Service Quality and Financial Performance of Saving and Credit Co-Operative Societies in Tanzania
Experience From Selected Saccos in Moshi Municipality
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This study analyzed the role of service quality in financial performance of selected SACCOs in Moshi Municipality. Specifically, the study examined the financial performance of SACCOs, identified factors that determines quality service of the SACCOs, compared attitude of members on service quality in studied SACCOs, determined the most important SERVIQUAL dimensions that matter most to SACCOs' service and accessed the relationship between service quality and SACCOS financial performance. 150 respondents were purposively sampled, whereby 140 were drawn from ordinary members and 10 from board members. Quantitative and qualitative techniques were used to analyze data. The study found that the financial performance of SACCOs was good. WAZALENDO SACCOs had an efficiency score of 0.95; the implication was that the SACCOs needed to reduce its inputs by 0.5%, to achieve 100% efficiency. The factors that significantly affected service quality were experience, age, education level and behaviour of the service provider, number of members, savings and communication. Attitude of members on service quality in studied SACCOs was good, the grand mean was greater than the accepted mean score of 2.50 indicating that the items have been accepted by the respondents and believe that MRT and WAZALENDO SACCOs offers quality service. With regard to most important service quality dimension in SERVIQUAL dimensions, MRT members listed reliability dimension as the most preferably while WAZALENDO SACCOs favoured tangible dimension. Conceming the relationship between service quality and SACCOs performance the study concluded that there was relation, but the strength of the relationship differs with each dimension. The study recommended that SACCOs should observe the output with a minimum input.