

Influence of Employee Inclusivity in Budget Management on Organizational Performance of Savings and Credit Cooperatives (SACCO) in Kisii County

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Abstract

Introduction: Savings and Credit Cooperative Societies (SACCOs) play a critical role in financial inclusion and local economic development in Kenya. However, their performance has recently declined, as reflected in increasing non-performing loans and deteriorating portfolio quality. Despite this, the role of employee inclusivity in budget management on organizational performance remains insufficiently explored. This study examined the influence of employee inclusivity in budget planning, implementation, and monitoring on the performance of SACCOs in Kisii County.

Methods: A descriptive research design was adopted. The study targeted 531 employees across selected SACCOs, from which a sample of 228 respondents was determined using the Yamane formula. Data were collected using structured questionnaires and analyzed using SPSS version 24. Both descriptive and inferential statistics, including correlation and regression analyses, were employed.

Results: The joint regression model was statistically significant ($F = 16.316$, $p < 0.001$) and explained 36.0% of the variation in organizational performance ($R^2 = 0.360$; Adjusted $R^2 = 0.338$). Employee inclusivity in budget implementation had a positive and significant effect on performance ($\beta = 0.534$, $p < 0.001$), making it the strongest predictor. Budget monitoring and evaluation showed a positive but insignificant effect ($\beta = 0.126$, $p = 0.209$), while budget planning had a negative and insignificant effect ($\beta = -0.192$, $p = 0.103$). Correlation results also indicated a moderate positive association between implementation and performance ($r = 0.569$, $p < 0.001$).

Conclusion: Employee inclusivity in budget management significantly influences organizational performance, primarily through effective involvement in budget implementation. SACCOs should therefore prioritize participatory execution strategies, strengthen employee engagement in financial processes, and institutionalize inclusive budgeting practices to enhance performance and sustainability.

Keywords: Employee Inclusivity, Budget Management

DOI: 10.7176/EJBM/18-6-02

Publication date: June 30th 2026

Introduction

Employee inclusivity has increasingly become a central concern in contemporary organizational management because of its role in improving motivation, innovation, and institutional effectiveness. Inclusivity refers to the creation of a work environment in which employees, regardless of their gender, age, race, disability, or other personal differences, are respected, valued, and given equal opportunities to contribute to organizational processes and outcomes (Okatta et al., 2024). An inclusive workplace fosters belonging, fairness, and open communication, which in turn enhances employee participation in decision-making and organizational commitment (Fang et al., 2019). It also reduces exclusionary practices and biases that may hinder employees from fully contributing to institutional success (Guo et al., 2020). In this sense, employee inclusivity is not only a human resource concern but also a strategic factor in organizational governance and performance.

Budget management is one of the core administrative functions through which organizations plan, allocate, control, and evaluate financial resources to achieve their objectives. It includes interrelated dimensions such as

budget planning, implementation, monitoring, and evaluation (Gu & Easwaran, 2019). Effective budget planning enables institutions to set priorities and allocate resources efficiently, while implementation ensures that planned activities are executed in line with available funds (Messer, 2020; Marsus, 2020). Monitoring and evaluation are equally important because they help identify deviations, strengthen accountability, and support corrective action for improved organizational outcomes (Pratolo et al., 2020; Tengan et al., 2019). When employees are involved in these budget processes, organizations are more likely to benefit from diverse operational insights, stronger transparency, and enhanced ownership of financial decisions (Flocco et al., 2022; Kontinen, 2023).

The relationship between employee inclusivity and budget management is particularly relevant in SACCOs, which play a major role in promoting savings, affordable credit, and local economic development in Kenya. SACCOs serve populations often underserved by conventional financial institutions and contribute significantly to household welfare and business growth (Mbugua & Kinyua, 2020). However, many SACCOs continue to face performance challenges, including declining profitability, weak governance systems, and rising non-performing loans. According to the background provided in the study text, SACCO performance in Kenya has deteriorated in recent years, with loan portfolio quality worsening and non-performing loans rising beyond the minimum thresholds recommended by WOCCU and SASRA. In addition, Return on Assets has remained low, while profitability declined between 2019 and 2022 (SASRA, 2022). These challenges point to the need for more effective governance practices, including inclusive participation in budgeting and financial decision-making.

In Kisii County, SACCOs are key actors in both financial inclusion and regional development. They include both monetary and non-monetary cooperatives, with monetary SACCOs mobilizing savings and extending loans, and non-monetary SACCOs mainly supporting members' access to markets for their products (Mikae & Mogwambo, 2021). Deposit-taking SACCOs such as Wakenya Pamoja SACCO, Gusii Mwalimu SACCO, and Vision SACCO are among the major institutions operating in the region (SASRA, 2021). Despite their importance, many SACCOs reportedly rely on top-down budgetary practices that limit employee input in planning and control, thereby reducing opportunities for innovation, accountability, and responsiveness in financial management (Rapando & Achieng, 2021). This creates an important gap in understanding whether employee inclusivity in budget management can improve organizational performance.

This study is anchored on Agency Theory and Social Identity Theory. Agency Theory, advanced by Jensen and Meckling (1976), explains the conflicts that arise when those entrusted with managing resources do not always act in the best interests of owners or principals. Such divergence may result in monitoring costs, inefficiencies, and misuse of resources unless institutions establish mechanisms for accountability, incentive alignment, and effective governance (Vitolla et al., 2020; Sjøfjell, 2022; Ratmono, 2019). In the context of SACCOs, excluding employees from budget processes may increase information asymmetry and weaken accountability, whereas inclusive budgeting can align employee actions with institutional goals and improve performance. Social Identity Theory, associated with Tajfel and Turner, emphasizes that individuals derive meaning and self-worth from belonging to social groups (Scheepers & Ellemers, 2019). In organizations, inclusion strengthens employees' sense of belonging and commitment, encouraging them to act in ways that support organizational success (Liao et al., 2020; Mahmood et al., 2021). Together, the two theories provide a strong foundation for explaining why employee inclusivity in budget planning, implementation, and monitoring may influence SACCO performance.

Empirical studies generally support the view that employee participation in budgeting improves organizational performance, though evidence varies across contexts. Sandi et al. (2021), studying the Indonesian government, found that employee participation in budget planning positively affected work motivation and budget performance. Fitzsimons (2022), in Ireland's financial services industry, similarly reported that inclusivity in planning, evaluation, and reporting strengthened organizational culture and financial outcomes. In Uganda, Irumba and Alinaitwe (2019) found that stakeholder involvement in SACCO budget planning was positively associated with financial performance, although their work did not isolate employees specifically. Mbanga (2018) showed in Namibia that exclusion of employees undermined effective implementation of performance management systems, while Awire and Nyakwara (2019) established that participation in budget implementation improved budget effectiveness in Kisii County Government. Additional evidence from Indonesian banking also indicated that participation in budget implementation improved employee performance, especially through organizational culture and job satisfaction (Utari et al., 2022).

With regard to monitoring and evaluation, Wanjala and Riitho (2020) found that employee inclusion in SACCO monitoring processes strengthened fraud control and transparency, while Michira (2022) reported that budget control practices significantly influenced SACCO financial performance in Mombasa, with employee inclusion

playing an important role. Kissi et al. (2019) likewise found in Ghana’s construction sector that employee participation in monitoring and evaluation contributed positively to project success. Although these studies point to the benefits of inclusion, important contextual and conceptual gaps remain. Many were conducted outside Kenya, in public institutions, or focused on broader stakeholder participation rather than employee-specific inclusivity in SACCO budget management. The present study therefore addresses this gap by examining the influence of employee inclusivity in budget planning, implementation, and monitoring and evaluation on the organizational performance of SACCOs in Kisii County

Research Methodology

The study employed a descriptive research design to gather unbiased information from respondents. It focused on eight selected SACCOs in Kisii County, targeting a total population of 531 employees across these institutions.

Table 1: Showing Target Population and Sample Size

Name of Sacco	Number of Employees	Sample Size
Gusii Mwalimu Sacco	25	18
Mwalimu National Sacco	21	15
Wakenya Pamoja Sacco	22	16
Kenya Police Sacco	18	13
Chai Sacco	20	15
Achievas Sacco	15	11
Bunge Sacco	17	13
Egerton University Sacco	5	4
Total	143	105

Source: Field data (2023)

The study employed a sample size of 105 employees, determined using Yamane’s formula to ensure representativeness of the 531 employees across the eight selected SACCOs in Kisii County. A proportionate stratified random sampling technique was used to ensure that each SACCO was fairly represented in the sample based on the size of its workforce.

Data were collected using structured questionnaires, which were administered to the selected respondents to obtain standardized and comparable responses. Prior to data collection, the researchers obtained the necessary approvals from relevant authorities, including a research permit and authorization from the management of each participating SACCO.

A total of 102 questionnaires were distributed, and 91 were successfully returned, yielding a response rate of 89.21%. According to Bailey (2000), a response rate of 50% is considered adequate, and above 70% is very good; thus, the achieved rate was sufficient to draw reliable and valid conclusions from the study. Data were coded and analyzed using SPSS version 24. Descriptive statistics such as means, standard deviations, and percentages were used to summarize respondent characteristics and patterns in responses. Inferential statistical techniques, including Pearson’s product-moment correlation and simple linear regression analysis, were applied to determine the relationship between employee inclusivity in budget management and the organizational performance of SACCOs

Ethical considerations were strictly observed, including informed consent from all participants, voluntary participation, confidentiality of responses, and the right to withdraw at any stage of the study.

Results

This section presents the findings of the study based on data collected from 91 respondents drawn from eight selected SACCOs in Kisii County. The results are organized to address the study objectives and provide insights into the influence of employee inclusivity in budget management on organizational performance. Both descriptive and inferential statistical analyses were conducted using SPSS Version 24. The descriptive results summarize respondent demographics and organizational characteristics, while the inferential results examine the relationships between employee inclusivity in budget planning, implementation, monitoring and evaluation, and SACCO performance. The findings are presented in tables and interpreted accordingly to support the study's conclusions.

Table 2: Distribution of SACCO Characteristics and Respondent Demographics (n = 91)

Variable	Category	Frequency	Percent (%)
Current Membership in SACCO	1001–5000	9	9.9
	5001–10000	25	27.5
	>10000	57	62.6
Years SACCO Has Been Operational	3–5 years	5	5.5
	6–10 years	3	3.3
	>10 years	83	91.2
Respondent's Duration at SACCO	<3 years	13	14.3
	3–5 years	28	30.8
	6–10 years	20	22.0
	>10 years	30	33.0
Highest Academic Qualification	Certificate	5	5.5
	Diploma	19	20.9
	Bachelor's Degree	52	57.1
	Master's Degree	15	16.5

Source: Field Data (2023)

Table 2 involved 91 respondents drawn from eight selected SACCOs in Kisii County. Regarding SACCO membership size, 9/ 91 respondents (9.9%) reported that their SACCO had between 1,001 and 5,000 members, 25/91 (27.5%) indicated a membership size between 5,001 and 10,000, while the majority, 57/91 (62.6%), belonged to SACCOs with more than 10,000 members. On the operational age of the SACCOs, 5/91 (5.5%) had been in operation for 3–5 years, 3/91 (3.3%) for 6–10 years, and a substantial 83/91 (91.2%) had been operational for over 10 years.

In terms of the respondents' duration of service at their respective SACCOs, 13/91 (14.3%) had worked for less than 3 years, 28/91 (30.8%) for 3–5 years, 20/91 (22.0%) for 6–10 years, and 30/91 (33.0%) for more than 10 years. Regarding educational qualifications, 5/91 (5.5%) held a certificate, 19/91 (20.9%) had a diploma, 52/91 (57.1%) held a bachelor's degree, and 15/91 (16.5%) had attained a master's degree.

These demographics indicate that a majority of the respondents had substantial experience and academic competence, making them reliable sources of insights into SACCO operations. To evaluate the influence of employee inclusivity in budget management on organizational performance, descriptive statistics specifically mean scores (M) and standard deviations (SD) were computed for key measurement items related to budget planning, budget implementation, budget monitoring and evaluation, and overall organizational performance. The following section presents the findings starting with budget planning.

Table 3: Descriptive Statistics on Budget Planning

	N	Minimum	Maximum	Mean	Std. Deviation
Employees have the opportunity to participate in budget planning discussions	91	1	5	3.16	1.478
There is a designated mechanism for employees to provide input and suggestions during the budget planning process	91	1	5	3.25	1.347
The budget planning team includes representatives from different departments or employees group	91	1	5	3.40	1.341
Employees have access to relevant financial information necessary for understanding the planning process	91	1	5	3.18	1.296
The budget planning documentation and guidelines are easily accessible to employees	90	1	5	3.20	1.317
Employees receive explanations and clarifications regarding budget related information when needed	91	1	5	3.44	1.249
There is open and regular communication between management and employees regarding the budget planning process	91	1	5	3.31	1.148
Employees receive timely updates and notifications about changes or updates in the budget planning process	91	1	5	3.00	1.238
The budget planning process is transparent and decisions are explained to employees	91	1	5	3.26	1.228
Average Mean				3.24	1.294

Source: Field data (2023)

Table 3 shows means rating and standard deviations of the responses. Most respondents had divergent opinion on whether have the opportunity to participate in budget planning discussions (mean = 3.16, SD = 1.478). Similarly, there is a designated mechanism for employees to provide input and suggestions during the budget planning process (mean = 3.25, SD = 1.347). Most respondents agreed that the budget planning team includes representatives from different departments or employees group (mean = 3.40, SD = 1.341). Respondents also gave varied opinions on whether employees have access to relevant financial information necessary for understanding the planning process (mean = 3.18, SD = 1.296). Respondents were also divided on the statement that the budget planning documentation and guidelines are easily accessible to employees (mean = 3.20, SD = 1.317). Respondent's agreed that employees receive explanations and clarifications regarding budget related information when needed (mean = 3.44, SD = 1.249). Most respondents were also in agreement that there is open and regular communication between management and employees regarding the budget planning process (mean = 3.31, SD = 1.148). However, employees expressed different opinion regarding that employees receive timely updates and notifications about changes or updates in the budget planning process (mean = 3.00, SD = 1.238). Respondent's also differed on the statement "budget planning process is transparent and decisions are explained to employees" (mean = 3.26, SD = 1.228). The analysis of employee inclusivity in budget planning yielded an average mean score of 3.24, indicating that, on average, employees are generally involved in the budget planning process across the SACCOs. The corresponding standard deviation was 1.294, suggesting that while employee involvement exists, there is notable variation in the extent of participation, reflecting diverse opinions among respondents (Table 3).

The study assessed the influence of employee inclusivity in budget implementation on the organizational performance of Savings and Credit Cooperatives (SACCOs) in Kisii County. Descriptive statistics relating to employee involvement in budget implementation are presented in Table 4, capturing the mean responses and standard deviations for various implementation indicators.

Table 4: Descriptive Statistics on Budget Implementation

	N	Minimum	Maximum	Mean	Std. Deviation
Employees are encouraged to work collaboratively to implement the budget	91	1	5	3.48	1.168
There is a culture of teamwork and cooperation among employees during budget implementation	91	1	5	3.34	1.368
Employees are provided with opportunities to contribute their ideas and suggestions during budget implementation	91	1	5	3.45	1.293
Employees expertise and knowledge are considered when making decisions during budget implementation	91	1	5	3.52	1.223
There are mechanisms in place for employees to provide input and feedback on budget implementation strategies.	91	1	5	3.16	1.241
Employees have the authority to make budget related decisions within their areas of responsibility	91	1	5	4.00	1.184
There are channels for employees to provide feedback on the progress of budget implementation	91	1	5	3.27	1.165

Employees receive timely and constructive feedback on the progress of budget implementation	1	5	3.37	1.082
Management seeks and values employee suggestions for improving the budget implementation process	1	5	3.21	1.329
Average Mean			3.42	1.228

Source: Field data (2023)

The results as indicated in Table 4.7 shows that employees are encouraged to work collaboratively to implement the budget (mean = 3.48, SD = 1.168). Other than that, there is a culture of teamwork and cooperation among employees during budget implementation (mean = 3.34, SD = 1.368). Similarly, employees are provided with opportunities to contribute their ideas and suggestions during budget implementation (mean = 3.45, SD = 1.293). Besides, employee's expertise and knowledge are considered when making decisions during budget implementation (mean = 3.52, SD = 1.223). Respondents also agreed that there are mechanisms in place for employees to provide input and feedback on budget implementation strategies (mean = 3.16, SD = 1.241). As well, employees have the authority to make budget related decisions within their areas of responsibility (mean = 4.00, SD = 1.184). Also, there are channels for employees to provide feedback on the progress of budget implementation (mean = 3.27, SD = 1.165). Majority of respondent's agreed that employee's receive timely and constructive feedback on the progress of budget implementation (mean = 3.37, SD = 1.082). In addition, Management seeks and values employee suggestions for improving the budget implementation process (mean = 3.21, SD = 1.329).

Overall, the items on budget implementation realized a mean of 3.42 and a standard deviation of 1.228. The findings suggest that employees are involved in budget implementation process, though on specific aspects.

The sought to establish the influence of employee inclusivity in budget monitoring and evaluation on the organizational performance Savings and Credit Cooperatives (SACCO) in Kisii County. Table5 shows the descriptive statistics on budget monitoring and evaluation.

Table 5: Descriptive Statistics on Budget Monitoring

	N	Minimum	Maximum	Mean	Std. Deviation
Employee feedback on budget monitoring and evaluation is actively sought and valued by management	91	1	5	2.86	1.379
The organization effectively incorporates employee feedback into decision-making processes related to budget monitoring and evaluation	91	1	5	3.03	1.269
There are mechanisms in place to ensure that employee feedback on budget monitoring and evaluation is acted upon	91	1	5	3.11	1.242
The budget monitoring and evaluation process includes input from employees representing various departments and levels within the organization	91	1	5	3.36	1.169

Employees are provided with clear guidelines and responsibilities for their involvement in budget and monitoring and evaluation activities ⁹¹	1	5	2.92	1.249
The organization encourages collaborative and participatory approaches in budget monitoring and evaluation activities ⁹¹	1	5	2.97	1.260
Employees have access to relevant and timely information about budget monitoring and evaluation processes ⁹¹	1	5	2.97	1.224
Average Mean			3.03	1.256

Source: Field data (2023)

Results from table 5, established that employee feedback on budget monitoring and evaluation is actively sought and valued by management (mean = 2.86, SD = 1.379). In the same breath, the organization effectively incorporates employee feedback into decision-making processes related to budget monitoring and evaluation (mean = 3.03, SD = 1.269). Moreover, there are mechanisms in place to ensure that employee feedback on budget monitoring and evaluation is acted upon (mean = 3.11, SD = 1.242). Further, the study revealed that the budget monitoring and evaluation process includes input from employees representing various departments and levels within the organization (mean = 3.36, SD = 1.169). The study also revealed that employees are provided with clear guidelines and responsibilities for their involvement in budget and monitoring and evaluation activities (mean = 2.92, SD = 1.249). As well, the organization encourages collaborative and participatory approaches in budget monitoring and evaluation activities (mean = 2.97, SD = 1.260). Finally, employees have access to relevant and timely information about budget monitoring and evaluation processes (mean = 2.97, SD = 1.224). The study gave average mean of 3.03 and a standard deviation of 1.256 implying that most respondents agreed to the statements on budget monitoring process.

Organizational Performance

The study also analyzed the descriptive statistics for organizational performance using mean and standard deviation. Table 6 highlights the findings on organizational performance.

Table 6: Descriptive Statistics on the Organizational Performance

	N	Minimum	Maximum	Mean	Std. Deviation
The SACCO has Experienced growth in its total assets over the past year ⁹¹	1	5	4.00	.978	
The SACCOs total assets are in line with industry standards and benchmarks ⁹¹	1	5	4.04	.855	
The SACCO effectively manages and allocates its resources to maximize its total assets ⁹¹	1	5	3.95	.911	

The SACCO has a diverse and well performing loan portfolio	1	5	3.96	.881
The loan portfolio demonstrates low default rates and effective risk management	1	5	3.88	.772
The SACCO provides competitive and accessible loan products to its members	1	5	4.40	.665
The SACCO actively engages with the local community outreach initiatives have positively impacted the lives of its members and the community	1	5	3.96	.829
The SACCOs community outreach initiatives have positively impacted the lives of its members and the community	1	5	3.92	.792
The SACCOs community outreach initiatives has enhanced access to financial services for the community members	1	5	3.85	.906
Average Mean			4.00	0.843

Source: Field data (2023)

Basing on the findings in Table 4.9, the SACCO has experienced growth in its total assets over the past year (mean = 4.00, SD = 0.978). Further, The SACCOs total assets are in line with industry standards and benchmarks (mean = 4.04, SD = 0.885). The SACCO also effectively manages and allocates its resources to maximize its total assets (mean = 3.95, SD = 0.911). The SACCO has a diverse and well performing loan portfolio (mean = 3.96, SD = 0.881). Additionally, the loan portfolio demonstrates low default rates and effective risk management (mean = 3.88, SD = 0.772). The findings further showed that SACCOs provide competitive and accessible loan products to its members (mean = 4.40, SD = 0.665). The SACCO also provides competitive and accessible loan products to its members as indicated by (mean = 3.96, SD = 0.829). The SACCOs community outreach initiatives have also positively impacted the lives of its members and the community (mean = 3.92, SD = 0.792). Finally, The SACCOs community outreach initiatives has enhanced access to financial services for the community members (mean = 3.85, SD = 0.906).

Overall, the items on organizational performance summed up to a mean of 4.00 and standard deviation 0.843. This implied that employee inclusivity in budget management of savings and credit cooperatives (Sacco) in Kisii County is key in enhancing on organizational performance.

Correlation Statistics

The study conducted correlation analysis to ascertain the association between the study variables of employee inclusivity in budget planning, employee inclusivity in budget implementation, employee inclusivity in budget monitoring and organization performance. The correlation coefficient was computed and used to test whether there existed interdependency between the independent variables and whether the independent variables were associated with the dependent variable. The findings were as presented in Table 7.

Table 7: Correlation Analysis

			Budget Planning	Budget Implementation	Budget Monitoring	Organizational Performance
Employee inclusivity Budget Planning	inPearson Correlation	1				
	Sig. (2-tailed)					
	N	91				
Employee inclusivity Budget Implementation	inPearson Correlation	.610**	1			
	Sig. (2-tailed)	.000				
	N	91	91			
Employee inclusivity Budget Monitoring	inPearson Correlation	.268*	.579**	1		
	Sig. (2-tailed)	.010	.000			
	N	91	91	91		
Organizational Performance	Pearson Correlation	.222*	.569**	.434**	1	
	Sig. (2-tailed)	.034	.000	.000		
	N	91	91	91	91	

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Field data (2023)

The correlation analysis results in Table 9 shows that there was a positive, weak and significant association between employee inclusivity in budget planning and organizational performance ($r=0.222$, $p<0.05$) at 5% level of significance. This implies that an improvement in employee inclusivity in budget planning results into an improvement in organization performance. The results are in line with the findings of Sandi et al. (2021) who established that the participation of employees in budget planning had a positive influence on the performance of budget users.

The study also found a moderate, positive and significant association between budget implementation and organization performance of SACCOs in Kisii County ($r=0.569$, $p<0.00$) at 5% level of significance. This implies that an improvement in employee inclusivity in budget implementation results into an improvement in organization performance of SACCOs in Kisii County. The findings are in line with the results of Mbanga (2018) who revealed that analyze the perception regarding the involvement of employees in budget implementation resulted in an improvement in organization performance.

Finally, the study found that there was a positive, moderate and significant association between employee inclusivity in budget monitoring and organizational performance of SACCOs in Kisii County ($r=0.434$, $p<0.05$) at 5% level of significance. This implies that an improvement in employee inclusivity in budget monitoring resulted into an improvement of organization performance. The results back the findings of Wanjala and Riitho (2020) who established that employee inclusivity in the monitoring and evaluation of budget helped to mitigate fraud among SACCOs in Kenya and therefore improved organization performance.

Regression analysis

Regression analysis was conducted to examine the relationship between employee inclusivity in budget management practices and organizational performance of SACCOs in Kisii County. Specifically, simple linear regression was first applied to assess the individual effects of employee inclusivity in budget planning, budget implementation, and budget monitoring and evaluation on organizational performance. Subsequently, multiple regression analysis was performed to evaluate the joint effect of these variables and to determine their relative contribution when considered simultaneously. The results of these analyses are summarized in **Table 8**.

Table 8: Summary of Simple and Multiple Regression Results on the Effect of Employee Inclusivity in Budget Management on Organizational Performance of SACCOs in Kisii County

Variable	Model Type	R	R ²	Adj. R ²	F-stat	p-value (Model)	β (Std.)	B	t-value	p-value (β)
Budget Planning	Simple Regression	0.222	0.049	0.039	4.631	0.034	0.222	0.237	2.152	0.034
Budget Implementation	Simple Regression	0.569	0.324	0.316	42.582	0.000	0.569	0.506	6.526	0.000
Budget Monitoring & Evaluation	Simple Regression	0.434	0.188	0.179	20.624	0.000	0.434	0.407	4.541	0.000
Budget Planning	Multiple Regression	—	—	—	—	—	-0.180	0.192	-1.649	0.103
Budget Implementation	Multiple Regression	—	—	—	—	—	0.601	0.534	4.661	0.000
Budget Monitoring	Multiple Regression	—	—	—	—	—	0.134	0.126	1.266	0.209
Joint Model (All Variables)	Multiple Regression	0.600	0.360	0.338	16.316	0.000	—	—	—	—

Simple and multiple linear regression analyses were conducted to examine the effect of employee inclusivity in budget planning, budget implementation, and budget monitoring and evaluation on organizational performance of SACCOs in Kisii County.

The results of the simple linear regression analysis revealed that employee inclusivity in budget planning had a positive and statistically significant effect on organizational performance ($\beta = 0.222$, $p = 0.034$). The model explained 4.9% of the variation in organizational performance ($R^2 = 0.049$), indicating a relatively weak explanatory power. This implies that although budget planning contributes to performance, its influence is limited when considered independently.

Employee inclusivity in budget implementation demonstrated a strong positive and statistically significant effect on organizational performance ($\beta = 0.569$, $p < 0.001$). The model explained 32.4% of the variation in organizational performance ($R^2 = 0.324$), suggesting that budget implementation is a major determinant of performance outcomes. The high t-value ($t = 6.526$) further confirms the robustness of this relationship.

Similarly, employee inclusivity in budget monitoring and evaluation showed a moderate positive and statistically significant effect on organizational performance ($\beta = 0.434$, $p < 0.001$). The model accounted for 18.8% of the

variation in organizational performance ($R^2 = 0.188$), indicating that monitoring and evaluation practices play an important role in influencing performance, although less strongly than implementation

A multiple regression analysis was conducted to assess the joint effect of employee inclusivity in budget planning, budget implementation, and budget monitoring and evaluation on organizational performance. The overall model was statistically significant ($F = 16.316$, $p < 0.001$) and explained 36.0% of the variation in organizational performance ($R^2 = 0.360$; Adjusted $R^2 = 0.338$). This indicates that the three variables collectively have a moderate explanatory power, while 64% of the variation in organizational performance is attributable to other factors not included in the model.

Within the joint model, employee inclusivity in budget implementation remained the only statistically significant predictor of organizational performance ($\beta = 0.601$, $p < 0.001$). This finding underscores the critical importance of involving employees during the execution phase of budgeting in enhancing organizational outcomes.

In contrast, employee inclusivity in budget planning ($\beta = -0.180$, $p = 0.103$) and budget monitoring and evaluation ($\beta = 0.134$, $p = 0.209$) were not statistically significant in the presence of other variables. Notably, the coefficient for budget planning became negative, suggesting that its independent contribution diminishes when implementation and monitoring are accounted for.

Conclusion

This study concludes that employee inclusivity in budget management plays a significant role in influencing the organizational performance of SACCOs in Kisii County, though its impact varies across different stages of the budgeting process. While inclusivity in budget planning, implementation, and monitoring are all positively associated with performance, budget implementation emerges as the most influential and consistent determinant when the variables are considered jointly. In contrast, the effects of planning and monitoring diminish in the presence of implementation, suggesting that their contributions may be indirect or mediated through effective execution.

These findings underscore the critical importance of participatory approaches during the implementation phase, where employee involvement translates plans into tangible outcomes. Therefore, SACCOs should prioritize strengthening employee engagement in budget execution while maintaining supportive planning and monitoring structures. Overall, employee inclusivity should be viewed not merely as a procedural practice, but as a strategic mechanism for enhancing organizational performance, accountability, and sustainability.

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