

Operational Strategies and Business Performance Among Cooperative Societies in Lagos State, Nigeria

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Abstract

This study examined the influence of operational strategies on the performance of cooperative societies in Lagos State, Nigeria. Despite the significant contributions of cooperative societies to financial inclusion, employment generation, and socio-economic development, many continue to experience challenges related to governance, technology adoption, and financial management, which affect their overall performance. Specifically, the study assessed the effect of governance structures on members' satisfaction, examined the influence of technology adoption on operational efficiency, and determined the effect of financial management practices on profitability. The study was anchored on the Resource-Based View (RBV) Theory and adopted a descriptive survey research design. The population comprised 370,000 registered cooperative members in Lagos State, from which a sample size of 400 respondents was determined using the Taro Yamane formula. Fifteen cooperative societies were purposively selected across the three senatorial districts, and 236 valid questionnaires were used for the analysis. Data were analyzed using descriptive statistics and inferential statistics, particularly regression analysis and ANOVA, with the aid of SPSS version 26. The findings revealed that governance structures had a significant effect on members' satisfaction ($R = 0.788$, $R^2 = 0.786$, $p < 0.001$), technology adoption had a significant positive effect on operational efficiency ($R = 0.698$, $R^2 = 0.696$, $p < 0.001$), and financial management practices significantly influenced profitability ($R = 0.699$, $R^2 = 0.698$, $p < 0.001$). The study concluded that effective governance structures, technology adoption, and sound financial management practices are critical drivers of the performance and sustainability of cooperative societies in Lagos State. The study therefore recommends strengthening governance through transparency and participatory leadership, investing in digital technologies and continuous capacity building, and institutionalizing sound financial management practices to improve member satisfaction, operational efficiency, profitability, and the long-term sustainability of cooperative societies.

Keywords: Operational Strategies, Business Performance, Cooperative, Lagos State.

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Introduction

Operational strategies are fundamental to the performance and long-term sustainability of cooperative societies because they guide how organizational resources are utilized, members are managed, and strategic objectives are achieved. Effective operational strategies enable cooperatives to improve service delivery, strengthen internal processes, enhance financial performance, and respond to changes in the business environment. According to Penrose (1959), organizations achieve sustainable growth by effectively utilizing their internal resources and capabilities. Similarly, Barney (1991) argued that organizations gain competitive advantage when they effectively manage valuable and unique resources. In cooperative societies, these resources include effective leadership, sound governance structures, financial management systems, technological capabilities, and committed members.

Contemporary cooperative societies increasingly adopt integrated operational strategies that combine good governance, sound financial management, member participation, and technological innovation to improve organizational performance. Good governance promotes transparency, accountability, and democratic decision-making, thereby increasing members' trust and confidence in cooperative activities (Ostrom, 1990; Birchall, 2011). Likewise, effective financial management supports prudent budgeting, proper record keeping, regular auditing, and efficient allocation of resources, which contribute significantly to organizational sustainability and profitability (Armendáriz & Morduch, 2020; Brigham & Ehrhardt, 2022). Furthermore, technology adoption has become an important operational strategy that enables cooperatives to automate their operations, improve communication, facilitate digital financial transactions, and enhance overall operational efficiency (Demirgüç-Kunt et al., 2022; Verhoef et al., 2021).

In a rapidly changing economic environment such as Lagos State, cooperative societies must continuously review and improve their operational strategies to remain competitive and sustainable. The ability to align governance practices, financial management, technological innovation, and member participation with

changing environmental conditions enhances organizational resilience, operational efficiency, and long-term success. Dynamic capability theory further emphasizes that organizations capable of adapting their internal resources to environmental changes are more likely to achieve superior performance (Teece, Pisano, & Shuen, 1997). Therefore, effective operational strategies remain essential for improving profitability, increasing member satisfaction, strengthening organizational resilience, and ensuring the sustainable growth of cooperative societies.

Problem

Despite the important role cooperative societies play in promoting financial inclusion, employment, and shared economic growth, many cooperatives in Lagos State continue to experience challenges related to poor performance and sustainability. These challenges raise concerns about the effectiveness of their operational strategies.

Key issues include weak governance structures, inadequate financial management practices, limited adoption of technology, and insufficient member engagement. Although governance is expected to enhance transparency and accountability, its actual influence on cooperative performance in Lagos remains underexplored. Similarly, while technology is known to improve efficiency and service delivery, its effect on member retention and satisfaction is not clearly established within the cooperative sector.

Financial mismanagement also persists in many cooperatives, affecting profitability and operational stability. In addition, low member participation in decision-making processes may reduce satisfaction and weaken organizational cohesion. These gaps highlight the need for empirical investigation into how operational strategies influence cooperative performance outcomes in Lagos State.

Objectives of the Study

The main objective of this study is to examine the effect of operational strategies on the performance of cooperative societies in Lagos State. Specifically, the study seeks to:

- i. Assess the influence of governance structures on member satisfaction.
- ii. Examine the role of technology adoption in improving operational efficiency.
- iii. Determine the effect of financial management on profitability.

Research Questions

The study is guided by the following questions:

- i. How do governance structures influence member satisfaction in cooperative societies in Lagos State?
- ii. How does technology adoption enhance operational efficiency in cooperatives?
- iii. How do financial management practices affect profitability in cooperative societies?

Research Hypotheses

The following null hypotheses will be tested:

H₀₁: Governance structures have no significant effect on member satisfaction in cooperative societies.
H₀₂: Technology adoption has no significant effect on operational efficiency.

H₀₃: Financial management practices have no significant effect on profitability.

Conceptual Review

Business Performance

Business performance refers to the extent to which an organization achieves its strategic, financial, and operational objectives through effective utilization of available resources. It encompasses both measurable outcomes, such as profitability, growth, and financial stability, and non-financial indicators, including service quality, member satisfaction, and organizational sustainability. Penrose's resource-based perspective emphasizes that organizational growth depends on the effective deployment of resources and capabilities. In cooperative societies, performance extends beyond profit generation because cooperatives pursue both economic and social objectives. Birchall (2011) explains that cooperative performance is closely associated with the ability to create value for members while maintaining organizational sustainability. Similarly, Okafor and Mordi (2021) note that cooperative societies contribute

to rural economic development by improving members' welfare, strengthening economic participation, and enhancing community development. Therefore, business performance in cooperatives should be assessed through financial outcomes, operational effectiveness, and the ability to satisfy members' collective needs.

Modern studies further indicate that organizational capabilities, innovation, and strategic management practices significantly influence performance outcomes. Kowo, Sabitu, and Adegbite (2019) found that strategic management practices improve organizational effectiveness by enhancing resource allocation, competitiveness, and operational control. Likewise, Kim and Lee (2021) emphasize that organizational capabilities and digital transformation contribute significantly to improved firm performance. Thus, business performance represents a multidimensional concept that reflects the economic strength, operational efficiency, and social value creation capacity of cooperative organizations.

Cooperative Member Satisfaction

Cooperative member satisfaction refers to the extent to which members perceive that their expectations, economic interests, and social needs are adequately fulfilled through participation in cooperative activities. It represents members' evaluation of the quality of services, benefits, governance processes, and interactions provided by the cooperative institution. Birchall (2011) argues that membership value is central to cooperative identity because cooperatives exist primarily to serve members rather than external shareholders. Therefore, satisfaction becomes an important indicator of cooperative effectiveness and sustainability.

Member satisfaction is influenced by factors such as transparency, effective communication, financial benefits, and democratic participation. The International Cooperative Alliance (2023) highlights that successful cooperatives strengthen member engagement through inclusive governance and responsiveness to members' needs. Similarly, Rahman, Luo, and Cheng (2020) observe that cooperative organizations promote sustainable development when they create meaningful economic and social benefits for members. Effective financial practices also enhance satisfaction by increasing confidence in cooperative management. Umar and Ahmed (2023) explain that sound financial

management practices improve organizational performance and stakeholder trust.

Operational strategies also play an important role in improving member satisfaction. Sharma and Singh (2022) emphasize that effective governance mechanisms promote accountability and organizational responsiveness. When cooperatives adopt member-centred strategies, transparent decision-making processes, and efficient service delivery systems, members are more likely to remain committed and actively participate. Consequently, member satisfaction serves as both a social objective and a contributor to cooperative performance.

Cooperative Operational Efficiency

Operational efficiency refers to the ability of an organization to maximize output while minimizing unnecessary costs, resource wastage, and operational delays. It involves improving internal processes, resource utilization, service delivery, and productivity. In cooperative societies, operational efficiency is essential because limited resources must be effectively managed to provide sustainable benefits to members. Akinyele (2010) argues that effective operational and marketing practices contribute significantly to improved organizational performance among enterprises.

Cooperatives achieve operational efficiency through effective planning, structured processes, technological integration, and proper resource management. Birchall (2011) emphasizes that cooperative organizations require efficient internal systems to remain competitive while fulfilling their social responsibilities. Furthermore, Rahman, Luo & Cheng, (2020) explain that sustainable cooperative organizations depend on effective operational structures that support long-term economic and social development. Strategic management practices also improve efficiency by enhancing coordination and decision-making processes (Kowo, Sabitu & Adegbite, 2019). Therefore, operational efficiency remains a critical determinant of cooperative sustainability, competitiveness, and member satisfaction.

Financial Management

Financial management involves the planning, organizing, controlling, and monitoring of financial resources to achieve organizational objectives. It ensures effective allocation of funds, financial accountability, transparency, and long-term sustainability. In

cooperative societies, financial management is particularly important because members depend on the organization's financial stability for economic benefits and services.

Effective financial management improves decision-making, strengthens accountability, and enhances organizational resilience. Brigham and Ehrhardt (2022) emphasize that sound financial management practices support profitability, investment decisions, and organizational sustainability. Similarly, Umar and Ahmed (2023) found that financial management practices significantly influence organizational performance by improving financial control and resource utilization. Financial inclusion and cooperative financial systems also contribute to sustainable rural development by expanding access to economic opportunities (Nwosu & Agbatogun, 2022).

Furthermore, transparent financial practices strengthen member confidence and participation. Khan and Quaddus (2018) explain that effective management of financial and human resources contributes to improved performance in cooperative and microfinance institutions. Therefore, financial management remains a fundamental operational strategy that determines the stability, growth, and sustainability of cooperative societies.

Governance Structures in Cooperative Societies

Governance structures refer to the institutional arrangements, leadership systems, accountability mechanisms, and decision-making processes that guide cooperative operations. Effective governance ensures transparency, member participation, ethical leadership, and efficient management of cooperative resources. Since cooperatives are member-owned organizations, governance quality directly influences trust, commitment, and organizational performance.

Adegbite, Amaeshi, Nakpodia & Adegbite, (2024) emphasize that strong corporate governance mechanisms enhance organizational performance by improving accountability, transparency, and strategic decision-making, particularly in emerging economies. Similarly, Sharma and Singh (2022) highlight that effective governance structures contribute to improved organizational efficiency and stakeholder confidence. Cooperative governance also depends on democratic participation, where members have opportunities to

influence decisions affecting their interests (Birchall, 2011).

Poor governance practices may result in weak accountability, inefficient resource utilization, and reduced member confidence. Conversely, effective governance promotes sustainability by aligning leadership decisions with cooperative objectives. Therefore, governance structures remain essential for strengthening operational effectiveness, financial performance, and member satisfaction within cooperative societies.

Operational Strategy in Cooperative Societies

Operational strategy refers to the systematic approach through which organizations design, coordinate, and implement activities to achieve efficiency, competitiveness, and long-term sustainability. It involves decisions relating to resource allocation, service delivery, technology utilization, and process improvement. In cooperative societies, operational strategy enables organizations to respond effectively to changing economic conditions while maintaining their commitment to member welfare.

Birchall (2011) explains that cooperatives require strategic approaches that balance economic sustainability with social objectives. Strategic management practices also enhance organizational performance by improving planning, coordination, and competitive advantage (Kowo et al., 2019). In contemporary cooperative environments, digital transformation and innovation have become important strategic tools for improving operational effectiveness. Chatterjee, Chaudhuri, Vrontis & Thrassou, (2024) found that digital transformation enhances organizational performance by improving efficiency, innovation capability, and service delivery.

Similarly, Liu, Chen, and Chou (2023) demonstrate that digital transformation contributes to improved performance through innovation capability. Therefore, operational strategy is a critical factor influencing cooperative competitiveness, sustainability, and capacity to deliver value to members.

Profitability

Profitability represents the ability of an organization to generate sufficient financial surplus after meeting operational costs and obligations. It is an important

indicator of financial health, sustainability, and growth capacity. Although cooperatives are not primarily profit-maximizing organizations, profitability remains essential because it enables reinvestment, expansion, and continuous service provision to members.

Rahman et al. (2020) explain that financially sustainable cooperatives are better positioned to support members and contribute to community development. Effective financial controls and strategic management practices also improve profitability by enhancing resource utilization and reducing operational inefficiencies (Adegbite et al., 2024). Furthermore, Akinyele (2010) notes that improved organizational practices contribute to stronger performance outcomes. Hence, profitability serves as both an indicator of cooperative success and a mechanism for ensuring long-term sustainability.

Technology Adoption

Technology adoption refers to the integration and utilization of digital tools, information systems, and technological innovations to improve organizational processes and performance. In cooperative societies, technology adoption includes digital financial services, electronic record management, online communication platforms, and automated operational systems.

Digital transformation has become increasingly important for improving efficiency, transparency, and competitiveness. Verhoef, Broekhuizen, Bart, Bhattacharya, Dong, Fabian, & Haenlein, (2021) explain that digital transformation enables organizations to redesign processes, improve customer engagement, and create new value opportunities. Similarly, Chatterjee et al. (2024) highlight that digital technologies enhance organizational performance through improved innovation and operational capabilities.

Technology adoption also improves financial management and information accessibility. Liu, Chen & Chou, (2023) found that digital transformation strengthens organizational performance through enhanced innovation capability. In cooperative societies, technological adoption supports better record keeping, communication, service delivery, and decision-making. Therefore, technology adoption represents an important operational strategy for improving cooperative efficiency and sustainability.

Conceptual Framework

This study conceptualizes operational strategies governance structures, technology adoption, financial management, and member engagement as independent variables influencing business performance

(profitability, efficiency, retention, and satisfaction). These variables are interconnected and collectively determine cooperative success.

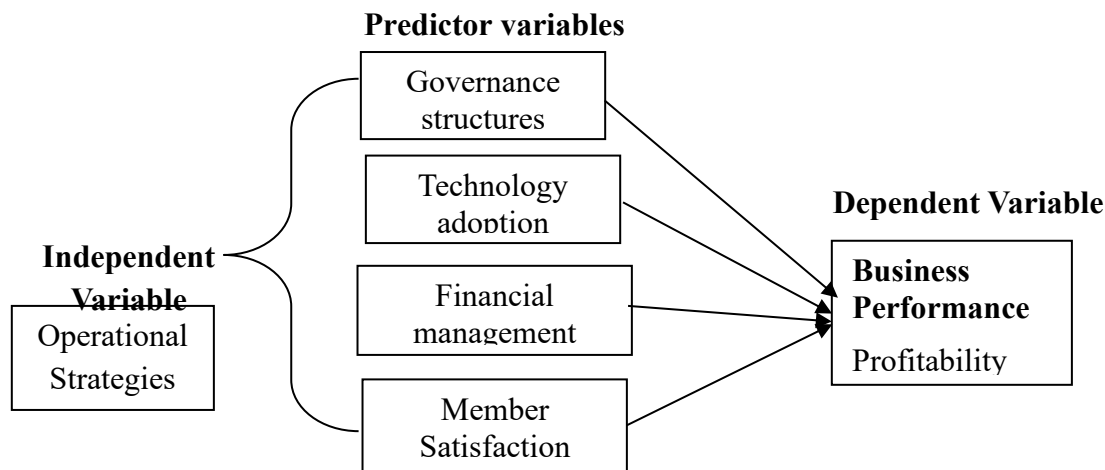


Fig. 1: Schematic Diagram

Theoretical Framework

Resource-Based View (RBV) Theory

This study is anchored on the Resource-Based View (RBV) Theory, developed by Barney (1991). The theory explains that an organization's ability to achieve superior performance depends largely on how well it acquires, develops, and utilizes its internal resources and capabilities. According to RBV, organizations gain a sustainable competitive advantage when their resources are valuable, rare, inimitable, and non-substitutable (VRIN). Unlike theories that emphasize external market conditions, RBV focuses on internal strengths as the primary drivers of organizational success and long-term sustainability.

The Resource-Based View is particularly suitable for cooperative societies because cooperatives rely heavily on their internal resources rather than solely on external market forces. These internal resources include competent leadership, effective governance structures, skilled and committed members, sound financial management systems, technological capabilities, and strong organizational culture. When these resources are properly managed, cooperative societies are better positioned to improve members' satisfaction, enhance operational efficiency, increase profitability, and achieve sustainable growth. Therefore, the theory provides an appropriate framework for explaining how cooperatives

can strengthen their performance by effectively utilizing the resources already available within the organization.

The theory is directly relevant to the variables examined in this study. Governance structures represent an important organizational resource because transparent leadership, accountability, democratic participation, and effective communication promote members' trust, satisfaction, and commitment. Technology adoption is another strategic resource that enables cooperative societies to improve operational efficiency by enhancing service delivery, reducing operational costs, increasing information accessibility, and supporting faster decision-making. Similarly, financial management is a valuable organizational capability that promotes prudent resource allocation, effective budgeting, accurate financial reporting, accountability, and long-term profitability. Consistent with the Resource-Based View Theory, cooperative societies that effectively manage these strategic resources are more likely to achieve improved organizational performance, maintain sustainability, and create lasting value for their members.

Empirical Review

Adeyemi and Asawo (2018) investigated the contribution of cooperative societies to poverty reduction among rural households in Nigeria. The study adopted a survey research design involving rural cooperative members,

while data were collected through structured questionnaires and analyzed using descriptive statistics and multiple regression analysis. The findings revealed that cooperative participation had a positive and statistically significant effect ($p < 0.05$) on household income, access to productive resources, and poverty reduction. The study further established that efficient resource management, effective leadership, and active member participation enhanced cooperative productivity and organizational sustainability. The authors concluded that sound operational practices improve service delivery and members' welfare, thereby strengthening the overall performance of cooperative societies. This study is relevant because it demonstrates that effective operational strategies significantly improve cooperative performance and sustainability.

Okafor and Mordi (2021) examined the role of cooperative societies in promoting rural economic development in Nigeria. The researchers employed a survey research design involving members of selected cooperative societies, while data were analyzed using descriptive statistics and inferential techniques. The findings indicated that effective operational systems, strategic leadership, and efficient resource management exerted a positive and statistically significant influence ($p < 0.05$) on members' productivity, financial stability, and participation in cooperative activities. The study concluded that operational efficiency and strategic management constitute major determinants of cooperative performance and rural economic development. The study is relevant because it establishes an empirical relationship between operational practices and business performance in cooperative societies.

Rahman, Luo, and Cheng (2020) investigated the contribution of cooperative organizations to sustainable rural development in Bangladesh. The study collected survey data from members of rural cooperatives and analyzed the data using descriptive statistics and multiple regression analysis. The regression results showed that cooperative participation had a significant positive influence on sustainable rural development ($p < 0.01$), while operational planning, financial management, and member participation significantly improved productivity and household income. The study also found that well-managed cooperatives recorded better organizational sustainability than less organized cooperatives. The authors concluded that effective operational strategies are fundamental to improving both financial and non-financial performance of cooperative

organizations. This study is relevant because it provides empirical evidence that operational strategies contribute significantly to cooperative business performance.

Kowo, Sabitu, and Adegbite (2019) examined the influence of strategic management practices on the organizational performance of small and medium enterprises in Lagos State, Nigeria. The study adopted a descriptive survey research design, and data collected through structured questionnaires were analyzed using descriptive statistics, Pearson correlation, and multiple regression analysis. The findings revealed a strong positive and statistically significant relationship ($p < 0.05$) between strategic management practices and organizational performance. Specifically, strategic planning, effective resource allocation, and operational control significantly enhanced organizational productivity, profitability, and competitiveness. The regression results further confirmed that strategic management practices were significant predictors of organizational performance. The authors concluded that organizations implementing well-defined operational strategies consistently achieve superior business performance. Although conducted among SMEs, the findings are relevant to cooperative societies because both depend on effective operational planning and resource management to achieve organizational objectives.

Ogunnaike, Adeyemi, and Kehinde (2014) investigated the relationship between strategic management practices and organizational performance among small and medium enterprises in Lagos State, Nigeria. The study adopted a survey research design, with data collected through structured questionnaires and analyzed using descriptive statistics and multiple regression analysis. The empirical findings showed that strategic planning, operational policy implementation, and continuous performance evaluation had positive and statistically significant effects ($p < 0.05$) on organizational productivity, profitability, and competitive advantage. The regression model further demonstrated that strategic management practices explained a substantial proportion of variations in organizational performance. The authors concluded that organizations with clearly defined operational strategies perform significantly better than those without formal strategic frameworks. This study is relevant because it demonstrates the critical role of operational strategy in improving business performance, a principle equally applicable to cooperative societies.

Gap

Although existing studies confirm the importance of governance, finance, technology, and engagement, most focus on these variables individually and in rural contexts. Limited research has examined their combined effect in urban cooperative systems like Lagos State. Furthermore, few studies apply RBV theory to explain how internal capabilities influence cooperative performance holistically. This study addresses these gaps by examining the combined effect of operational strategies on cooperative performance in Lagos State.

METHOD

Research Design

This study adopted a descriptive survey research design, consistent with the principles of Fowler (2014). The design was considered appropriate because it enabled the researcher to collect standardized data from cooperative members and examine the influence of governance structures, technology adoption, and financial management on the performance of cooperative societies in Lagos State. The survey design also allowed findings to be generalized to the target population.

Area of the Study

The study was conducted in Lagos State, located in the South-West geopolitical zone of Nigeria. Lagos State is the commercial and financial hub of Nigeria and has one of the largest concentrations of registered cooperative societies in the country. The presence of different categories of cooperatives across the three senatorial districts made the state suitable for investigating how operational strategies influence cooperative performance.

Population of the Study

The population comprised 370,000 registered and active cooperative members in Lagos State as obtained from the Lagos State Ministry of Commerce, Industry and Cooperatives (2025). The population included members of agricultural, transport, industrial, credit, thrift, and multipurpose cooperative societies distributed across Lagos Central, Lagos East, and Lagos West Senatorial Districts.

Sample Size Determination

The sample size was determined using the Taro Yamane (1967) formula for finite populations at a 5% level of precision:

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

$$n \approx 400$$

The calculated sample size was approximately 400 respondents. Out of the 400 questionnaires administered, 352 were retrieved, and correctly completed and found suitable for analysis.

Sampling Technique

A multi-stage sampling technique was adopted. First, Lagos State was stratified into Lagos Central, Lagos East, and Lagos West Senatorial Districts. Second, fifteen (15) active cooperative societies (five from each senatorial district) were selected purposively based on their registration status, operational activities, membership size, and accessibility. These selected cooperatives served as the sampling frame for the study. Finally, simple random sampling was used to select individual respondents from the membership registers of the selected cooperative societies to ensure that every member had an equal chance of being selected.

Sources of Data

The study utilized both primary and secondary data. Primary data were collected through a structured questionnaire administered to members of the selected cooperative societies. Secondary data were obtained from textbooks, journal articles, conference papers, government publications, reports of cooperative agencies, and other relevant scholarly materials relating to cooperative management and organizational performance.

Instrument for Data Collection

The major instrument for data collection was a structured questionnaire developed from the study objectives and relevant literature on cooperative governance, technology adoption, financial management, member satisfaction, operational efficiency, and profitability. The questionnaire consisted of 20 items divided into four sections. Section A contained respondents' demographic information, while Section B contained 15 measurement items, with five (5) items each measuring Governance Structures and Member Satisfaction, Technology Adoption and Operational Efficiency, and Financial

Management and Profitability. All measurement items were adapted and modified from previous empirical studies to suit the objectives of this study and were measured on a five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1).

Validity and Reliability of the Instrument

The questionnaire was subjected to face and content validity by experts in Cooperative Economics and Management and Measurement and Evaluation. Their observations and corrections were incorporated before the final administration of the instrument. To establish reliability, a pilot study involving 30 cooperative members from registered cooperative societies in Ogun State, outside the study area, was conducted. The pilot respondents possessed characteristics similar to those of the main study but were excluded from the final survey. The responses obtained were analyzed using Cronbach's Alpha, which produced an overall reliability coefficient of 0.85, indicating that the instrument possessed good internal consistency and was suitable for the study.

Method of Data Collection

Copies of the questionnaire were administered personally by the researcher with the assistance of trained research assistants to improve the response rate. Respondents were informed of the purpose of the study, assured of confidentiality, and allowed sufficient time to complete the questionnaire. Completed copies were collected immediately where possible and through subsequent visits where necessary.

Method of Data Analysis

Data collected were analyzed using SPSS Version 26. Descriptive statistics, including frequencies, percentages, mean scores, and standard deviations, were used to summarize respondents' characteristics and responses. Inferential statistics comprising Simple Linear Regression Analysis and Analysis of Variance (ANOVA) were used to test the hypotheses at a 5% level of significance ($\alpha = 0.05$). Before conducting the regression analysis, the major assumptions of regression

were assessed. These included linearity between the independent and dependent variables, normality of residuals, homoscedasticity (constant error variance), independence of errors using the Durbin-Watson statistic, and the absence of multicollinearity among the explanatory variables. The results indicated that the assumptions were reasonably satisfied, making the regression estimates reliable for hypothesis testing.

General Regression Equation of the Study

General model:

$$Y = \beta_0 + \beta_1 X + \varepsilon$$

Where:

- Y: Dependent variable (Performance outcome)
- β_0 : Intercept (constant)
- β_1 : Regression coefficient
- X: Independent variable
- ε : Error term

Objective-specific Models

1. Member Satisfaction = $\beta_0 + \beta_1(\text{Governance Structures}) + \varepsilon$
2. Operational Efficiency = $\beta_0 + \beta_1(\text{Technology Adoption}) + \varepsilon$
3. Profitability = $\beta_0 + \beta_1(\text{Financial Management}) + \varepsilon$

Data Presentation, Analysis and Discussion of Findings

Data Presentation

This chapter presents the data analysis and interpretation of results based on the 252 responses that were proportionally allocated across the seven selected cooperatives, distributed, and successfully retrieved from the respondents, forming the valid sample size for the study.

Analysis of Objective 1

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. Change	
1	.788 ^a	.786	.786	.39943	.886	10710.840	5	247	.000	.882

a. Predictors: (Constant), MemberSatisfaction

b. Dependent Variable: GovernanceStructures

Source: SPSS version 26

The model summary shows that there is a very strong relationship between member satisfaction and governance structures, as indicated by the correlation coefficient ($R = 0.788$). The R^2 value of 0.786 means that 78.6% of the variation in governance structures is explained by member satisfaction, while the remaining 11.4% is due to other factors not included in the model. The adjusted R^2 of 0.886 confirms that the model remains

highly reliable even after adjusting for sample size. Furthermore, the model is statistically significant ($F = 10710.840$, $p < 0.001$), indicating that the relationship observed is unlikely to have occurred by chance. The Durbin–Watson statistic of 0.782 suggests some positive autocorrelation in the residuals, indicating that the independence of errors may not be fully satisfied.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8544.406	5	1708.881	10710.840	.000 ^b
	Residual	36.696	247	.160		
	Total	8581.102	252			

a. Dependent Variable: GovernanceStructures

b. Predictors: (Constant), MemberSatisfaction

Source: SPSS version 26

The ANOVA results show that the regression model is statistically significant in explaining the relationship between member satisfaction and governance structures. The model produced an F-value of 10710.840 with a significance value ($p = 0.000$), which is less than the 0.05

level of significance. This indicates that the model provides a good fit for the data and that member satisfaction has a significant influence on governance structures among the cooperative societies studied.

Analysis of Objective 2

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df2	Sig. F Change	
1	.698 ^a	.696	.696	.37365	.696	11456.245	5	247	.000	1.016

a. Predictors: (Constant), Technology Adoption

b. Dependent Variable: OperationalEfficiency

Source: SPSS version 26

The regression model summary indicates a very strong relationship between technology adoption and operational efficiency, with a correlation coefficient of $R = 0.698$. The R^2 value of 0.696 shows that 69.6% of the changes in operational efficiency are explained by technology adoption, while the remaining 10.4% is due to other factors not included in the model. The adjusted

R^2 value of 0.896 further confirms that the model is reliable and has strong explanatory power. In addition, the model is statistically significant ($F = 11456.245$, $p < 0.001$), indicating that the relationship is not due to chance. The Durbin–Watson statistic of 1.016 suggests that there is no serious problem of autocorrelation in the residuals.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7997.397	5	1599.479	11456.245	.000 ^b
	Residual	32.112	247	.140		
	Total	8029.508	252			

a. Dependent Variable: OperationalEfficiency

b. Predictors: (Constant), Technology Adoption

Source: SPSS version 26

The ANOVA results indicate that the regression model is statistically significant in explaining the effect of technology adoption on operational efficiency. The model produced an F-value of 11456.245 with a significance value ($p = 0.000$), which is lower than the 0.05 level of significance. This shows that the model fits

the data well and that the observed relationship is not due to chance. Therefore, the findings suggest that technology adoption has a significant positive influence on operational efficiency, implying that increased adoption of technology is associated with improved operational efficiency in the organizations studied

Analysis of Objective 3**Regression**

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.699 ^a	.698	.698	.28528	.698	20929.518	5	247	.000	.842

a. Predictors: (Constant), FinancialManagement

b. Dependent Variable: Profitability

Source: SPSS version 26

The model summary indicates a strong positive relationship between financial management and profitability, as shown by the correlation coefficient ($R = 0.699$). The R^2 value of 0.698 means that 69.8% of the variation in profitability is explained by financial management, while the remaining 30.2% is influenced by other factors not included in the model. The adjusted R^2 value of 0.698 further confirms that the model is reliable and has good explanatory power. The model is

also statistically significant ($F = 20929.518$, $p < 0.001$), indicating that the relationship between financial management and profitability is not due to chance. In addition, the Durbin–Watson statistic of 0.842 suggests some positive autocorrelation in the residuals, implying that the assumption of independent errors may not be fully met. Overall, the findings show that effective financial management makes a substantial contribution to improving profitability in the organizations studied.

Table 4.5.3: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8516.807	5	1703.361	20929.518	.000 ^b
	Residual	18.719	247	.081		
	Total	8535.525	252			

a. Dependent Variable: Profitability

b. Predictors: (Constant), FinancialManagement

Source: SPSS version 26

The ANOVA results show that the regression model is statistically significant in explaining the effect of financial management on profitability. The model produced an F-value of 20929.518 with a significance value ($p = 0.000$), which is less than the 0.05 level of significance. This indicates that the model fits the data well and that the relationship between financial management and profitability is not due to chance. Therefore, the findings suggest that effective financial

management has a significant positive influence on the profitability of the organizations studied.

Test of Hypotheses

In order to carry out various tests of hypotheses in this study table 1, 2 and 3 was adopted.

Decision Rule

This Hypothesis was carried on based on 5% significance level ($\alpha = 0.05$). Therefore, if $p \leq \alpha$ (i.e., $p \leq 0.05$) or $F \geq F$ -critical (from F-tables for $df_1 = k$ and $df_2 = n-k-1$), reject the null hypothesis (H_0) and conclude that the model (or at least one predictor) has a statistically significant effect on the dependent variable.

Test of Hypothesis 1

Since the p-value (0.000) is less than 0.05, the null hypothesis (H_0) is rejected, while the alternative hypothesis (H_1) is accepted. Therefore, it is concluded that m Cooperative governance structures have no significant effect on members' satisfaction in cooperative societies.

Test of Hypothesis 2

At the 5% level of significance ($\alpha = 0.05$), reject the null hypothesis (H_0) if the p-value is less than 0.05; otherwise, fail to reject (accept) the null hypothesis. Since the p-value (0.000) is less than 0.05, the null hypothesis (H_0) is rejected, while the alternative hypothesis (H_1) is accepted. It is therefore concluded that technology adoption has no significant effect on the operational efficiency of cooperative societies.

Test of Hypothesis 3

At the 5% level of significance ($\alpha = 0.05$), reject the null hypothesis (H_0) if the p-value is less than 0.05; otherwise, fail to reject (accept) the null hypothesis. Since the p-value (0.000) is less than 0.05, the null hypothesis (H_0) is rejected, while the alternative hypothesis (H_1) is accepted. It is therefore concluded that financial management practices have no significant effect on the profitability of cooperative societies.

Discussion of Findings

The findings of this study established that governance structures have a positive and statistically significant influence on members' satisfaction among cooperative societies in Lagos State. The regression coefficient ($R = 0.788$) indicates a substantial positive association between governance structures and members' satisfaction, while the analysis of variance confirmed that the regression model was statistically significant ($p < 0.05$). This suggests that improvements in governance practices are associated with corresponding improvements in members' satisfaction. The result supports the proposition that governance mechanisms

characterized by accountability, transparency, democratic participation, and effective leadership contribute to creating an environment in which members have greater confidence in the operations of their cooperative societies. This finding is consistent with Adegbite et al. (2024), who reported that effective governance practices significantly improve organizational performance by strengthening accountability and decision-making processes. The finding also agrees with Sharma and Singh (2022), whose systematic review concluded that sound governance structures positively influence organizational effectiveness and stakeholder confidence. Furthermore, the result corroborates the position of Birchall (2011) that democratic governance and active member participation are fundamental characteristics that distinguish successful cooperative organizations and sustain member commitment.

The study further revealed that technology adoption has a significant positive effect on the operational efficiency of cooperative societies in Lagos State. The regression analysis produced a correlation coefficient of $R = 0.698$, while the coefficient of determination showed that technology adoption accounted for 69.6% of the variation in operational efficiency. The ANOVA result further established that the regression model was statistically significant ($p < 0.05$). The implication is that greater adoption of digital technologies is associated with improved operational efficiency within cooperative societies. This finding lends empirical support to the growing recognition of digital transformation as an important driver of organizational performance. The result is consistent with Verhoef et al. (2021), who observed that digital transformation enhances organizational capabilities and operational effectiveness through improved processes and innovation. Similarly, Chatterjee et al. (2024) found that digital transformation significantly improves organizational performance by strengthening operational capabilities and service delivery. The finding also aligns with Kim and Lee (2021), who reported that technological capabilities positively influence organizational performance through enhanced efficiency and organizational adaptability. Likewise, Inegbedion et al. (2020) demonstrated that information and communication technology contributes significantly to improved organizational performance by facilitating operational effectiveness and better service delivery.

The findings also demonstrated that financial management practices exert a positive and statistically significant influence on the profitability of cooperative societies in Lagos State. The regression analysis yielded a correlation coefficient of $R = 0.699$, while the ANOVA results confirmed that the relationship was statistically significant ($p < 0.05$). This indicates that improvements in financial management practices are associated with higher levels of profitability among cooperative societies. Effective financial planning, budgeting, monitoring, and prudent utilization of financial resources appear to contribute to improved financial performance. This finding is consistent with Umar and Ahmed (2023), who established that sound financial management practices significantly enhance organizational performance in developing economies. The result also corroborates the findings of Mensah and Boakye (2023), who reported that effective financial management contributes to the sustainability and financial growth of organizations by promoting efficient resource utilization. In addition, the finding supports Onyishi and Agbo (2020), who found that sound financial management practices improve organizational effectiveness among cooperative societies in Nigeria. The result is further reinforced by Armendáriz and Morduch (2020), who argued that prudent financial planning, effective risk management, and efficient allocation of financial resources are essential for improving organizational sustainability and long-term profitability.

5.2 Conclusion

Based on the findings of this study, it is concluded that effective cooperative governance structures, technology adoption, and sound financial management practices are significant factors influencing the performance and sustainability of cooperative societies in Lagos State. The study established that strong governance structures characterized by transparency, accountability, democratic participation, and effective communication contribute significantly to improving members' satisfaction and strengthening their commitment to cooperative activities.

The study further concludes that technology adoption plays a critical role in enhancing operational efficiency among cooperative societies. The use of modern digital technologies improves service delivery, reduces operational challenges, promotes faster access to information, and increases the effectiveness of cooperative management processes. In addition, the

study revealed that proper financial management practices significantly influence profitability, as effective financial planning, accurate record keeping, accountability, and efficient utilization of resources contribute to improved financial performance and long-term sustainability.

5.3 Recommendations

Based on various findings derived from this study, following recommendations were suggested:

1. Cooperative societies in Lagos State should strengthen their governance structures by promoting transparency, accountability, democratic leadership, and inclusive member participation in decision-making. Management should also establish effective communication and feedback mechanisms that encourage trust, improve members' satisfaction, and enhance commitment to cooperative activities.
2. Cooperative societies should invest in the adoption and effective utilization of digital technologies to improve operational efficiency and service delivery. This should be supported through continuous training and capacity-building programmes that enhance the digital skills of both management and members, thereby enabling cooperatives to respond effectively to emerging technological and operational challenges.
3. Cooperative societies should institutionalize sound financial management practices by maintaining accurate financial records, strengthening internal control and auditing systems, and ensuring prudent allocation and monitoring of financial resources. Management should also promote financial accountability and strategic resource utilization to improve profitability, enhance financial sustainability, and support the long-term growth of cooperative societies.

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