THE INFLUENCE OF ORGANIZATIONAL RESOURCES ON THE PERFORMANCE OF VILLAGE COMMUNITY BANKS IN IRINGA MUNICIPALITY

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

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CERTIFICATION

The undersigned certify that they have read and hereby recommend for examination by the Open University of Tanzania a dissertation titled: '**THE INFLUENCE OF ORGANIZATIONAL RESOURCES ON THE PERFORMANCE OF VILLAGE COMMUNITY BANKS IN IRINGA MUNICIPALITY'** in partial fulfilment of the requirements for the Degree of Masters in Business Administration, Accounting and Finance.

Signature…………………………………

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Date……………………………..

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DECLARATION

I, **Cotrida F. Luvingo,** do declare that the work presented in this dissertation is original. It has never been presented to any other university or institution. Where other people's works has been used, references have been provided. It is in this results that I declare this work has originally mine. It is hereby presented in partial fulfillment of the requirement for the degree of **Masters of Business Administration Accounting and Finance.**

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Signature

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Date

ACKNOWLEDGEMENTS

DEDICATION

I dedicate this work to my husband, Mr. Edwin Kambo and my lovely children, Abymaria Edwin Kambo, Blessianna Wende Edwin and Christian Nehemiah Kambo, for always believing in my dreams.

ABSTRACT

This study assessed the influence of organizational resources on the performance of village community banks in Iringa Municipality. Specifically, the study examined the influence of three resource categories namely; financial resources, physical resources and human resources on the performance of village community banks in Iringa Municipality. The study followed a positivist research philosophy which is good for finding patterns and relationships between social factors. The study employed a quantitative research approach with an explanatory cross-sectional design. The target population for the study was 121 members subscribed to the four selected village community banks in Iringa Municipality, from whom sample of 93 respondents was drawn using simple random sampling method. Data were collected using a structured questionnaire and analyzed using descriptive statistics namely frequencies and percentages and inferential statistics, particularly multiple linear regression. The regression analysis revealed that there is a significant positive relationship between Financial Resources and the performance of VICOBA, between Human Resources and the performance of VICOBA and between Physical resources and the performance of VICOBA. The report recommends expanding financial resources in the form of cash, bank cash deposits and investments, as well as providing members with training, expertise and knowledge and nurturing a sense of commitment. The establishment of physical offices and other infrastructure by village community banks is necessary for enhancing daily operations.

Key words: Organizational Resources, Financial resources, Human Resources and Performance of VICOBA.

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LIST OF ABBREVIATIONS AND ACRONYMS

ABV   Attention Based View

ANOVA   Analysis Of Variance

CSO   Civil Society Organization

HRMP   Human Resources Management Practices

KAM   Kenya Association of Manufacturers

KCSE   Kenya Certificate of Secondary Education

KMO   Kaiser Mayer Olkin

MLEWIA   Mkwawa Lecturer Wives Association

NBS   National Burea of Statistics

NGOs   Non-Governmental Organizations

OUT   Open University of Tanzania

OP   Organizational Performance

RBV   Resource Based View

SME   Small and Medium Enterprises

SPSS   Statistical Package for Social Science

VICOBA   Village Community Banks

VRIN   Value (V), Rare (R), Imperfect Imitability (I), Non-Substitutability (N)

CHAPTER ONE

INTRODUCTION

1.1 Chapter Overview

The current study assessed the influence of organizational resources on the performance of village community banks in Iringa Municipality. This chapter presents the background of the problem, statement of the problem, objectives of the study, research questions, and scope of the study, significance of the study, limitations and organization of the dissertation.

1.2 Background of the Problem

According to Kadochnikov and Fedyunina (2017), organizational resources include people, tangible materials, and technologies as well as information capital, entrepreneurship needs, and aspirations. The need for alternative organizational practices and approaches to work is growing due to elements such as the expanding impact of globalization, rising productivity, increasing complexity of information, increased environmental sensitivity, accelerating pace of technological innovation, rapidly rising employee expectations, and competition for closer partnerships (Mayaka, 2021).

Customer satisfaction, employee satisfaction, economic sustainability, social and environmental responsibility, and public information are typical outputs that are used to measure organizational performance (OP). According to Bartocho (2016), effectiveness and efficiency in the use of organizational resources and the accomplishment of organizational goals are frequently associated with performance. Performance is

extended by Ajisafe and Oluwayemisi (2015) to a broad range of studies that aim to comprehend the performance and survival of organizations. According to Howard and Walter (2018), the term "performance" encompasses all three aspects of an activity: the action itself, the result of the action, and the success of the result relative to a benchmark. Performance is a collection of criteria that describes the steps taken to produce an array of outcomes and results. Since quality, customer satisfaction, and staff morale are non-financial and less tangible than traditional financial indicators, they are rarely taken into account in management science studies (Kaplan & Norton, 2016). According to the widespread opinion (Yip, Devinney, and Johnson, 2019), financial metrics are still legitimate and relevant today, but they must be balanced with other resources, such as physical and human resources.

Global researchers have reported on the concept of organizational resources and their impact. For example, Wajid, Widiyanti, and Wahyuni (2020) in Indonesia found that human resource capabilities and technology significantly and positively influence the organizational performance of many organizations, but culture was not reported, and Kadochnikov and Fedyunina (2017) in Russian firms found a positive but insignificant relationship between financial and human resources Additionally, Gakenia's (2015) study on organizational resources and the performance of Indian mobile phone firms found that, while financial capacity was the most important factor, human capital had a positive, significant impact on success across companies.

According to Cheraghalizadeh and Tumer (2017), organization performance may vary even within the same industry, with some organizations demonstrating

superior performance over others, which can be connected to the type and nature of resources in possession by each firm. Organizational resources have been reported to affect the performance of various organizations in African countries. The more effectively a corporation manages its resources and utilizes them, the more advantage it gains over competitors. The most important factors in determining an organization's performance are its rare, valuable, and unique internal and external resources. Because these resources are unique, the company is able to produce and deliver innovative, high-quality goods and services that stand out from the competition (Saridakir, Lai, and Cooper, 2017). In order to achieve a competitive edge, businesses must thus contemplate cautiously on creative ways to utilize their resources with the aim of developing distinctive core competencies (Othman, Arshad, Aris, &Arif, 2015).

According to Shilingi (2019), a firm's resources in Tanzania include competent staff resources, networks in the form of strategic alliances, funds, techniques, and operations, as well as intangible resources like goodwill and loyalty. Organizational resources are a source of competitive advantage that aids in the development of strong capabilities that are difficult for rival companies in the same industry to match (Okioga, 2018). This is consistent with Charles' (2014) findings that having the necessary knowledge resources, financial resources, and coordination skills are crucial for successfully implementing initiatives. Additionally, business-level plans are established by resource management that maximizes efficiency, enabling the organization to thrive in a cutthroat market (Jarzabkowski and Balogun, 2019). According to the literature, there are various conclusions about how resources affect an organization's performance. However, there is

little empirical data on how financial, human, and physical resources, specifically at Village Community Banks in Iringa Municipality, affect an organization's performance. This research aims to fill that gap.

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1.3 Statement of the Problem

Organizational performance parameters have been the subject of numerous research. Some of these studies have established the link between organizational internal factors, including leadership and resources, and performance. In contrast to Gomes and Osbone's (2019) study on the impact of stakeholders on local government performance, Howard and Walters's (2018) study on Chinese manufacturing firms' use of configurations of resources and structures on performance did not support configurations based on their findings. While Barrtocho (2016) noted that physical resources and organizational resources are significant predictors of business success, Ajisafe and Oluwayemisi (2015) showed that human resources and social resources are the most crucial resources for

organizational performance. The classification of 65 statistical studies on performance improvement factors by Boyne (2013) is situated within the internal/external dichotomy. Resources, regulations, and market structure, in his opinion, were relevant external elements. The study cited organizational transformation and management as relevant internal aspects. According to Lulya et al. (2013), organizational resources play a crucial role in implementing the strategy and providing a framework for its creation. However, this claim lacked empirical backing.

Despite the extensive research on organizational performance, no explanation for performance variances has been found. Some claim that leadership, while others attribute it to resources and others to strategy. Organizations, however, continue to face performance obstacles. What effect do organizational resources have on the performance of village community banks in Iringa Municipality? Was the key research question.

1.4 General Objective

The general purpose of the study was to assess the influence of organizational resources on the performance of village community banks in Iringa Municipality.

1.4.1 Specific Research Objectives

i. To examine the influence of financial resources on the performance of village community banks in Iringa Municipality

ii. To examine the influence of human resources on the performance of village community banks in Iringa Municipality

iii. To examine the influence of physical resources on the performance of village community banks in Iringa Municipality

1.4.2 Specific Research Questions

i. What is the influence of financial resources on the performance of village community banks in Iringa Municipality?

ii. What is the influence of human resources on the performance of village community banks in Iringa Municipality?

iii. How do physical resources impact the performance of village community banks in Iringa Municipality?

1.5 Hypotheses of the Study

A hypothesis refers to a tentative prediction about the outcome of a study. To address the specific objectives, this study will be guided by the following hypotheses.

H_o: There is positive and significant relationship between financial resources and the performance of Village Community Banks Iringa Municipality Tanzania

H_1: There is negative and insignificant relationship between financial resources and the performance of Village Community Banks Iringa Municipality Tanzania

H_{02}: There is positive and significant relationship between human resources and the performance of Village Community Banks Iringa Municipality Tanzania

H_2: There is negative and insignificant relationship between human resources and the performance of Village Community Banks Iringa Municipality Tanzania

H$_3$: There is positive and significant relationship between physical resources and the performance of Village Community Banks Iringa Municipality Tanzania

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1.6 Significance of the Study

1.6.1 Theoretical   Significance

The results of this study ought to enable banks comprehend more thoroughly how resources affect the functioning of local community banks in the Iringa Municipality. Following the analysis and validation of key constructs and contextual indicator variables, they are expected to determine the resources needed to measure the financial, human, and physical resources connected to organizational performance as well as the influence of each resource. In addition, it is theoretically anticipated that other researchers would use the results of this study to corroborate or support their own conclusions. The results of the current study can be used to test the Resource Based Theory, and if the results are inconclusive, the theory may be discarded or improved.

1.6.2 Academic Significance

It is anticipated that prospective researchers will use the study's findings and recommendations to guide their own research, particularly those seeking to determine the relationship between financial, human, and physical resources and organizational effectiveness in other institutions. As was mentioned above, this research's findings can be used as a source of literature or reference by other researchers who are motivated to conduct additional research in this field.

1.6.3 Managerial Significance

Because it has been revealed that certain factors negatively affect banking performance, organizational managers are required to use the insights from this study to devise strategies that can be implemented to improve organizational performance across banks. Enhancing physical, human, and financial resources could be one of these techniques.

1.6.4 Policy Significance

The current study's findings are predicted to serve as the foundation for significant policy reforms; it is anticipated that these findings will help decision-makers establish new, effective policies and review existing ones in order to improve organizational performance. By ensuring that policies on resource utilization are holistically improved in terms of financial resources, human resources, and physical resources, this will help to alleviate subpar performance.

1.7 Scope of the Study

The current study assessed the influence of resources on the performance of Village Community Banks in Iringa Municipality in Tanzania. This choice was informed by the fact that the municipality has the greatest number of Village Community Banks compared in comparison to other districts in Iringa Region. The study limited it's scope to Iringa Municipality specifically to four Village Community Banks namely: Twende pamoja, Nduli Solidarity, Tunaweza Women Group, Nguvukazi Kitanzini group and focused distinctly on three resource parameters namely: physical resources, human resources and organization resources, owing to the fact that these variables have been

documented by many previous scholars as key performance predictors, even in Financial Institutions, as also supported by the Resources Based theory.

1.8 Organization of the Study

There are five chapters in this dissertation. The study is introduced in Chapter One with a focus on background information, the statement of the problem, objectives, and definitions of key concepts. The literature review in Chapter Two is divided into four sections: theoretical literature review, empirical literature review, research gap, and conceptual framework. The research methodology in Chapter Three is described in terms of the study area, research paradigm, approach, and design. Results and discussion were covered in Chapter Four; the conclusion and suggestions are covered in Chapter Five.

CHAPTER TWO

LITERATURE REVIEW

2.1 Chapter Overview

The main focus of this chapter is a thorough discussion of three important topics namely: theoretical literature review, empirical literature review, and illustration of the conceptual framework. In this investigation, the Resources Based View was discussed as part of the theoretical literature evaluation, which presents theories guiding the investigation. While empirical literature outlines efforts made to address or resolve the phenomenon's illogical or contradictory relationship, this was organized based on the specific goals of the current investigation. A conceptual framework presents the link between the studied independent and dependent variables in a graphical format so that the expected or anticipated result is clarified. The chapter also discusses the operationalization of the variables and the research gap.

2.2 Definitions of Key Terms

2.2.1 Financial Resources

Financial resources are the sources through which businesses receive the funds required to support their capital expenditures, current activities, and investments (Mayaka, 2021). Three broad sources including financial institutions, capital markets, and owners' equity (capital stock), provide an organization with the funding it requires. Financial Resources are the collection of a company's liquid assets, such as cash, bank deposits, and liquid investments, according to Bartocho (2016). Financial resources in this study refer to

cash, deposits, investments, and stock holdings of selected village community banks in Iringa region.

2.2.2 Human Resource

According to Tukai (2020), a human resource is the group of individuals who work for an organization, industry, or economy. Human capital, which refers to the knowledge, abilities, experience, dedication, and educational levels that an individual command, is a more specific term. Manpower, labour, staff, colleagues, or simply people are comparable expressions. According to Mbarya (2015), these are all of the inherent human traits that can be exploited for sustained work and long-term employment. They include knowledge, skills, energy, talents, and other human spirit qualities. Human resources encompass individuals who possess information, skills, experience, commitment, and insights in the context of this study.

2.2.3 Physical Resource

According to Wajid et al. (2020), physical resources are constituted in nature including land, water, plants, minerals, animals, wind, and sunlight. Equipment, Materials, Supplies, Facilities, and Infrastructure are additional physical resources that are utilized in a project or turn into a component of its deliverable (Kadochnikov and Fedyunina, 2017). Physical resources are characterized in the context of this study as equipment, building materials, energy, and supplies.

2.2.4 Organizational Performance

According to Mwai, Namada, and Katuse (2018), organizational performance is the skill with which an organization may accomplish its goals by achieving the anticipated output with a minimum amount of waste or use of energy, money, labor, and time resources. The degree to which an organization's primary duties are completed is also considered to be a measure of its performance, with the concept of effectiveness being closely related to satisfactory organizational performance.

2.3 Theoretical Literature Review

2.3.1 Resource Based View (RBV)

According to the resource-based view (RBV), an organization's internal resources influence its overall performance efficacy. Ajisafe and Oluwayemisi (2015) assert that a firm's performance is reliant on its resources, including its physical assets, labor force, financial assets, and managerial assets. typical examples of the contributions of other researchers' work include internal resource management, firms as resource bundles, and persistent competitive advantage resulting from intricate relationships between uniqueness and causal ambiguity. The RBV commences by examining the firm's resources, then meticulously assessing their potential to create value, and finally establishing a plan that will enable the maximization of value in a sustainable manner. According to RBV, resources are everything a firm control, such as assets, organizational procedures, firm qualities, information, or expertise, that can be used to develop and carry out its strategies (Barney, 1991). Brand identities, technological prowess, and effective practices are a few examples (Wernerfelt, 1984; Spanos and

Lioukas, 2001). According to the notion, an organization is also made up of human resources (knowledge, skills, and insights), physical resources (such as materials and equipment), and technology resources (plant and equipment) (Barney, 1991; Amit and Shoemaker, 1993). However, the primary sources of long-term competitive advantage for ongoing superior performance for any organization can be found in resources that have the following characteristics: high value, scarcity, imperfect imitable and imperfect substitutable (Barney, 1991).

The RBV has several strengths, but two in particular stand out: 1) identifying the "VRIN"; and 2) identifying the resources and skills for long-term competitive advantages. Value (V), Rare (R), Imperfect Imitability (I), and Non-Substitutability (N) are the letters that make up the acronym VRIN. Indicators that may yield a sustained competitive advantage for the organization are: 1) the value (the significance of exploring the opportunities of the organization or neutralizing their threats in its competitive environment); 2) the rarity of the resources among the current ones; 3) inimitability; and 4) organization (to explore the available resources). This is in accordance with the RBV.

There are two distinct categories of resources and abilities for long-term competitive advantages: 1) Tangible Resources and Capabilities (Financial, Physical, Technological, and Organizational); and 2) Intangible Resources and Capabilities (Human, Innovation, and Operational Validity) (Priem and Butler, 2001). Their applicability is restricted to larger firms as opposed to smaller ones (Connor, 2002), and sustained competitive advantage is not possible, which is meeting VRIN criteria. However, the RBV is

pertinent to this study because it was utilized by many academics to examine how resources affect an organization's performance because it included the three factors of physical, financial, and human resources.

2.4 Empirical Literature Review

2.4.1 Financial Resources and their Influence on Organizational Performance

The Influence of Organizational Resources on its Effectiveness was investigated by Mwai, Namada, and Katuse (2018). Positivism was the research philosophy, and explanatory and descriptive study designs were applied. The sample unit consisted of project managers employed in registered non-government organizations (NGOs). Primary data that informed the study were accrued using a survey questionnaire, and analyzed through descriptive and inferential statistics. Standard deviation, mean, and percentages were included in the descriptive analysis, whilst regression analysis and ANOVA were included in the inferential analysis. According to the study's findings, fundraising efforts and the way funds are allocated to various strategic objectives and operations have an impact on how effective the organizational process is. Nevertheless, there was a considerable negative impact on process effectiveness from staff empowerment. To enable the classification of NGOs into categories based on levels of success in attaining their individual objectives and goals, it is advised to construct an NGO organizational effectiveness ranking metric. Additionally, a thorough investigation into the reasons why NGO fundraising efforts had little impact on stakeholder satisfaction was a goal. Although the existing study is informative, it primarily focused on NGOs while the current study was conducted in Village Community Banks. The

methods of analysis also varied considerably since multiple linear regression was employed.

Owusu, Ansah and Anin (2021) evaluated the impact of financial resource-building efforts on financial availability among small and medium enterprises. In order to construct and verify the claim that variations in SMEs' financial resource building efforts account for heterogeneity in financial resource availability, this study focuses on the attention-based view theory (ABV). 274 owners of SMEs in Ghana made up the sample to validate the proposed relationship. The study's hypotheses were tested using structural equation modelling. According to study results, SME financial resource availability is driven by efforts to build financial resources through retained earnings, personal savings, support from family and friends, supplier credit, and bank loans. The study's findings clearly demonstrate that, while having access to financial resources is critical for SMEs' optimal performance, the impact is largely dependent on how much attention SMEs lend to accumulating their financial resource base from various avenues of funding, particularly retained profit and bank loans. Unlike the current study, which focused on Village Community Banks and utilized multiple linear regression as the analysis method, this study was conducted in Ghana and focused on SMEs.

The effect of financial and human resources on the export performance of Russian enterprises was studied by Kadochnikov and Fedyunina (2017). They investigated the effects of human and financial resource availability on export survival across Russian regions between 2002 and 2010 using the continuous-time Cox model and discrete-time

complementing log-log and probit models. When uncertainty and time effects are taken into consideration, it becomes apparent that these impacts are less significant over time and are more significant for larger exporters. Thus, the fact that exporters gradually become more adept at navigating regional resources and the regulatory landscape suggests that there is a learning curve for them. According to the study's findings, financial and human resources are positively correlated with export survival throughout Russian regions. While physical resources were not included in the previous study since it was conducted in a different setting and integrated financial and human resources, this is not the case in the current study because all three resources were particularly examined at Village Community Banks.

Mbarya (2015) focused on small and medium sized enterprises in Voi town, Taita Taveta County, in an effort to analyze the impact of financial resource utilization on the performance of small businesses in Kenya. Its main goal was to ascertain how much the performance of small and medium-sized firms in Voi Town is influenced by financial planning, internal control systems, business training, and degrees of accountability. The management of registered SMEs operating in Voi Town, Taita Taveta County, were the study's target population. 102 respondents were selected as the sample using simple random sampling. Data was gathered via questionnaires. With the use of SPSS 21.0, the data was coded and examined using both descriptive and inferential statistics. The findings revealed that financial planning strongly influenced the performance of small businesses in the town ($\beta = 0.405$, $p = 0.023$). However, it was established that the internal control systems were not significant ($\beta = 0.267$, $p = 0.102$) to the performance

of small and medium sized businesses in Voi Town. The findings also revealed that business training was indeed significant ($\beta = 0.385$, $p = 0.001$) to the performance of small and medium sized businesses in Voi Town. Finally, the levels of accountability were found to significantly ($\beta = 0.327$, $p = 0.012$) influence the performance of small and medium sized businesses in Voi Town. Therefore, the study recommends that; first, the SME operators should be exposed to better methods of financial planning; second, the operators of small businesses should acquire skills to manage their credit, this will alleviate adverse effects on their cash flows and reduce working capital margins; third, small business operators should attend business training constantly in order to improve their managerial capacity and; fourth, business systems developers should create friendly accounting programs that can be easily adopted for small businesses and encourage them to update their systems regularly.

2.4.2 Human Resources and their Influence on Organizational Performance

A study on the impact of human resources on organizational performance was undertaken by Tukai (2020). The Tanzania Postal Bank was the primary focus of the study, which sought to investigate the impact of human resource management practices (HRMP) on organizational performance. This study specifically examined the influence of three HRMPs namely: recruitment and selection, compensation, and training and development on Tanzania Postal Bank's performance. The study used a mixed research methodology and a case study design with a sample size of 97 participants who were selected using straightforward random and purposeful selection procedures. The study used questionnaires and interview techniques to gather pertinent data; content analysis

was used to analyze the qualitative data, while SPSS was used to analyze the quantitative data using percentages and tables. The results demonstrated that the recruiting and selection processes had a beneficial impact on organizational performance since they minimized labor turnover and contributed to finding qualified employees. The reward scheme also improved organizational performance because it decreased staff turnover and increased revenue for the organization. Additionally, results suggest that training and development had a beneficial impact on organizational performance since it reduced subpar performance, increased work morale, elevated job satisfaction, and enhanced staff knowledge and abilities. According to the study, training opportunities increase employee morale since they are perceived as an indicator that their employer cares about their professional development. In order to accomplish better results, the organization should ensure that the recruitment and selection process is improved by using HR officials. Despite the fact that the majority of respondents claimed that recruitment and selection had a good impact on the functioning of the organization if this is not done, the process may continue to be unfair. The study was focused on human resources practices while the current study focused on skills, knowledge, experience, commitment of the employees as indicators of human resources.

Ajisafe and Oluwayemisi (2015) analyzed the influence of Human Capital Management on Organizational Performance in the banking industry. To direct the investigation, two research questions were posed. Correlation-type descriptive research design was used. Out of the 12 commercial banks in the target study area, data were gathered from 62 senior permanent workers at five institutions to create the sample. The data gathered for

the study were analyzed using the mean statistic and Pearson product moment correlation. The analysis's findings demonstrated that human capital management significantly and favorably affects organizational performance. Among other things, it is recommended that training and development programs be given top priority in the banking sector and that employees be encouraged to advance their careers by guaranteeing their job security rather than just being employed for organizational growth but later disregarded as useless and unproductive. This study was conducted in the banking sector and only looked at human resources, ignoring the physical and financial resources that were also the subject of the current study.

Wajid, Widiyanti and Wahyuni (2020) investigated the effect of human resources capability and technology on organizational performance and the moderating role of organizational culture on the organizational performance of small business enterprises (SMEs) in Indonesia. Additionally, the influence of organizational culture on a causal level was examined as a moderator of the effects of technology and human resource skills on organizational performance. Distribution of self-administrative questionnaires to study participants resulted in a total of 244 valid responses. Simple random sampling is one of the probability sampling techniques that were used to select respondents. All of the direct hypotheses with relation to the suggested hypotheses had a significant and positive effect on organizational behavior. The study's conclusions demonstrated that technology and human resource capabilities had a considerable, positive impact on organizational performance. However, it was concluded that there lacks evidence to support the moderating effects of organizational culture on the relationship between

human resource skills and organizational performance. These findings generally corroborated the idea that human resource capabilities, such as training and development, skills, and innovation, can improve organizational performance through the use of cutting-edge technology.

2.4.3 Physical Resources and their Influence on Organizational Performance

Murimi, Ombaka and Muchiri (2019) studied the influence of strategic physical resources on Performance of Small and Medium Enterprises in Kenya. Anchored on the Resource Based View (RBV) theory the study adopted positivism research philosophy descriptive and causal-effect research designs. The population for the study comprised of the management staff of the 350 small and medium manufacturing enterprises registered by the Kenya Association of Manufacturers (KAM) where a sample of 183 participants was chosen using stratified sampling method. The study tested for content validity as well as reliability using internal consistency of the questionnaire using Cronbach alpha coefficient. Data analysis was conducted using descriptive statistics and regression analysis to conclude that physical resources have a significant influence on performance of small and medium manufacturing enterprises in Kenya. Consequently the study recommended that the management of SMEs should ensure that they invest significantly in these resources so as to maximize on the performance of these firms. However, the conclusions reached in this paper were based on data collected from small and medium manufacturing enterprises in Kenya. For this reason, the results of the study may not be generalizable to the current study its primary focus was on village community banks in Tanzania.

Mayaka (2021) established the effect of physical resources on student's academic performance in the Kenya Certificate of Secondary School Education in public secondary schools in Marani sub-county, Kenya. Students' performance was measured through the administration of examinations. The study specifically investigated the effect of physical resources on students' KCSE performance in public secondary schools in Marani sub-county. The study was anchored in the System Resource Theory by Yutchman and Seashores (1967). The target population comprised of 357 respondents including, 6 CSO's, and 32 head teachers and 319 teachers of 32 secondary schools in Marani Sub-County. The study employed a descriptive survey design and stratified, simple random sampling techniques were used to select the study sample. However, the census method was used to select the number of principals. The sample comprised; 3 CSO's, 141 teachers from the mixed day secondary schools, 17 from girls' boarding schools and 18 from boys' boarding secondary schools and 11 from mixed boarding. Primary data was collected through questionnaires and document analysis. Data analysis was done using descriptive statistics and inferential statistics with the aid of the SPSS version 21 computer program. The study found a positive and significant relationship between physical resources and performance. This study was conducted in public secondary schools of Kenya whereas the current study was conducted in Village Community Banks of Iringa region in Tanzania.

In Kenya, Bartocho (2016) studied how physical and social capital resources affect workers' productivity. Using Cochran's formula, a sample of 339 respondents was drawn from the study's target population of 2800 employees, which was based on the social

capital theory. An explanatory research design and a simple random sample were employed in the study. Both descriptive and inferential statistics were used to analyze the data. The hypotheses were tested using moderated regression analysis and correlation. While social capital resource capabilities were not shown to be significantly correlated with employee performance, physical capital resource capabilities had the biggest impact. Although the current study was undertaken in village community banks, the existing study was conducted in courier companies.

2.5 Knowledge Gap

There are several research gaps in the review of the literature on the impact of organizational resources on organizational performance. The theoretical gap in the available literature is evident. Everyone agrees that theories are important in every study for instance, Mbarya (2015) and Ajisafe et al. (2015) noted that "nothing is as practical as a good theory". In a similar vein, Murimi, Ombaka, and Muchiri (2019) underscored the significance of theory by emphasizing that without it, facts would remain a meaningless jumble. Theory works as the filter through which a variety of facts are sorted. In the suggested study, four resource-related ideas have been examined. These include the Cox model, System Resource Theory, Attention-Based Theory, and Human Capital Theory. The analyzed theories, however, demonstrate that no known author has thoroughly investigated how organizational resources affect the success of village community banks. The Cox model concentrated on export enterprises rather than village community banks, whereas Attention Based Theory and System Theory focused on the performance of public secondary schools.

Methodological gaps were also evident in the literature reviewed. The literature study has offered various methodologies for determining how resources affect an organization's performance in terms of data collection methods, sampling designs, sample sizes, and data analysis. For instance, using Cochran's formula, Bartocho (2016) obtained a sample of 339 respondents for a study on the effects of physical and social capital resources capacities on employees' performance in Kenya, which had a population of 2800. The study used an explanatory research approach and basic random sampling. The study used an explanatory research approach and basic random sampling. Both descriptive and inferential statistics were used to analyse the data. The hypotheses were tested using correlation and moderated regression analysis, whereas Ajisafe and Oluwayemisi (2015) used a descriptive research design of the correlation type in their study on the impact of human capital management on organizational performance in the banking industry. Out of the 12 commercial banks present in the target study area, data were gathered from 62 senior permanent workers at five of the institutions to create the sample. The data gathered for the study were analyzed using the mean statistic and Pearson product moment correlation. (Owusu, Ansah, and Anin, 2021) Other investigations used structural equation modelling to analyze the data.

The reviewed literature additionally indicated that there were contextual and knowledge gaps. The contextual gap here refers to the situation that serves as the backdrop for Tanzanian local community banks. Therefore, the context gap exists since there hasn't been a critical evaluation of how organizational resources have affected the success of local community banks, particularly in Tanzania's Iringa Municipality. Because there is a lack of critical evaluation of the impact of financial resources, physical resources, and

human resources specifically in community banks, the current study fills this knowledge gap.

2.6 Conceptual Framework

The Resources Based View Theory of Organisational Performance and the literature review were incorporated to create the conceptual framework. The complex interaction between independent and dependent variables is illustrated in figure 2.1 below. The theory postulates that an organisation comprises numerous physical resources, such as construction materials and equipment. Energy, supply, human, physical, and financial resources (currency, bank deposits, and liquid investments), human skills, expertise, experience, insights, and commitment.
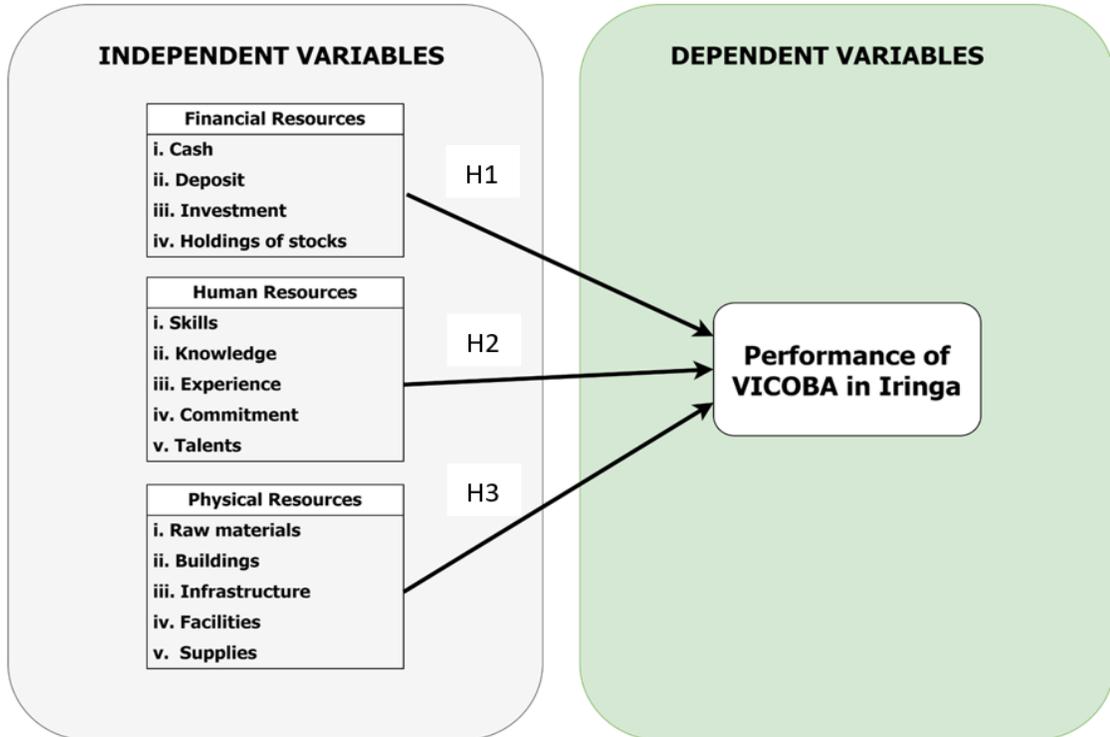
Figure 2.1 Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Chapter Overview

In this chapter, the methodological approaches to the study are discussed. The introduction to the chapter, the research design and rationale, the sampling and sampling procedures, and the procedures for recruitment, participation, and data collection are presented. Additionally, analysis procedures and ethical considerations are discussed.

3.2 Study Area

This research was conducted in Iringa Municipality, one of the districts of Tanzania's Iringa Region. The Iringa District and the Kilolo District form its northern, eastern, and western boundaries, respectively. An estimated 151,345 number of inhabitants resided in the Iringa municipality as of the 2012 Population and Housing Census (NBS, 2012). The choice of Iringa Municipality was informed by the fact that it accommodates a sufficient number of village community banks (54) and the researcher anticipated obtaining an adequate number of respondents (bank employees) in comparison to any other district in the region. Four selected village community banks participated in the study namely: Twende pamoja, Nduli Solidarity, Tunaweza Women Group, Nguvukazi Kitanzini group. The study's focus on community village banks was justified by the fact that these banks have consistently recorded poor performance in comparison to regular commercial banks.

3.3 Research Approach

In order to test hypotheses about resources and their impact on the efficiency of village community banks in the Iringa region, the study used a quantitative research approach. According to Saunder et al. (2016), the quantitative approach operationalizes concepts to enable quantitative measurement of facts. Saunders, et al. (2016) also argued that using data gathered through statistical features, a quantitative approach can be used to test hypotheses and explain causal links between variables. This approach was suitable for the current study since it enabled the testing of the hypothesis on the influence of physical resources, financial resources and human resources on performance. The quantitative approach was also adopted with the intension of determining the causal-effect relationship between the predictor variables and the performance of village community banks.

3.4 Research Design

The study employed explanatory research design to test the existence of relationships among variables and validated a model, which can be used to explain bank performance. This study utilized an explanatory design because it explains the causal-effect relationship between variables. The explanatory design's justification for use also stems from its value in illuminating the connections between organizational, financial, and physical resources as performance indicators. The use of an explanatory research design was deemed appropriate to deliver expected results considering the study includes numerous variables whose influence and relationships on influencing banks' performance are debatable. The explanatory research approach was envisioned to

evaluate the causes and effects of relationships between variables, according to Saunders et al (2016).

3.5 Population and Sampling

3.5.1 Study Population

The target population for the study was the entire set of units for which the survey data was used to make inferences. The current study's target population comprised of all managerial staff of the four Village Community banks namely: Twende Pamoja group (35), Nduli solidarity group (34), Tunaweza Women Group (26) and Nguvukazi Kitanzini Group (26). The 121 managers employed by the chosen VICOBA made up the target population. Because managers are knowledgeable about organizational resources, they were picked as the study's unit of analysis. The population was expected to provide the necessary data since they were aware of how organizational resources impacted the operations of village community banks in Iringa Municipality.

Table 3.1: The Study Population

VICOBA Name	Number of Employees
Twende Pamoja	35
Nduli Solidarity	34
Tunaweza Women Group	26
Nguvukazi Kitanzini Group	26
TOTAL	**121**

Source: (District Community Development Office Records, 2023)

3.5.2 Sampling Design

The two sampling designs include probability and non-probability sampling designs. In probability sampling, every individual has an equal chance of being involved in a sample unlike the case in non-probability sampling. In this study however, the simple random sampling method, was employed since it enhances representation thus minimizing bias.

3.5.3 Sample Size

Kothari (2014) adds that the results from the sample can be used to make generalizations about the entire population as long as it is accurately representative of the population. A sample is a smaller group of subjects selected from the population in which a researcher is interested in order to draw conclusions about the universe or population. According to data gathered on September 6, 2022, this study includes all 121 members of the Twende Pamoja group (35), Nduli solidarity group (34), Tunaweza Women Group (26) and Nguvukazi Kitanzini Group (26). The following formula was used to calculate the sample size and was adapted from Kothari (2014).

$$n = \frac{N}{1+N.e^2} \ (1) \quad n = \frac{121}{1+121.(0.05)^2} = 92.87$$

$$n = 93$$

Where n = size of samples, N = total population=121; e = standard error of sampling (5%) is tolerated. By entering each value of the variable into the formula (1) above, obtained large sample size of 93 respondents. The sample size is consistent with the contention made by Hair et al. (2006) that a research study intended to demonstrate

factor structures should contain more observations than variables and that the minimum absolute sample size should be 50 observations.

3.5.4 Sampling approach in Each Bank

The calculation of sample size per institution was preceded by the establishment of a generic sample size that constitutes members of the village community banks from sampled banks (see Section 3.4.3).

Si=(BSi/BSt) * Gs

Where:

$S_{i=}$ sample per institution (i.e. number of employee sampled per institution)

BSi = number of VICOBA members in the bank that was used to prepare the sampling frame

BSt= total number of members in all sampled banks (i.e. all members in sampled banks) = 121

G_s = General sample size obtained using a formula developed by Kothari 2004 (see section 3.4.3) = 93 members: Basing on the proportion to size ratio, the sample per bank will be as follows;

Table 3.2 Sample size per village bank

Name of Bank	Population	Sample bank
Twende Pamoja	35	27
Nduli Solidarity	34	26
Tunaweza Women Group	26	20
Nguvukazi Kitanzini Group	26	20
Total	**121**	**93**

3.6 Data Collection Methods

There are two types of data collection methods namely; primary data and secondary data. The primary quantitative data that informed this study was accrued using questionnaires from members of the four selected VICOBA. Secondary data were gathered from different sources such as annual reports, journal articles, materials, various reports and books related to the subject of study. Secondary data was used to confirm primary quantitative data obtained for the study area.

3.6.1 Questionnaires

The fact that the questionnaire offers a standardized system of questions to collect quantifiable and factual data, to categorize a certain group of people and their situations in statistical characterization (Goretti, 2018) made it ideal for this study. Hence, the questionnaire was used in this study because of its ability to capture data that are suitable for statistical analysis.

3.6.2 Documentary Review

The documentary review method was employed in this study since it validated the primary data collected from the field. The term "documentary review" describes the

examination of documents that provide details about the topic being investigated (Mogalakwe, 2006). As a result, information gleaned from documents under evaluation was helpful for backing up survey results as well as for interpreting data and supporting findings. According to the conceptual framework, the documents that were reviewed addressed organizational resources like money, people, and physical assets.

3.7 Data Analysis

3.7.1 Descriptive analysis

Frequencies and percentages were employed in the analysis to profile and comprehend the various study participants' characteristics, such as gender, age, educational attainment, membership experience, etc. In Iringa Municipality in Iringa Region, descriptive data analysis, therefore, assisted to acquire insights on the general characteristics of the members and other relevant information on organization performance.

3.7.2 Inferential statistical analysis

To ascertain if the patterns shown in the sample are likely to hold true for the population from which it was derived, inferential statistical analysis was carried out. A linear multiple regression model was created to determine the relationship between resources (independent factors), that impact organizational performance (dependent variables). The main construct contained numerous measurement indicator variables, hence the multiple regression model was adopted. All indicators per construct were merged for the final result. The five-point Likert-scale ranging from "strongly disagree" (1) to "strongly agree" (5) was used as total score of each variable, which was then computed

to obtain the aggregate figure, prior to running the regression analysis. Independent variables for this study were recorded as either numerical or categorical variables thus, the following linear multiple regression model was developed

$$Y = \beta 0 + \beta 1 X 1 \ldots \ldots \ldots \ldots \ldots \beta n X n + e \ldots \ldots \ldots$$

Where:

Y = Organization Performance

$\beta 0$ = a constant showing intercepts for regression equation

$\beta 1$- βn = independent variables coefficients

X1-Xn = independent variables

e = represent the error term

3.8 Validity and Reliability

3.8.1 Validity

Data validity, according to Kothari (2012), is defined as the relevance and accuracy of inferences drawn from study findings. It refers to a research instrument's ability to measure what it was designed to assess. Validity, according to Perumal (2014), is the degree to which a measuring instrument accurately assesses the idea or traits that it is intended to measure. The research instrument was validated by obtaining expert opinion on the instrument's accuracy, clarity, and ability of producing the intended results and consequently, the instrument was modified accordingly. Finally, a pilot test was conducted to determine the questionnaire's precision. The main objective of a pilot study, according to Bricki and Green (2007), is to determine the precision of the data collection instrument and how well respondents comprehend its flow. The questionnaire

was pretested on a sample of 20 members to identify any measurement problems and also eliminate ambiguity.

The current study's validity was determined using the SPSS and the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of sphericity, as shown in Table 3.1. The Kaiser-Meyer-Olkin sample sufficiency index O, which compares the sizes of the observed correlation coefficients to the sizes of the partial correlation coefficients for the sum of analysis variables, was found to be 0.663 or 66.3 %, and it is reliable because it is greater than 0.5 or 50% threshold.

Table 3.3: Validity

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.663
Bartlett's Test of Sphericity	Approx. Chi-Square	247.853
	Df	218
	Sig.	.038

Source: Field data (2023)

3.8.2 Reliability

Kothari (2012) defines reliability as the consistency with which an instrument measures what it purports to measure. It is concerned with whether the findings of the study can be replicated in diverse contexts. If the same study can be repeated numerous times and provide the same result, the data is said to be dependable. Cronbach's coefficient alpha

was used to measure the level of dependability in the study. According to Rajasekar et al. (2006), Cronbach's coefficient alpha is commonly used by researchers to determine the reliability of their research findings. According to Bricki and Green (2007), reliability with a Cronbach's coefficient alpha of less than 0.60 is poor, 0.70 is acceptable, and more than 80% is good. When used multiple times to collect data from the same population, a reliable instrument delivers consistent results. The study's

reliability was determined using the Cronbach's alpha formula ($r\alpha = (\frac{k}{k-1})(1 - \frac{\sum \sigma}{\sigma})$; Where σ^2 = variance of one test item. Other variables are identical to the KR-20 formula.

Moreover, reliability was ascertained by pre-testing data collection tools with five respondents that were excluded from the actual sample. In addition, the Cronbanches alpha score was used to determine reliability which indicated that financial resources attained a score of 0.770, Human Resources attained a score 0.613, while Physical resources attained a sore 0.729 and the performance of VICOBA attained a Cronbanches score of 0.818 as indicated in Table3.4

Table 3.4 Reliability using Cronbach's Alpha

Variable	Number of Items	Cronbach's Alpha
Financial Resources	4	.770
Human Resources	5	.613
Physical Resources	5	.729
Performance	3	.818

Source: Field data (2023)

3.9 Ethical Consideration

According to Rajasekar, *et al.,* (2006) adherence to research ethics is essential for obtaining reliable and valid results therefore, respondents were fully informed that the study is solely for academic purposes and all information obtained were treated with utmost confidentiality. Moreover, to further ensure confidentiality, respondents were cautioned against revealing their identity on the data collection instruments. Respondents were also notified of the voluntary nature of their participation and that there would be no payment for participation to prevent bias. Respondents were treated with utmost respect and the researcher ensured that none is harmed owing to their participation in the study. Also, the researcher obtained clearance letters from Regional Authorities, other relevant authorities as well the Open University of Tanzania prior to the data collection process.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Chapter Overview

This chapter presents findings as regards the influence of organizational resources on the performance of village community banks in Iringa Municipality. This study examined the influence of financial resources, human resources and physical resources on the performance of village community banks in Iringa Municipality. Tables and figures were used to present study findings. The chapter commences with a presentation of the demographic characteristics of respondents.

4.2 Respondents' Demographic Characteristics

4.2.1 Age of respondents

The results of the study demonstrate that 16 (17.0%) of the respondents were between the ages of 20 and 29. 44 respondents (or 47.30%) fell into the 30 to 34 age range. 12 (12.9%) respondents were between the ages of 25 and 29; 17 (18.30%) were between the ages of 40 and 44; and the remaining 4 (4.30%) were over the age of 50. The statistics illustrate that all age groups were taken into account when gathering the data, and the results show that people from various age groups participated in Village Community Banks activities. This suggests that the majority of VICOBA members are women between the ages of 30 and 34, who are highly motivated and in their prime productive age. These members also have families and thus have significant financial needs.

Table 4.1 Respondents' Profile

Age of Respondents	Frequency	Percentage
25 -29	12	12.90%
30 -34	16	17.20%
35 -39	44	47.30%
40 -44	17	18.30%
45 -49	4	4.30%
Respondents Marital Status		
Single	4	4.30%
Married	87	93.50%
Divorced	2	2.20%
Respondents Education		
Not attended	2	2.20%
Primary education	4	4.30%
Secondary education	1	1.10%
Technical education	6	6.50%
University education	80	86.00%
Experience with VICOBA		
0 -5	16	17.20%
6 -10	30	32.30%
11 -15	34	36.60%
Above 15 years	13	14.00%

Source: Field data (2023)

4.2.2 Respondents' Marital Status

Regarding VICOBA members' marital status, the study revealed that 87(93.50%) respondents were married, 4 (4.30%) are single, and 2(2.20%) were divorced. These

findings imply that the majority of respondents were married. The findings suggest that all marital statuses were considered during the data collection process in Iringa Municipality. The results are in line with those of Suandi et al. (2014) who maintain that married workers are less likely to quit their jobs, as opposed to their single counterparts. However, since the above study targeted the wives of the Mkwawa University Male Employees, it was expected that the majority would belong to the married status.

4.2.3 Respondents' Education Levels

Results reveal that 80(86.0%) respondents were bachelor degree holders, 163(49.5%) were diploma holders, 41(12.4%) were masters' degree holders, 6(6.50%) had attained technical education, 4(4.30%) had primary education, and 2(2.0%) lacked any formal education whatsoever while 1(1.10%) respondent had secondary school education. The study findings demonstrate that respondents had attained various levels of education. Organizational performance is often influenced by demographic parameters like age, gender, tenure, income level, and education level, according to Meyer et al. (2002). Organizational performance has a positive association with level of education. Additionally, the author found a favorable correlation between high levels of education and performance as well as a negative association between low levels of education and performance.

4.2.4 Respondents Experience with VICOBA

Table 4.1 indicates that, 16 (17.20%) respondents had less than 5 years of experience, 30(32.30%) has 6 to 10 years of experience, furthermore 34 (36.60%) had 11 to 15 years of experience. On average therefore, a considerable proportion of VICOBA members

have over five years of experience. The findings counter those of Sorensen's (2018) premises that employees with high levels of experience are more familiar with their job duties than employees with lower levels of experience. Those with more work experience are more satisfied with their careers than their less experienced counterparts.

4.3 The influence of Financial Resources on the Performance of Village Community Banks

Respondents were prompted to indicate how much they agreed or disagreed with several claims made about how financial resources impact the performance of village community banks. Stock, investments, and cash deposits were the variables examined. As demonstrated, 57 respondents (61.3%) disagreed that their VICOBA had sufficient funding to offer loans, while 55 respondents (59.1%) disagreed that their Village Community Bank had sufficient cash to do so.

In addition, 43 (46.1%) respondents disputed that their capacity to invest was attributed to their wealth, while 40 (43%) respondents disagreed that VICOBA had sufficient stock to improve performance. According to the findings, insufficient financial resources have a negative impact on the performance of community banks in small towns. Mwai, Namada, and Katuse (2018) similarly noted that no organization can perform satisfactorily with minimal financial resources. Financial resources are essential for an organization to maintain its operations since they enable development efforts through retained profits, individual savings, relationships with family and friends, supplier credits, and bank loans.

Table 4.2 Financial Resources

FINANCIAL RESOURCES	Agree	Neutral	Disagree
Our VICOBA have enough cash which facilitate performance	57(61.3%)	10 (10.8%)	26 (28.0%)
There is enough cash deposits for granting loans members	55 (59.1%)	16 (17.2%)	22 (23.7%)
We have managed to invest because we have enough money	43 (46.1%)	26 (28.0%)	24 (25.8%)
Our org has enough held stock which enhance performance	28 (30.1%)	40 (43%)	25 (26.9%)

Source: Field data (2023)

Similar findings were reported by Mbarya (2015), who noted that having sufficient finances for investment is a prerequisite for purchasing goods, marketing and developing new services, giving loans, and investing. All of these activities require careful financial management. Lack of finances will render it challenging for a business to function, which will consequently impact its profit margins.

In their study on microfinance, Matimbwa and Kipilimba (2019) argued that financial resources assist businesses in deciding what money to spend, where to spend it, and when it should be spent, which lends support to the inferences of the current study. It is no secret that all businesses require capital to function, regardless of whether they are product- or service-based. This is because financial resources allow businesses to expand, generate profits, run their operations, weather economic downturns, achieve long-term objectives, and report on their financial health (Murimi, Ombaka, and Muchiri, 2019).

In addition, Owusu, Ansah, and Anin (2021) offer convincing evidence that, while the availability of financial resources is crucial to SMEs' performance, the impact largely

depends on the attention that SMEs devote to constructing their base of financial resources from various sources of funding, particularly retained profit and bank loans.

4.4 The influence of Human Resources on the Performance of Village Community Banks

Regarding the influence of human resources on the performance of village community banks, the key variables assessed were skills, knowledge, experience, and commitment and education qualifications. Table 4.3 depicts that 71(76.3%) respondents agreed that they have acquired valuable skills from VICOBA, 77(82.8%) concurred that they have acquired knowledge, 68(73.2%) revealed that they work with great commitment to ensure optimal bank performance, however 69 (74.2%) respondents denied that they are talented and innovative. It is evident that an organization must have the necessary skills, expertise, experience, and commitment if it is to succeed in its endeavors.

Table 4.3 Human Resources

Human Resources	Agree	Neutral	Disagree
Our VICOBA have skilled people who are creative	71(76.0%)	10(10.8)	12(13.0%)
Most of our members are knowledgeable and possess creative ideas	77(82.8%)	4 (4.3%)	12(13.0%)
Experience team enhance performance of our VICOBA	69(74.2%)	18(19.4)	6(6.5%)
Our org has committed members who work tirelessly to ensure optimal performance	68(73.2%)	19(20.4)	6(6.5%)
Our org has talented members who are innovative	4(4.3%)	20(21.5)	69(74.2%)

Source: Field Data

For business growth and project initiation, it is crucial to have the right set of skills. These include creativity, leadership, risk-taking, strong work ethics, collaboration, and

decision-making. Competence or skills allow an organization to produce income, which supports member contributions to share and repay loans on time. According to this theory, knowledge or skills have a favorable impact on performance. These findings are consistent with a study by Abwe (2019) that highlighted the failure or demise of VICOBA in Tanzania and discovered that entrepreneurial skills enable members to obtain loans for an extended period of time and repay them with interest, which is a factor that contributes to the financial sustainability of VICOBA. The study additionally highlighted that education fosters independence and self-assurance. Education aids in the adaptation of business abilities and strategies that enhance income generation and ultimately VICOBA performance.

Similar findings were reached by Charles (2018), who came to the conclusion that a number of factors, including leadership, knowledge and skills, accountability, income-generating activities, security of the group funds, and commitment of the group leaders, affect the financial sustainability of Rural Community Banks (VICOBA).

Malamsha and Zacharia (2016) discovered a connection between members' education levels and the viability of VICOBA, finding that groups with members who have at least a secondary education are more financially viable than groups with members who lacked any formal education whatsoever. Additionally, Kitomari and Abwe (2015) discovered that VICOBA group members' lack of education is a driving force behind the failure of village-based community banks in across regions, particularly in developing nations.

4.5 **The influence of Physical Resources on the Performance of Village Community Banks**

The availability of raw materials, office space, supporting infrastructures, enough office supplies, and appropriate facilities for optimal VICOBA operations were the main predictors of how physical resources will impact the performance of Village Community Banks. According to the study, 43 (46.3%) respondents acknowledged having raw materials which aid organizations' performance; however, 39 (32.0%) denied having an office of their own, arguing that they typically meet in university facilities. Additionally, 33 (35.5%) agreed that existing infrastructures are very beneficial; however, 33 (35.5%) denied having an office with sufficient amenities for all activities.

The organization has adequate facilities for executing work-related tasks, according to 37 (39%) respondents. Performance and physical resources have a favorable and strong link, as similarly revealed by Mayaka (2021).

Table 4.4 Physical Resources

PHYSICAL RESOURCES	Agree	Neutral	Disagree
Available raw materials facilitate organizational performance	43 (46.3%)	28 (30.1%)	22(23.7%)
We have office premises for our operations	31 (33.4%)	23 (24.7%)	39(32.0%)
The existing infrastructure are supportive	33 (35.5%)	28 (30.1%)	32(34.5%)
Our office has enough supplies for all activities	31 (33.4%)	29 (31.2%)	33(35.5%)
Our organization has enough facilities for performing tasks	37 (39.8%)	26 (28.0%)	30(32.3%)

Source: Field Data (2023)

Similar findings have been reported by Lucas and Akaro (2016), who noted that a number of factors, including the availability of raw materials, office space, supportive infrastructures, sufficient office supplies, and adequate facilities for VICOBA operation, are positively related to the efficient operation of village community banks in Tanzania.

4.6 Regression Analysis

The model summary in table 4.5 demonstrates the strength of the correlation between the model's predictions and VICOBA's performance. R, the multiple correlation coefficients, measures the linear relationship between the values of the dependent variable (VICOBA performance) that were observed and those predicted by the model. Since the R square is greater than 50%, the regression (R) square of 65.3% shows that the model fits the data well. This suggests that performance is estimated by the given model at 55.3%.

Table 4.5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.746[a]	.557	.553	.627

a. Predictors: (Constant), Financial resources, Physical Resources and Human Resources

Additionally, it was established whether the variations in some of the means are statistically significant by using the p value in the ANOVA outcome. Following the discovery of an apparent association between two variables, the P value has been used to assess the relevance of observational data. The p value in Table 4.6 is 0.000, indicating that there is a strong relationship between financial resources, physical resources, and human resources and performance.

Table 4.6: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	186.833	3	62.278	158.555	.000[b]
	Residual	148.865	218	.393		
	Total	335.697	221			

a. Dependent Variable: Performance of VICOBA

b. Predictors: (Constant), Financial resources, Physical Resources and Human Resources

Source: Field data (2023)

Additionally, the results of the regression analysis showed a substantial positive association between financial resources and VICOBA performance, as shown by the p-value of 0.028, which is below 0.05. According to Saunder *et al.* (2014), the p-value needs to be 0.05 or less to be considered significant. The results of the regression analysis showed a substantial positive correlation between human resources and VICOBA performance, with a p-value of 0.032, which is less than 0.05. According to Saunder *et al.* (2014), for a p-value to be considered significant, it must be equal to or lower than 0.05. Additionally, the results of the regression analysis indicated a strong positive link between physical resources and VICOBA performance, given a p-value of 0.024, which is less than 0.05.

Table 4.7: Regression Coefficients on the Influence of each Predictor Variable on Performance

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	23.055	3.527		6.538	.000
	Financial Resources	0.203	.107	.241	2.895	.028
	Human Resources	0.298	.135	.278	2.205	.032
	Physical Resources	0.202	0.103	0.234	2.689	.024

a. Dependent Variable: Performance of VICOBA

Source: Field Data (2023)

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Chapter Overview

This chapter presents the summary of study findings, conclusion and recommendations for action and further study.

5.2 Summary of the Study

This study assessed the influence of organizational resources on the performance of village community banks in Iringa Municipality. Specifically, the study examined the influence of three categories of resources namely; financial resources, physical resources and human resources on performance of village community banks in Iringa Municipality. A sample of 93 respondents was drawn from a target Population of 121 members subscribed to the four village community banks in Iringa Municipality. The study used an explanatory cross-sectional design and a quantitative research approach. Data was obtained using a questionnaire, and descriptive statistics, such as frequencies and percentages, and inferential statistics, such as multiple linear regression, were used to analyze the results. According to the study, the results of the regression analysis established a substantial positive association between financial resources and VICOBA's performance, as shown by the p-value of 0.028, which is less than 0.05. According to Saunder et al. (2014), the p-value needs to be 0.05 or less to be considered significant. The results of the regression analysis indicated a substantial positive correlation between human resources and VICOBA's performance, with a p-value of 0.032, which is less than 0.05. According to Saunder et al. (2014), for a p-value to be considered significant,

it must be equal to or lower than 0.05. Additionally, the results of the regression analysis demonstrated a strong positive link between physical resources and VICOBA performance, with a p-value of 0.024, which is less than 0.05. The study recommends the expansion of financial resources in terms of cash, cash deposits in banks, and investments, it is also recommended that VOCOBA should equip members with skills, knowledge, experience and commitment. As further recommended, village community banks should ensure that they provide office premises and other infrastructure which will support their daily operations.

5.3 Conclusion

Regarding financial resources and performance, the study concludes that there is positive and significant relationship between Financial Resources and the performance of VICOBA as evidenced by the p-value of 0.028, which is less than 0.05. The study also concludes that VICOBA do not have adequate cash, cash deposits and investment plans and all these have a detrimental impact on their performance.

Second, based on the p-value of 0.032, which is less than 0.05, the study's conclusion about human resources management is that there is a positive and significant association between human resources and VICOBA performance. According to Saunder et al. (2014), for a p-value to be considered significant, it must be equal to or less than 0.05. The survey also found that although VICOBA members had minimal skills, expertise, or experience, they were dedicated to improving their performance.

Last but not least, the study's conclusion regarding the impact of physical resources on VICOBA performance is that they have a positive and significant influence because the p-value is 0.024, which is less than 0.05. The study also draws the conclusion that the majority of VICOBA in Iringa Municipal lacks office premises and other infrastructure necessary for the Village Community Banks to operate.

5.4 Recommendations

The study recommends the expansion of financial resources in terms of cash, cash deposits in banks, and investments. It is further recommended that members should be equipped with skills, knowledge, experience and a sense of commitment should be cultivated among members. Village community banks should provide offices and other infrastructure which will support the daily operations of VICOBA.

In reference to the impact of financial resources on the performance of village community banks, the study recommends that the management of VICOBA invest considerable efforts in expanding membership. This will increase their deposits, enhance investments and consequently the ability to grant more loans. Financial resources are essential because they enable organizations to maintain operations through coordinating efforts to boost profit margins and individual savings, among others.

On the influence of human resources on performance of village community banks, the study recommends more training and sharing of experiences by members, as to equip them with knowledge, skills and expertise in the effective operation of VICOBA.

Evidently, skills, knowledge, experience, commitment is highly needed by an organization if it is to succeed.

In regards to how Village Community Banks' performance is impacted by their physical resources, the study urges the banks to make necessary efforts towards securing their own premises for daily operations. Additionally, the study makes a suggestion to the VICOBA study's management to guarantee that offices have adequate supplies for all operations.

5.5 Recommendation for Further Studies

i. Future studies should be conducted in other parts of Tanzania and concentrate on other types of resources considering this study was solely conducted in Iringa Municipality and its scope was restricted to determining the influence of financial resources, human resources, and physical resources on the performance of village community banks.

ii. Owing to the cross-sectional nature of this study were data collection, analysis and interpretations were done at a single point in time, future researchers should consider replicating similar studies of a longitudinal nature, so that the impact of organizational resources on performance can be explored over time.

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APPENDINCES

Appendix IA: ENGLISH QUESTIONNAIRE

OPEN UNIVERSITY OF TANZANIA

Dear respondent, my name is Cotrida Luvingo and I am a student of the Open University of Tanzania. I am currently undertaking a Masters of Business Administration in Accounting and Finance. As part of the requirement to successfully complete this program, I am conducting a research titled **"THE INFLUENCE OF ORGANIZATIONAL RESOURCES ON PERFORMANCE OF VILLAGE COMMUNITY BANKS IN IRINGA MUNICIPALITY.** Therefore, this questionnaire is intended to collect information about the subject matter. Information gathered will be treated with the utmost confidentiality and will be used solely for academic purposes and not otherwise. Please respond to the best of your knowledge so that the intended objective will be achieved. I would like to thank you in advance for taking time off your busy schedule to inform my study.

SECTION A: GENERAL INFORMATION

Please select the option that best describes you by placing a tick (V) in the blank box.

1) Which is your sex ☐ Male ☐ Female
2) Which of the following categories describes your age in years? ☐20 – 24 ☐25 – 29 ☐30 – 34 ☐35 – 39 ☐40 – 44 ☐45 – 49 ☐50 +
3) What is your marital status? ☐ Single ☐Married ☐Divorce ☐Separated
4) What is your highest level of education? ☐Not attended ☐Primary education ☐Secondary education ☐Technical education ☐ University education
5) For how long have you worked with the current employer ☐0-5 ☐6-10 ☐11-15☐Above 15 years

SECTION B: INFLUENCE OF FINANCIAL RESOURCES ON THE

PERFORMANCE OF VICOBA IN IRINGA MUNICIPAL

For the following statements, please indicate your level of agreement or disagreement with the following statements using the following scale; Circle the number that best represents your level of agreement or disagreement with the following statements. **Where, 5= Strongly agree, 4=Agree, 3= Not sure, 2= Disagree and 1= Strongly disagree**

1.Our VICOBA has enough cash which facilitate performance	1	2	3	4	5
2.There is enough cash deposit for granting loans to members	1	2	3	4	5
3.We have been able invest owing to our own personal money	1	2	3	4	5
4.Our organization has enough stock holdings which enhance performance	1	2	3	4	5

SECTION C: THE INFLUENCE OF HUMAN RESOURCES ON THE PERFORMANCE OF VILLAGE COMMUNITY BANKS IN IRINGA MUNICIPALITY

For the following statements, please indicate your level of agreement or disagreement with the following statements using the following scale; Circle the number that best represents your level of agreement or disagreement with the following statements. **Where, 5= Strongly agree, 4=Agree, 3= Not sure, 2= Disagree and 1= Strongly disagree**

1.Our VICOBA has skilled members who are creative	1	2	3	4	5
2.There are enough knowledgeable members with new ideas	1	2	3	4	5
3.Our team has enough experience to perform VICOBA duties	1	2	3	4	5
4.Our organization has committed members who work tirelessly to ensure optimal performance	1	2	3	4	5
5.Our organization has talented members who are innovative	1	2	3	4	5

SECTION D: THE INFLUENCE OF PHYSICAL RESOURCES ON THE PERFORMANCE OF VILLAGE COMMUNITY BANKS IN IRINGA MUNICIPALITY

For the following statements, please indicate your level of agreement or disagreement with the following statements using the following scale; Circle the number that best represents your level of agreement or disagreement with the following statements. **Where, 5= Strongly agree, 4=Agree, 3= Not sure, 2= Disagree and 1= Strongly disagree**

1. Available raw materials facilitate the performance of our organization	1	2	3	4	5
2.We have office premises for our operations	1	2	3	4	5
3.The existing infrastructure of our VICOBA are very supportive	1	2	3	4	5
4.Our offices have enough supplies for all activities	1	2	3	4	5
5.Our organization has enough facilities for performing work	1	2	3	4	5

PERFORMANCE OF THE VILAGE COMMUNITY BANK IN IRINGA

MUNICIPALITY

For the following statements, please indicate your level of agreement or disagreement with the following statements using the following scale; Circle the number that best represents your level of agreement or disagreement with the following statements. **Where, 5= Strongly agree, 4=Agree, 3= Not sure, 2= Disagree and 1= Strongly disagree**

1. There is an annual increase in VICOBA membership	1	2	3	4	5
2. The number of loan beneficiaries keeps increasing	1	2	3	4	5
3.Poverty has been significantly alleviated among our members	1	2	3	4	5
3. Members' welfare has significantly improved because of loans granted by the community bank.	1	2	3	4	5

Appendix IB: SWAHILI QUESTIONNAIRE

CHUO KIKUU HURIA CHA TANZANIA

Mpendwa mtoa majibu, jina langu ni Cotrida Luvingo na mimi ni mwanafunzi wa Chuo Kikuu Huria cha Tanzania. Hivi sasa ninachukua shahada ya uzamili katika Biashara na Utawala mchepuo wa Uhasibu na Fedha (Masters of Business Administration in Accounting and Finance). Kama sehemu ya mahitaji ya kukamilisha programu hii kwa mafanikio, ninafanya utafiti ulioulizwa **"USHAWISHI WA RASILIMALI ZA SHIRIKA JUU YA UTENDAJI WA BENKI ZA JAMII ZA VIJIJI KATIKA MANISPAA YA IRINGA**" (**THE INFLUENCE OF ORGANIZATIONAL RESOURCES ON PERFORMANCE OF VILLAGE COMMUNITY BANKS IN IRINGA MUNICIPALITY**). Kwa hivyo, dodoso hili linakusudiwa kukusanya habari kuhusu mada hiyo. Taarifa zilizokusanywa zitatunzwa kwa faragha kabisa na zitatumika tu kwa madhumuni ya kitaaluma na sio vinginevyo. Tafadhali jibu kwa ufahamu wako wote ili lengo lililokusudiwa litimizwe. Ningependa kukushukuru mapema kwa kuchukua muda wako wa kufahamisha utafiti wangu.

SEHEMU A: TAARIFA ZA JUMLA

Tafadhali chagua chaguo ambalo linaelezea vyema kwa kuweka tiki (V) kwenye sanduku tupu.

1) Jinsia yako ni nini? ☐ Kiume ☐ Kike
2) Ni ipi kati ya makundi yafuatayo yanaelezea umri wako kwa miaka? ☐20 – 24 ☐25 – 29 ☐30 – 34 ☐35 – 39 ☐40 – 44 ☐45 – 49 ☐50 +
3) Hali yako ya ndoa ni nini? ☐ hajaoa/hajaolewa ☐ameoa/ameolewa ☐Talaka ☐Kutengana
4) Kiwango chako cha juu zaidi cha elimu ni kipi? ☐Sijasoma ☐Elimu ya msingi ☐Elimu ya Sekondari ☐Elimu ya Ufundi ☐ Elimu ya Chuo Kikuu
5) Umefanya kazi na mwajiri wa sasa kwa muda gani? ☐0-5 ☐6-10 ☐11-15☐Zaidi ya miaka 15

SEHEMU B: USHAWISHI WA RASILIMALI ZA KIUCHUMI JUU YA UTENDAJI WA VICOBA KATIKA MANISPAA YA IRINGA

Kwa taarifa zifuatazo, tafadhali eleza kiwango chako cha makubaliano au kutokubaliana na taarifa zifuatazo kwa kutumia kiwango chafuatacho; Zungusha nambari ambayo inawakilisha vyema kiwango chako cha makubaliano au kutokubaliana na taarifa zifuatazo. Ambapo, **5=Kubali sana, 4=Kubali, 3=Sijui, 2=Sikubali na 1=Sikubali kabisa**

1. VICOBA yetu ina pesa za kutosha ambazo zinasaidia utendaji	1	2	3	4	5
2. Kuna amana ya pesa ya kutosha kwa kutoa mikopo kwa wanachama	1	2	3	4	5
3. Tumeweza kuwekeza kutokana na pesa zetu binafsi	1	2	3	4	5
4. Shirika letu lina hisa za kutosha ambazo huongeza utendaji	1	2	3	4	5

SEHEMU C: USHAWISHI WA RASILIMALI ZA WATU JUU YA UTENDAJI WA BENKI ZA JAMII ZA VIJIJI KATIKA MANISPAA YA IRINGA

Kwa taarifa zifuatazo, tafadhali eleza kiwango chako cha makubaliano au kutokubaliana na taarifa zifuatazo kwa kutumia kiwango chafuatacho; Zungusha nambari ambayo inawakilisha vyema kiwango chako cha makubaliano au kutokubaliana na taarifa zifuatazo. Ambapo, **5=Kubali sana, 4=Kubali, 3=Sijui, 2=Sikubali na 1=Sikubali kabisa**

1.VICOBA yetu ina wanachama wenye ujuzi ambao ni wabunifu	1	2	3	4	5
2.Kuna wanachama wengi wenye ujuzi walio na mawazo mapya	1	2	3	4	5
3.Timu yetu ina uzoefu wa kutosha kutekeleza majukumu ya VICOBA	1	2	3	4	5
4.Shirika letu lina wanachama waliojitolea ambao hufanya kazi bila kuchoka ili kuhakikisha utendaji bora	1	2	3	4	5
5.Shirika letu lina wanachama wenye talanta ambao ni wabunifu	1	2	3	4	5

SEHEMU D: USHAWISHI WA RASILIMALI ZA KIMWILI JUU YA UTENDAJI WA BENKI ZA JAMII ZA VIJIJI KATIKA MANISPAA YA IRINGA

Kwa taarifa zifuatazo, tafadhali eleza kiwango chako cha makubaliano au kutokubaliana na taarifa zifuatazo kwa kutumia kiwango chafuatacho; Zungusha nambari ambayo inawakilisha vyema kiwango chako cha makubaliano au kutokubaliana na taarifa zifuatazo. Ambapo, **5=Kubali sana, 4=Kubali, 3=Sijui, 2=Sikubali na 1=Sikubali kabisa**

2. Malighafi zilizopo zinasaidia utendaji wa shirika letu	1	2	3	4	5
2. Tunayo ofisi kwa ajili ya shughuli zetu	1	2	3	4	5
3. Miundombinu iliyopo ya VICOBA yetu inasaidia sana	1	2	3	4	5
4. Ofisi zetu zina vifaa vya kutosha kwa shughuli zote	1	2	3	4	5
5. Shirika letu lina vifaa vya kutosha kwa ajili ya kufanya kazi	1	2	3	4	5

APPENDIX II

RESEARCH CLEARANCE

OUT/DPGS

THE OPEN UNIVERSITY OF TANZANIA
DIRECTORATE OF POSTGRADUATE STUDIES

Kawawa Road, Kinondoni Municipality,
P.O. Box 23409
Dar es Salaam, Tanzania
http://www.out.ac.tz

Tel: 255-22-2666752/2668445 ext. 10
Fax: 255-22-2668759
E-mail: dpgs@out.ac.t

REQUISITION FORM FOR RESEARCH CLEARANCE LETTER

Date:…………………..................

1. Name of Student:………………………………………………………………………..

2. Gender:…………………………………………………………………………………..

3. Reg. Number:……………………………… Year of Entry…………………………

4. Faculty………………………………………………………………………………………

5. Programme……………………………………………………………………………….

6. Title of Research:

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7. Tentative dates for data collection:

From……………………………………………….to……………………………………

8. Student Email………………………………………………………………………….

9. Student Phone Number………………………………………………………………

10. Research Location/site:

S/N	Region	District Council/ Municipality	Name of Organization	Postal Address	Place
1					
2					
3					
4					
5					
6					

11. Date of submission…………………………………….Signature……………………………..

12. Comments by Supervisor:

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Name of Supervisor……………………………………Signature………………… Date…………