on the cooperative society' net income of thrift and credit societies in the study area. Thus, an increment of 1% of observing 'Openness' by the thrift and credit society, it will bring about 14% increases in the society's net profit level, in other words financial performance of the cooperative societies in the study area. This is in line with the findings of Rahman, Rahman, Rahman and Masud (2023) which reveal that increased trade openness is associated with a statistically significant reduction in the cost of financial intermediation, with a 1% increase in trade openness leading to a 0.15% decrease in net interest margins ($p < 0.05$). The implication is that, net profit is the factor which keeps the cooperative society business, organization and members' investors going. When cooperative society void herself from observing the core value

of ‘openness’, this will affect the smooth synergy between the society and the members which in turn will affect their overall performance.

Conclusion

From the result of the analysis, the study concluded statistically that cooperative core values have positive relationship with financial performance of thrift and credit societies in Kaduna State Nigeria. However, from the specific objectives, the study posits that cooperative society’s net incomes and net profits are guaranteed through strong adherence of cooperative core value of ‘honesty’ and ‘openness’ in business dealings. It is observed that honesty and openness are facilitating agent which helps cooperatives to stay in business and have more sales which brings about increase in net income and net profit of the thrift and credit society.

Recommendations

Based on the findings this study makes the following recommendations:

- i. Thrift and credit societies should prioritize and reinforce the value of honesty within their operations. By maintaining transparency and truthfulness in all dealings, societies can further enhance their financial performance and ensure sustained member trust and satisfaction.
- ii. Thrift and credit societies should foster an environment of openness and transparency, particularly in decision-making and financial reporting. This can be achieved through regular open dialogues and accessible financial disclosures, which have been shown to significantly improve net profit and business sustainability.

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