

Abstract

This research work focused on determining the effect of investment decision on financial performance of Savings and Credit Cooperatives in Kitui Central Sub-County. This is due to the observed decline in performance of SACCOS in Kenya due to a low investment culture. The researchers adopted four objectives as a drive towards the research results as follows; to assess the effect of Replacement decision on Financial Performance of SACCOS in Kitui Central Sub-County, to find out the effects of Expansion Decision on Financial Performance of SACCOS in Kitui Central Sub-County, to investigate the effect of Renewal or modernization Decision on financial performance of SACCOS in Kitui Central Sub-County, and to evaluate the effects of Research and Development Decision on Financial Performance of SACCOS in Kitui Central Sub-County. The study adopted an empirical study design for a time-series data over a ten year period from 2006- 2015. The research was undertaken on all twelve (12) SACCOS located in Kitui Town thus utilizing a Census technique in selection of respondents. Simple multivariate analysis was used for data analysis, while Karl Pearson's correlation was used in determining the correlation within variables. The results of study were produced using data analysis workbook; the statistical package for social sciences (SPSS-version 21). Data presentation was done using tables. The study findings indicated that only research and development decision had a significant effect to SACCO performance while expansion decision, replacement decision, and renewal decision had none. The study recommended that SACCOs should invest more in research and development decision as it had a significant effect to SACCO financial performance, the least variation to the expected results and the highest contribution to financial performance in respect to SACCOS.