Bayero Business Review: Vol. 10 Issue 1 June, 2026

ASSESSING THE ROLE OF THE KADUNA STATE COOPERATIVE SOCIETIES LAW (2023) IN STRENGTHENING CIVIL SERVANTS' COOPERATIVES

Abubakar Tanko
Department of Business Administration,
Kaduna State University Kaduna State, Nigeria
The corresponding author email address is: abutanko2007@gmail.com

Abstract

This study assesses the role of the Kaduna State Cooperative Societies Law (2023) in strengthening civil servants' cooperative societies in Kaduna State by examining liquidity, continuity, and financial well-being as key indicators of cooperative strengthening. The study is motivated by persistent challenges, including weak liquidity management, poor loan repayment, inefficient loan disbursement, and declining sustainability among cooperative societies in Nigeria. The Kaduna State Cooperative Societies Law (2023) introduced a new legal framework for cooperative governance in Kaduna State. However, limited empirical evidence exists on how the law influences the liquidity, continuity, and financial well-being of civil servants' cooperative societies. This study addresses that gap. A survey research design was adopted, and data were collected using a structured questionnaire administered to members of registered civil servants' cooperative societies. of the 396 questionnaires distributed, 367 were completed and found usable for analysis. The data were analyzed using descriptive statistics, correlation analysis, and multiple regression. The findings indicate that cash reserves, loan repayment turnover rate, and loan disbursement have significant positive effects on financial well-being. Continuity emerged as the strongest predictor of financial well-being among the cooperative societies. The findings further indicate that the Kaduna State Cooperative Societies Law (2023) has a significant positive influence on governance, liquidity management, and institutional sustainability. The study concludes that effective liquidity management and institutional continuity are essential for strengthening civil servants' cooperative societies and improving their financial well-being.

Keywords: Cooperative societies; Kaduna State Cooperative Societies Law (2023); liquidity; continuity; financial well-being

1.0 Introduction

Cooperative societies have become important institutional mechanisms for promoting financial inclusion, economic empowerment, and social protection, particularly among civil servants in developing economies. Across Africa, cooperative societies, especially Savings and Credit Cooperative Organizations (SACCOs), serve as vital financial intermediaries by mobilizing members' savings and providing accessible credit to individuals who are often excluded from the formal financial system (International Cooperative Alliance [ICA], 2022; World Bank, 2021; Alaba & Adetunji, 2020). According to the International Cooperative

Alliance (2022), more than 800 million people worldwide are members of cooperative societies, with a significant proportion in Africa relying on them as an important source of financial support, livelihood enhancement, and economic stability. Despite these contributions, cooperative societies across the continent continue to face several structural and operational challenges, including weak governance systems, inadequate capitalization, high loan default rates, and ineffective regulatory enforcement, all of which threaten their sustainability and effectiveness (Aremu & Salawu, 2021; Amadi & Eze, 2023; Olaoye et al., 2024).

In Nigeria, cooperative societies play a significant role in promoting financial well-being by facilitating savings mobilisation, improving access to affordable credit, and creating investment opportunities for their members. These functions are particularly important within a broader financial inclusion environment in which access to appropriate financial services can promote financial well-being, poverty reduction, and inclusive growth, particularly among underserved populations (Bello, 2025). Alternative sources of finance and supportive institutional and regulatory arrangements can further complement formal financial services (Usman et al., 2026). Empirical evidence indicates that participation in cooperative societies contributes positively to household income, asset accumulation, financial resilience, and poverty reduction (Edeh et al., 2022; Adewale & Afolabi, 2023; Nwankwo & Okeke, 2021). Nevertheless, the cooperative sector continues to experience persistent challenges, including poor financial management, corruption, weak loan recovery mechanisms, inadequate capitalization, and limited access to sustainable sources of finance (Adebayo & Yusuf, 2022; Ogunleye et al., 2020; EFInA, 2023). These challenges are particularly pronounced in Northern Nigeria, where financial exclusion remains relatively high and many civil servants rely heavily on cooperative societies as alternative sources of financial assistance (EFInA, 2023).

Evidence from sector-specific cooperative models, particularly agricultural and dairy cooperatives, further demonstrates the potential of cooperative societies to improve members' economic welfare and financial resilience. Previous studies have shown that cooperative membership enhances income stability, increases access to productive resources, and strengthens household financial security (Olaoye et al., 2024; FAO, 2021). However, these benefits are often constrained by ineffective liquidity management practices, especially inadequate cash reserves, poor loan repayment performance, and inefficient loan disbursement systems, which reduce the financial capacity and operational effectiveness of cooperative societies (Amadi & Eze, 2023; Edeh et al., 2022).

Financial well-being refers to the ability of individuals or groups to meet their financial obligations, withstand economic shocks, and maintain a satisfactory standard of living over time (Consumer Financial Protection

Bureau [CFPB], 2020; World Bank, 2021). Within cooperative societies, members' financial well-being depends largely on effective liquidity management, including adequate cash reserves, efficient loan repayment, and timely loan disbursement. Previous studies have shown that weak liquidity management undermines cooperative performance, reduces members' financial security, and limits the ability of cooperative societies to achieve their developmental objectives (Adebayo & Yusuf, 2022; Nwankwo & Okeke, 2021).

In response to these persistent challenges, the Kaduna State Government enacted the Kaduna State Cooperative Societies Law (2023) to strengthen cooperative governance, improve financial accountability, enhance transparency, and promote the long-term sustainability of cooperative societies. The law provides a comprehensive regulatory framework for improving financial discipline, strengthening liquidity management, and ensuring effective monitoring of cooperative operations. Specifically, it is expected to enhance cash reserve management, strengthen loan repayment mechanisms, and promote fair and timely loan disbursement among members (Kaduna State Government, 2023; ICA, 2022). In addition, the concept of continuity, which refers to the long-term sustainability and survival of cooperative societies, has attracted increasing scholarly attention because sustainable cooperative institutions are better positioned to provide continuous financial support to their members. Continuity is influenced by several interrelated factors, including sound governance practices, prudent financial management, regulatory compliance, and active member participation (Birchall, 2021; Aremu & Salawu, 2021; Amadi & Eze, 2023). Empirical evidence suggests that strong legal and institutional frameworks enhance organizational continuity, improve financial discipline, and promote the long-term sustainability of cooperative societies (World Bank, 2021; Olaoye et al., 2024). Despite these developments, there is still limited empirical evidence on how state-specific legal frameworks, particularly the Kaduna State Cooperative Societies Law (2023), influence liquidity, continuity, and the financial well-being of civil servants' cooperative societies. This knowledge gap highlights the need for empirical research on the effectiveness of the law in strengthening cooperative performance.

Despite the important role played by cooperative societies in promoting financial inclusion and improving the financial well-being of civil servants, many cooperative societies in Kaduna State continue to experience persistent financial and operational challenges. These challenges limit their capacity to provide efficient savings mobilization, credit services, and wealth creation opportunities for members (Edeh et al., 2022; Adewale & Afolabi, 2023; EFInA, 2023). One of the most significant challenges is ineffective liquidity management, which is reflected in inadequate cash reserves, inefficient loan disbursement processes, and high rates of loan default. Inadequate cash reserves reduce the ability of cooperative societies to meet members' financial demands, thereby weakening members' confidence and participation (Adebayo & Yusuf, 2022; Ogunleye et al., 2020). Likewise, poor loan repayment performance disrupts the liquidity cycle, limits the availability of funds for subsequent lending, and threatens the financial sustainability of cooperative societies (Nwankwo & Okeke, 2021; Edeh et al., 2022). Furthermore, delays and perceived inequities in loan disbursement reduce members' satisfaction and weaken the effectiveness of cooperative societies in achieving their financial objectives (Amadi & Eze, 2023).

In addition to these financial challenges, many cooperative societies continue to experience governance weaknesses characterized by poor record-keeping, inadequate transparency, corruption, and ineffective financial oversight. Previous studies have shown that weak governance significantly increases the risk of financial mismanagement and undermines the operational efficiency of cooperative societies (Aremu & Salawu, 2021; ICA, 2022). Prior to the enactment of the Kaduna State Cooperative Societies Law (2023), these governance deficiencies were further compounded by weak regulatory enforcement, thereby limiting the capacity of cooperative societies to operate efficiently and sustainably.

Although previous studies have examined the contribution of cooperative societies to poverty reduction, financial inclusion, and economic empowerment in Nigeria (Adewale & Afolabi, 2023; Edeh et al., 2022; Nwankwo & Okeke, 2021), most have focused primarily on general cooperative performance without adequately examining the influence of legal and regulatory frameworks. Similarly, much of the existing literature concentrates on agricultural, rural, or dairy cooperatives (Olaoye et al., 2024; FAO, 2021), with relatively little attention devoted to civil servants' cooperative societies, which operate under unique institutional arrangements such as salary-based savings, payroll deductions, and formal employment structures. Consequently, both a contextual gap and an empirical gap exist regarding the influence of the Kaduna State Cooperative Societies Law (2023) on the liquidity, continuity, and financial well-being of civil servants' cooperative societies in Kaduna State. This study seeks to address these gaps by providing empirical evidence on the role of the law in strengthening cooperative performance and improving members' financial well-being.

Based on the identified research gaps, this study seeks to provide empirical evidence on the role of the Kaduna State Cooperative Societies Law (2023) in strengthening civil servants' cooperative societies in Kaduna State. Specifically, the study examines how liquidity management, measured by cash reserves, loan repayment turnover rate, and loan disbursement, together with continuity, contributes to improving the financial well-being of members within the framework of the Kaduna State Cooperative Societies Law

(2023). The findings are expected to contribute to the growing body of knowledge on cooperative governance and provide evidence that can assist policymakers, cooperative administrators, and other stakeholders in strengthening cooperative institutions.

1.1 Research Questions

The study is guided by the following research questions:

1. What effect do cash reserves have on the financial well-being of civil servants' cooperative societies in Kaduna State?
2. What effect does loan repayment have on the financial well-being of civil servants' cooperative societies in Kaduna State?
3. What effect does loan disbursement have on the financial well-being of civil servants' cooperative societies in Kaduna State?
4. What role does continuity play in the financial well-being of civil servants' cooperative societies in Kaduna State?
5. What role does the Kaduna State Cooperative Societies Law (2023) play in strengthening liquidity, continuity, and the financial well-being of civil servants' cooperative societies in Kaduna State?

1.2 Objective of the Study

The main objective of this study is to examine the role of the Kaduna State Cooperative Societies Law (2023) in strengthening liquidity, continuity, and the financial well-being of civil servants' cooperative societies in Kaduna State.

Specifically, the study seeks to:

i. examine the effect of cash reserves on the financial well-being of civil servants' cooperative societies in Kaduna State;

ii. determine the effect of loan repayment on the financial well-being of civil servants' cooperative societies in Kaduna State;

iii. assess the effect of loan disbursement on the financial well-being of civil servants' cooperative societies in Kaduna State;

iv. examine the influence of continuity on the financial well-being of civil servants' cooperative societies in Kaduna State; and

iv. assess the role of the Kaduna State Cooperative Societies Law (2023) in strengthening liquidity, continuity, and the financial well-being of civil servants' cooperative societies in Kaduna State.

1.3 Research Hypotheses

The following null hypotheses were tested:

H_{01}: Cash reserves have no significant effect on the financial well-being of civil servants' cooperative societies in Kaduna State.

H_{02}: Loan repayment has no significant effect on the financial well-being of civil servants' cooperative societies in Kaduna State.

H_{03}: Loan disbursement has no significant effect on the financial well-being of civil servants' cooperative societies in Kaduna State.

2. 0 Literature Review

2.1 Conceptual Review

Financial Well-being

Financial well-being refers to an individual's or group's ability to meet current financial obligations, absorb economic shocks, and sustain a desirable standard of living over time (Consumer Financial Protection Bureau [CFPB], 2020; World Bank, 2021). It encompasses financial security, resilience, and the capacity to make informed financial decisions that promote long-term economic stability. Within cooperative societies, financial well-being reflects members' ability to access affordable credit, accumulate savings, improve household income, and achieve greater financial security through cooperative participation (Edeh et al., 2022; Adewale & Afolabi, 2023). Consequently, financial well-being serves as an important indicator for evaluating the effectiveness of cooperative societies in improving members' socio-economic conditions.

Kaduna State Cooperative Societies Law (2023)

The Kaduna State Cooperative Societies Law (2023) is the principal legal framework regulating the registration, governance, administration, and financial operations of cooperative societies in Kaduna State. The law was enacted to strengthen institutional accountability, improve transparency in cooperative management, enhance financial discipline, and promote the long-term sustainability of cooperative societies (Kaduna State Government, 2023). It also establishes mechanisms for regulatory oversight, prudent financial management, democratic governance, and effective monitoring of cooperative activities. Studies have consistently shown that sound legal and regulatory frameworks improve institutional efficiency, strengthen governance structures, and enhance the sustainability of cooperative organizations by promoting accountability and reducing operational risks (International Cooperative Alliance [ICA], 2022; World Bank, 2021). Accordingly, the Kaduna State Cooperative Societies Law (2023) provides the regulatory foundation for strengthening civil servants' cooperative societies in Kaduna State.

Liquidity

Liquidity refers to the ability of an organization to meet its short-term financial obligations as they become due without disrupting its normal operations or incurring significant financial losses (Adebayo & Yusuf, 2022; Amadi & Eze, 2023). In cooperative societies, liquidity reflects the availability of financial resources required to meet members' loan requests, savings withdrawals, operational expenses, and other financial commitments. Effective liquidity management ensures that cooperative societies maintain adequate cash flow to satisfy members' financial needs while sustaining organizational stability (Nwankwo & Okeke, 2021). Therefore, liquidity remains a fundamental determinant of financial performance, operational efficiency, and members' confidence in cooperative societies.

Cash Reserves

Cash reserves represent the liquid funds maintained by an organization to meet immediate financial obligations, unexpected expenditures, and operational contingencies (Ogunleye et al., 2020). Within cooperative societies, adequate cash reserves facilitate timely loan disbursement, support daily operations, improve members' confidence, and enhance institutional stability (Adebayo & Yusuf, 2022; EFInA, 2023). Conversely, inadequate cash reserves may result in liquidity shortages, delayed financial services, and reduced operational efficiency, ultimately affecting members' financial well-being and the sustainability of cooperative societies.

Loan Repayment Turnover Rate

Loan repayment turnover rate refers to the speed and efficiency with which loans granted to cooperative members are repaid and subsequently made available for further lending (Edeh et al., 2022). It reflects the effectiveness of a cooperative society's credit management system and its ability to recover loaned funds within the agreed repayment period. A high loan repayment turnover rate indicates sound financial discipline among members, effective loan monitoring, and efficient credit administration, thereby enhancing liquidity and ensuring the continuous availability of financial resources for lending activities (Nwankwo & Okeke, 2021; Adewale & Afolabi, 2023). Conversely, poor loan repayment performance increases the incidence of loan defaults, reduces cash flow, weakens liquidity, and threatens the financial sustainability of cooperative societies. Consequently, an effective loan repayment system is essential for maintaining financial stability and improving members' financial well-being.

Loan Disbursement

Loan disbursement refers to the process through which cooperative societies allocate and release financial resources to eligible members in accordance with established lending policies and approved credit conditions (Amadi & Eze, 2023). Efficient loan disbursement ensures that members receive financial support promptly, transparently, and equitably, thereby enabling them to meet personal, business, and household financial needs. Timely and equitable loan disbursement also promotes income-generating activities, enhances members' confidence in cooperative societies, and contributes to improved financial well-being (Ogunleye et al., 2020). However, delays, bias, or inefficiencies in the loan disbursement process may reduce members' satisfaction, constrain economic activities, and adversely affect the overall performance and credibility of cooperative societies.

Continuity

Continuity refers to the ability of an organization to sustain its operations, remain financially viable, and continue delivering value to its members over an extended period (Birchall, 2021). Within cooperative societies, continuity encompasses long-term institutional sustainability, operational stability, and the capacity to adapt to changing economic and regulatory conditions while maintaining members' trust and participation. The continuity of cooperative societies is influenced by several interrelated factors, including sound governance practices, prudent financial management, effective liquidity management, regulatory compliance, and active member participation (Aremu & Salawu, 2021; Amadi & Eze, 2023). Studies have shown that cooperative societies with strong governance structures, adequate liquidity, and effective regulatory oversight are more likely to achieve long-term sustainability and consistently improve members' financial well-being (World Bank, 2021; Olaoye et al., 2024). Therefore, continuity represents a critical indicator of institutional resilience and sustainable cooperative development.

2.2 Empirical Review

Liquidity and Financial Well-being

Empirical evidence consistently demonstrates that effective liquidity management plays a significant role in enhancing financial performance and organizational sustainability across different sectors. Kaba (2025) examined the effect of bank liquidity tensions on access to credit for small and medium-sized enterprises (SMEs) in Guinea using a survey research design and chi-square analysis. The study found that inadequate liquidity significantly constrained access to credit and adversely affected the financial performance and growth of SMEs. Similarly, Adegbite and Ogundipe (2025), using an ex-post facto research design and time-series data from 2020 to 2024, investigated the relationship between digital financial literacy and liquidity among SMEs in Nigeria. Their findings revealed that digital payment adoption improved liquidity performance, although other dimensions of financial literacy showed weak or insignificant relationships with liquidity.

Although these studies establish the importance of liquidity in improving financial performance, they primarily focus on commercial enterprises and SMEs. Consequently, they provide limited insight into cooperative societies, where liquidity management depends largely on members' savings, loan recovery, and internal lending mechanisms. Furthermore, the studies paid little attention to the influence of legal and regulatory frameworks on liquidity management. This leaves an important empirical gap regarding the role of state-specific cooperative legislation in strengthening liquidity and improving members' financial well-being. The present study addresses this gap by examining liquidity within civil servants' cooperative societies under the Kaduna State Cooperative Societies Law (2023).

Cash Reserves and Financial Well-being

Adequate cash reserves are widely recognized as a critical component of sound financial management because they enable organizations to meet short-term financial obligations and withstand unexpected economic shocks. Gonzalez and Ramirez

(2022) investigated the relationship between cash reserve management and the financial performance of beverage firms in Brazil using panel regression analysis. The study reported that firms maintaining higher cash reserve levels demonstrated greater liquidity, operational stability, and resilience during periods of economic uncertainty. Similarly, Silva and Torres (2023) examined liquidity buffers and cash holding behaviour among beverage firms in Argentina using quantitative panel data analysis. Their findings indicated that firms with adequate liquidity buffers experienced fewer financial disruptions and recorded stronger operational continuity.

While these studies provide empirical support for the importance of maintaining adequate cash reserves, their findings are based largely on corporate organizations operating within profit-oriented environments. Consequently, they may not fully explain the financial dynamics of cooperative societies, where financial resources are collectively owned and managed for members' mutual benefit. In addition, the studies did not examine how legal and regulatory frameworks influence cash reserve management within cooperative institutions. This creates an empirical gap that the present study seeks to address by examining the influence of cash reserves on the financial well-being of civil servants' cooperative societies within the regulatory framework provided by the Kaduna State Cooperative Societies Law (2023).

Loan Repayment Turnover Rate and Financial Well-being

Loan repayment turnover is widely regarded as an important indicator of credit management efficiency and financial sustainability. Institutions that recover loans promptly are better positioned to maintain adequate liquidity, recycle funds for subsequent lending, and improve their overall financial performance. Al-Hassan and Al-Khaled (2021) investigated the relationship between loan recovery efficiency and the financial stability of insurance firms in Saudi Arabia using regression analysis. The study found that effective loan recovery significantly improved liquidity, reduced financial risk exposure, and enhanced institutional sustainability. Similarly, Hassan and Mahmoud (2022) examined credit risk management and loan repayment performance in the insurance sector of the United Arab Emirates using a quantitative research approach. Their findings revealed that efficient loan repayment systems contributed positively to financial performance and organizational sustainability, while weak repayment enforcement mechanisms adversely affected institutional performance.

Although these studies demonstrate the importance of efficient loan repayment in strengthening financial performance, they were conducted within corporate financial institutions where lending operations differ considerably from cooperative societies. In cooperative organizations, loan repayment is influenced not only by financial capacity but also by members' commitment, mutual trust, salary-based repayment arrangements, and cooperative governance practices. Moreover, the studies did not adequately examine the role of legal and regulatory frameworks in promoting effective loan repayment. This represents an important empirical gap that the present study addresses by examining how loan repayment turnover influences the financial well-being of civil servants' cooperative societies within the context of the Kaduna State Cooperative Societies Law (2023).

Loan Disbursement and Financial Well-being

The effectiveness of loan disbursement is fundamental to achieving the objectives of financial institutions because timely and equitable access to credit enables individuals and organizations to undertake productive economic activities. Nam and Tuyen (2024) examined the relationship between liquidity-related variables and financial performance in healthcare institutions across Sub-Saharan Africa using panel regression techniques. The study found that efficient allocation of financial resources, including effective disbursement mechanisms, significantly enhanced organizational performance and long-term sustainability. Similarly, Appleford et al. (2023) investigated financial constraints and investment decisions among healthcare firms in Africa using cross-country data analysis. Their findings indicated that inefficient financial disbursement processes and limited access to financial resources reduced organizational performance and constrained institutional growth.

Despite the valuable insights provided by these studies, their findings are largely based on corporate healthcare organizations and therefore provide limited evidence regarding cooperative financial systems. Cooperative societies operate under a unique member-owned financial structure in which loan disbursement is designed to improve members' welfare rather than maximize organizational profit. Furthermore, previous studies have given limited attention to the influence of legal and regulatory frameworks on loan disbursement practices. Consequently, there remains an empirical gap concerning how regulatory reforms such as the Kaduna State Cooperative Societies Law (2023) contribute to improving loan disbursement efficiency and enhancing the financial well-being of civil servants' cooperative societies. The present study seeks to address this gap.

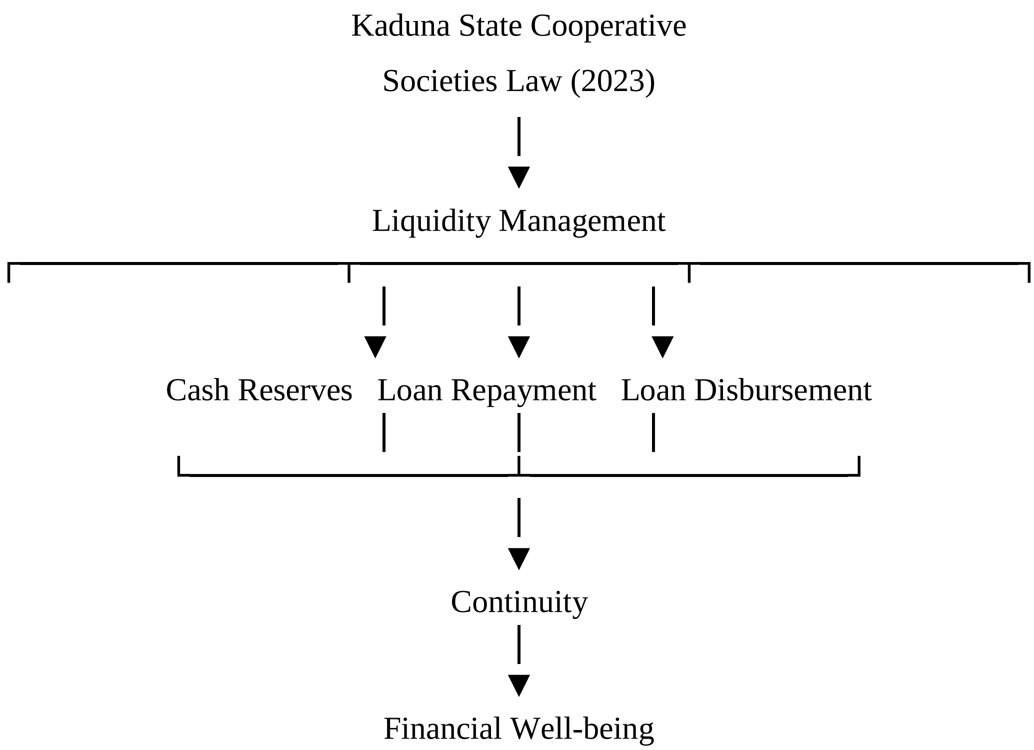
2.3 Research Framework/Model and Underpinning Theory

Research Framework

The research framework illustrates the conceptual relationship between the Kaduna State Cooperative Societies Law (2023), liquidity, continuity, and the financial well-being of civil servants' cooperative societies in Kaduna State. The study is based on the premise that the implementation of the Kaduna State Cooperative Societies Law (2023) strengthens the operational performance of cooperative societies by promoting sound governance, financial discipline, and effective regulatory oversight. These institutional mechanisms are expected to enhance liquidity management through adequate cash reserves, efficient loan repayment, and timely loan disbursement. Improved liquidity management, together with institutional continuity, is expected to contribute significantly to the financial well-being of members of civil servants' cooperative societies.

Accordingly, the study conceptualizes liquidity through three measurable dimensions: cash reserves, loan repayment turnover rate, and loan disbursement. These variables are examined alongside continuity to determine their influence on financial well-being within the context of the Kaduna State Cooperative Societies Law (2023).

Conceptual Model



Source: Researcher's Conceptualization (2026).

Underpinning Theory

Financial Intermediation Theory

The study is underpinned by the financial Intermediation Theory, which was advanced by R. Merton Miller and Donal S. Scott in 1966. The Theory explains the role of financial institutions as intermediaries that mobilize funds from surplus units and channel them to deficit units through various financial instruments and services. Financial intermediaries reduce information asymmetry, transaction costs, and risks associated with the transfer of funds, thereby improving the efficiency of the financial system and promoting economic welfare.

According to the theory, financial intermediaries perform key functions such as mobilization of savings, transformation of maturities, diversification of risks, loan creation, liquidity provision, and monitoring of borrowers. These functions enhance access to credit, improve the allocation of financial resources, and support sustainable economic activities. Effective intermediation strengthens the liquidity position of institutions, improves asset quality, and contributes to their long-term viability.

Application of the Theory to the Study

The Financial Intermediation Theory is relevant to this study because civil servants' cooperative societies perform the role of financial intermediaries by mobilizing members' savings and providing loans to members. The Kaduna State Cooperative Societies Law (2023) enhances the capacity of these cooperatives to perform their intermediation functions more effectively through improved governance, and prudent resource management, which strengthen liquidity management (cash reserves, loan repayment, and loan disbursement). These liquidity functions enable cooperatives to sustain their operations (continuity) and ultimately improve the financial well-being of their members.

Therefore, the theory provides a sound theoretical foundation for understanding how the implementation of the Kaduna State Cooperative Societies Law (2023) enhances liquidity management, ensures institutional continuity, and promotes the financial well-being of members of civil servants' cooperative societies in Kaduna State.

3. Method

3.1 Research Design

This study adopted a survey research design to investigate the role of the Kaduna State Cooperative Societies Law (2023) in strengthening the financial well-being of civil servants' cooperative societies in Kaduna State through liquidity management. A survey design was considered appropriate because it enables the collection of quantitative data from a relatively large population and facilitates the examination of relationships among variables. The design is widely used in management and social science research because it allows findings from a representative sample to be generalized to the target population (Saunders, Lewis, & Thornhill, 2020; Creswell & Creswell, 2021).

3.2 Population of the Study

The target population comprised members of registered civil servants' cooperative societies in Kaduna State. According to records obtained from the Kaduna State Cooperative Department, the estimated population consisted of approximately 45,000 registered members as of 2025 (Kaduna State Cooperative Department, 2025).

3.3 Sample Size and Sampling Technique

The sample size for the study was determined using the Taro Yamane (1967) sample size determination formula:

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

Where:
n = sample size
N = population size (45,000)
e = level of precision (5%)

Applying the formula produced a sample size of 396 respondents.

A simple random sampling technique was employed to ensure that every member of the target population had an equal opportunity of being selected. This sampling technique minimizes selection bias and enhances the representativeness of the sample (Etikan & Bala, 2020).

3.4 Sources of Data

The study relied primarily on primary data collected directly from respondents through a structured questionnaire. Primary data were considered appropriate because they provided first-hand information relating to liquidity management and the financial well-being of cooperative societies.

3.5 Research Instrument

Data were collected using a structured questionnaire developed from established instruments used in previous studies on liquidity management, cooperative performance, and financial well-being (CFPB, 2020; Edeh et al., 2022; Adewale & Afolabi, 2023). The questionnaire comprised two sections. Section A captured respondents' demographic characteristics, while Section B measured the study variables using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.6 Validity and Reliability of the Instrument

Content validity was established through expert review by specialists in Business Administration and cooperative management to ensure that the instrument adequately measured the intended constructs. Reliability was assessed using Cronbach's Alpha coefficient. In line with Hair et al. (2020), a reliability coefficient of 0.70 or above was considered acceptable for the study.

3.6.1 Reliability Test

The internal consistency of the research instrument was assessed using Cronbach's Alpha coefficient. Cronbach's Alpha is widely regarded as an appropriate measure of reliability for instruments that employ multiple Likert-scale items. According to Hair et al. (2020), a Cronbach's Alpha coefficient of 0.70 or above indicates acceptable reliability.

The results of the reliability analysis are presented in Table 3.1.

Table 3.1: Reliability Statistics

Variable	Number of Items	Cronbach's Alpha
Cash Reserves	5	0.812
Loan Repayment	5	0.835
Loan Disbursement	5	0.801
Financial Well-being	6	0.853
Overall Reliability	21	0.825

Source: Researcher's Computation (2026)

The results indicate that all study variables recorded Cronbach's Alpha coefficients above the minimum acceptable threshold of 0.70. The overall reliability coefficient of 0.825 demonstrates that the instrument possesses a high level of internal consistency and is therefore suitable for data collection and subsequent statistical analysis.

3.7 Model Specification

To examine the influence of liquidity on the financial well-being of civil servants' cooperative societies, the study estimated the following multiple regression model:

[FWB=\beta_0+\beta_1CR+\beta_2LR+\beta_3LD+\varepsilon]

Where:

FWB = Financial Well-being
CR = Cash Reserves
LR = Loan Repayment
LD = Loan Disbursement
β_0 = Constant
$\beta_1 - \beta_3$ = Regression coefficients
ε = Error term

3.8 Method of Data Analysis

Data collected from the field were coded and analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics, including frequencies, means, and standard deviations, were used to summarize respondents' perceptions. Pearson Product Moment Correlation was employed to determine the strength and direction of relationships among the variables, while Multiple Linear Regression Analysis was used to test the study hypotheses and determine the extent to which cash reserves, loan repayment, and loan disbursement influence the financial well-being of civil servants' cooperative societies in Kaduna State. Statistical significance was evaluated at the 5% (0.05) level.

4.1 Response Rate

A total of 396 questionnaires were administered to members of registered civil servants' cooperative societies in Kaduna State. Of these, 367 questionnaires were correctly completed and returned, representing a response rate of 92.7%, while 29 questionnaires were either not returned or were discarded due to incomplete responses. According to Saunders et al. (2020), a response rate above 70% is considered adequate for statistical analysis. Therefore, the response rate obtained in this study is considered satisfactory and sufficient for reliable analysis.

4.2 Descriptive Statistics

Table 4.1 presents the descriptive statistics for the variables used in the study.

Variable	Min	Max	Mean	Std. Dev	Skewness	Kurtosis
FWB	1.00	5.00	3.82	0.76	-0.412	2.134
CR	1.00	5.00	3.67	0.81	-0.298	2.221
LR	1.00	5.00	3.74	0.79	-0.356	2.487
LD	1.00	5.00	3.69	0.83	-0.275	2.198

Source: Field Survey, 2026

The minimum and maximum values for all variables range from 1.00 to 5.00, indicating that respondents utilized the full range of the five-point Likert scale. The mean values exceed 3.50, suggesting that respondents generally agreed that effective liquidity management contributes positively to the financial well-being of civil servants' cooperative societies.

Financial well-being recorded the highest mean score (Mean = 3.82), indicating that respondents generally perceived their cooperative societies as contributing positively to their financial stability. Cash reserves (Mean = 3.67), loan repayment (Mean = 3.74), and loan disbursement (Mean = 3.69) also recorded relatively high mean values, suggesting positive perceptions of liquidity management practices within the cooperative societies.

The standard deviation values ranged from 0.76 to 0.83, indicating moderate variation in respondents' opinions and suggesting reasonable consistency in responses.

The skewness values were all negative but remained within the acceptable range of −1 to +1, indicating that the variables were approximately normally distributed (Field, 2020). Likewise, kurtosis values ranged from 2.13 to 2.49, which are close to the normal distribution benchmark, suggesting that the dataset satisfies the normality assumption required for multiple regression analysis (Gujarati & Porter, 2021).

Overall, the descriptive statistics indicate that the data are suitable for inferential statistical analysis.

4.3 Correlation Analysis

Table 4.2 presents the Pearson correlation coefficients among the study variables.

Variable	FWB	CR	LR	LD
FWB	1.000			
CR	0.612	1.000		
LR	0.645	0.581	1.000	
LD	0.598	0.563	0.622	1.000

($p < 0.01$)

Source: Field Survey, 2026

The results indicate that all liquidity variables exhibit positive relationships with financial well-being. Cash reserves recorded a strong positive correlation with financial well-being ($r = 0.612$), suggesting that cooperative societies with stronger liquidity positions tend to report higher levels of financial well-being.

Loan repayment demonstrated the strongest relationship with financial well-being ($r = 0.645$), indicating that efficient loan recovery contributes significantly to members' financial stability.

Similarly, loan disbursement showed a positive correlation with financial well-being ($r = 0.598$), implying that timely access to cooperative loans enhances members' financial outcomes.

The correlations among the independent variables ranged from 0.563 to 0.622, all below the commonly accepted threshold of 0.80 (Hair et al., 2020). This indicates the absence of multicollinearity among the explanatory variables and confirms their suitability for multiple regression analysis.

4.4 Multiple Regression Analysis

Table 4.3 Multiple Regression Results

Variable	Beta	Std. Error	t-value	Sig.
Constant	1.204	0.312	3.86	0.000
Cash Reserves	0.221	0.054	4.09	0.000
Loan Repayment	0.264	0.058	4.55	0.000
Loan Disbursement	0.198	0.061	3.25	0.001

Model Summary

R	R^2	Adjusted R^2	F	Sig.	Durbin-Watson
0.768	0.590	0.584	132.45	0.000	1.89

Source: Field Survey (2026)

Interpretation

Table 4.3 presents the results of the multiple regression analysis conducted to determine the influence of cash reserves, loan repayment, and loan disbursement on the financial well-being of civil servants' cooperative societies in Kaduna State.

The model produced an R value of 0.768, indicating a strong positive relationship between the explanatory variables and financial well-being. The coefficient of determination ($R^2 = 0.590$) shows that approximately 59.0% of the variation in financial well-being is jointly explained by cash reserves, loan repayment, and loan disbursement, while the remaining 41.0% is attributable to factors not captured by the model.

The overall regression model was statistically significant ($F = 132.45$; $p < 0.001$), confirming that the independent variables jointly explain variations in financial well-being.

The Durbin–Watson statistic of 1.89 is close to the recommended benchmark value of 2.0, indicating that there is no evidence of autocorrelation among the regression residuals.

The regression coefficients further indicate that all three explanatory variables have positive and statistically significant effects on financial well-being.

Cash reserves recorded a standardized coefficient of $\beta = 0.221$ ($p < 0.001$), suggesting that maintaining adequate liquidity significantly enhances the financial well-being of cooperative members.

Loan repayment exhibited the strongest influence on financial well-being ($\beta = 0.264$; $p < 0.001$), indicating that efficient recovery of loans strengthens liquidity and improves the financial capacity of cooperative societies.

Loan disbursement also exerted a positive and significant influence ($\beta = 0.198$; p =

0.001), implying that timely and equitable access to loans contributes positively to members' financial well-being.

Overall, the regression results confirm that liquidity management is a significant predictor of financial well-being among civil servants' cooperative societies in Kaduna State.

4.5 Discussion of Findings

The findings of this study demonstrate that liquidity management plays a significant role in enhancing the financial well-being of civil servants' cooperative societies in Kaduna State.

The results reveal that cash reserves have a positive and statistically significant effect on financial well-being. This finding suggests that cooperative societies maintaining adequate cash reserves are better able to satisfy members' financial needs, meet short-term obligations, and withstand unexpected financial shocks. The finding corroborates the work of Adebayo and Yusuf (2022), who reported that adequate liquidity enhances institutional performance, financial stability, and members' confidence in cooperative societies.

Similarly, loan repayment was found to exert the strongest positive influence on financial well-being. Efficient loan recovery improves the circulation of funds within cooperative societies, thereby increasing the availability of financial resources for subsequent lending activities. This finding agrees with Edeh et al. (2022) and Nwankwo and Okeke (2021), who observed that effective loan repayment systems strengthen liquidity, improve operational efficiency, and promote long-term financial sustainability.

The findings further indicate that loan disbursement significantly improves financial well-being. Prompt and equitable disbursement of loans enables cooperative members to finance productive activities, meet personal financial obligations, and improve their overall economic conditions. This finding supports Ogunleye et al. (2020), who concluded that effective loan allocation contributes significantly to financial inclusion and economic empowerment.

Collectively, these findings support the assumptions of Financial Intermediation Theory, which posits that financial institutions enhance economic welfare through efficient mobilization and allocation of financial resources. The results therefore suggest that sound liquidity management practices constitute an important mechanism through which cooperative societies promote members' financial well-being.

The findings also imply that the implementation of the Kaduna State Cooperative Societies Law (2023) has the potential to strengthen liquidity management by promoting transparency, accountability, and sound financial governance within cooperative societies. Consequently, improved regulatory compliance may further enhance the financial performance and sustainability of civil servants' cooperative societies in Kaduna State.

5.0 Conclusion

This study examined the role of the Kaduna State Cooperative Societies Law (2023) in strengthening civil servants' cooperative societies in Kaduna State by assessing the influence of liquidity management on members' financial well-being. Specifically, the study investigated the effects of cash reserves, loan repayment, and loan disbursement on financial well-being using data obtained from registered civil servants' cooperative societies.

The findings revealed that cash reserves, loan repayment, and loan disbursement each have positive and statistically significant effects on the financial well-being of cooperative members. Among the liquidity variables examined, loan repayment emerged as the strongest predictor of financial well-being, indicating that effective loan recovery contributes substantially to the sustainability of cooperative societies and the financial security of their members.

The study therefore concludes that sound liquidity management remains fundamental to the financial performance and long-term sustainability of civil servants' cooperative societies. The findings further suggest that the Kaduna State Cooperative Societies Law (2023) provides an enabling legal framework capable of strengthening governance, promoting financial discipline, and improving the operational efficiency of cooperative societies. Effective implementation of the Law is therefore expected to enhance cooperative sustainability and improve members' financial well-being.

Despite these contributions, the study was limited to registered civil servants' cooperative societies in Kaduna State. Consequently, caution should be exercised when generalizing the findings to other categories of cooperative societies or other states within Nigeria. Future studies may consider expanding the geographical scope and incorporating additional organizational and institutional variables to provide a broader understanding of cooperative performance.

5.1 Implications/Recommendations

Practical Implications

The findings of this study have important implications for policymakers, cooperative administrators, regulatory agencies, and members of civil servants' cooperative societies. The study demonstrates that effective liquidity management through adequate cash reserves, efficient loan repayment systems, and timely loan disbursement significantly enhances members' financial well-being. Consequently, cooperative managers should prioritize prudent financial management practices that promote liquidity and institutional sustainability.

The findings also highlight the importance of the Kaduna State Cooperative Societies Law (2023) as a regulatory framework capable of strengthening governance, improving accountability, and enhancing transparency in cooperative administration.

Regulatory authorities should therefore ensure effective implementation and continuous monitoring of the provisions of the Law to achieve its intended objectives.

From a theoretical perspective, the study provides empirical support for Financial Intermediation Theory by demonstrating that efficient mobilization and allocation of financial resources improve members' financial well-being within cooperative societies.

5.3 Recommendations

Based on the findings of this study, the following recommendations are made:

i. Cooperative societies should maintain adequate cash reserves through prudent financial planning and improved savings mobilization in order to strengthen liquidity and improve members' financial security.

ii. Cooperative management should establish more effective loan monitoring and recovery mechanisms, including automated salary deductions and strengthened credit administration, to improve loan repayment performance and reduce default rates.

iii. Loan disbursement procedures should be transparent, timely, and based on clearly defined eligibility criteria to ensure fairness, improve members' confidence, and promote financial inclusion.

iv. Cooperative societies should promote good governance, accountability, and continuous member education to enhance institutional sustainability and long-term financial well-being.

v. The Kaduna State Ministry responsible for cooperative affairs should strengthen the implementation and enforcement of the Kaduna State Cooperative Societies Law (2023) through regular supervision, compliance monitoring, and capacity-building programmes for cooperative executives.

Reference

Adebayo, T., & Yusuf, R. (2022). Liquidity management and financial performance of cooperative societies in Nigeria. *Journal of Financial Studies and Development, 14*(2), 45–62.

Adewale, O., & Afolabi, M. (2023). Cooperative societies and financial inclusion in developing economies. *African Journal of Economics and Management, 9*(1), 77–94.

Alaba, O., & Adetunji, K. (2020). Savings and credit cooperatives and financial inclusion in Sub-Saharan Africa. *International Journal of Cooperative Studies, 6*(3), 101–115.

Amadi, S., & Eze, C. (2023). Financial governance and sustainability of cooperative societies in Nigeria. *Journal of Public Administration and Governance, 11*(2), 88–104.

Aremu, A., & Salawu, R. (2021). Cooperative governance and institutional efficiency in developing economies.

African Development Review, *33*(4), 512–528.

Bello, M. A. (2025). A comparative analysis of financial inclusion and financial literacy: Investigating their interrelationship in selected urban and rural areas of Kano State, Nigeria. *Bayero University Journal of Finance*, *2*(1), 1–16. https://doi.org/10.5281/zenodo.17557622

Birchall, J. (2021). *The governance of cooperative organizations: Principles and sustainability*. Cooperative Management Review.

Consumer Financial Protection Bureau. (2020). *Financial well-being in the modern economy*. Washington, DC: Consumer Financial Protection Bureau.

Creswell, J. W., & Creswell, J. D. (2021). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). Thousand Oaks, CA: Sage Publications.

Edeh, J., Okeke, P., & Nwafor, C. (2022). Cooperative participation and household financial welfare in Nigeria. *International Journal of Economics and Finance*, *14*(5), 55–72.

EFInA. (2023). *Access to financial services in Nigeria: 2023 survey report*. Lagos, Nigeria: Enhancing Financial Innovation and Access.

Etikan, I., & Bala, K. (2020). Sampling techniques in social science research. *Journal of Research Methodology*, *8*(2), 34–46.

FAO. (2021). *The state of food and agriculture 2021*. Rome, Italy: Food and Agriculture Organization of the United Nations.

Field, A. (2020). *Discovering statistics using IBM SPSS statistics* (5th ed.). London: Sage Publications.

Fama, E. F. (1980). Banking in the theory of finance. *Journal of Monetary Economics*, *6*(1), 39–57.

Gujarati, D. N., & Porter, D. C. (2021). *Basic econometrics* (6th ed.). New York, NY: McGraw-Hill Education.

Gurley, J. G., & Shaw, E. S. (1960). *Money in a theory of finance*. Washington, DC: Brookings Institution.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2020). *Multivariate data analysis* (8th ed.). Andover, Hampshire: Cengage Learning.

International Cooperative Alliance. (2022). *Global cooperative monitor report 2022*. Brussels, Belgium: International Cooperative Alliance.

Kaduna State Government. (2023). *Kaduna State Cooperative Societies Law, 2023*. Kaduna, Nigeria:

Kaduna State Government Gazette.

Nwankwo, F., & Okeke, U. (2021). Loan repayment behaviour and cooperative sustainability in Nigeria. *Journal of Finance and Development Studies, 10*(3), 66–81.

Ogunleye, K., Adeyemi, A., & Bello, S. (2020). Credit disbursement and economic empowerment in cooperative societies. *Journal of African Economic Studies, 12*(1), 39–57.

Olaoye, O., Akinwale, T., & Ibrahim, H. (2024). Agricultural cooperatives and rural development in Nigeria. *Journal of Rural Economics, 15*(1), 88–105.

Saunders, M., Lewis, P., & Thornhill, A. (2020). *Research methods for business students* (8th ed.). Harlow, England: Pearson Education.

Usman, M. H., Kurfi, A. K., & Bello, M. A. (2026). Government support, financial inclusion and SMEs performance in Nigeria: A conceptual framework and literature review. *FUDMA Journal of Accounting and Finance Research, 4*(1), 421–430. https://doi.org/10.33003/fujafr-2026.v4i1.387.421-430

World Bank. (2021). *Financial inclusion and cooperative development in emerging economies.* Washington, DC: World Bank