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THE MODERATING ROLE OF COOPERATIVE NORMS ON CORPORATE GOVERNANCE AND COOPERATIVE PERFORMANCE IN SELECTED REGIONS IN TANZANIA

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ABSTRACT

The Moderating role affects an independent variable, or construct changes the strength or even the direction of the relationship on dependent variable (Hair et al., 2017). In this study, the moderating role of cooperative norms influences the relationship between corporate governance and cooperative performance. This study uses a sample size of two hundred fifty-one (251) respondents out of a population of six hundred seventy-three (673) co-operators where data collection and data analysis were done using questionnaires. The study adopted positivism philosophy and explanatory design using quantitative approach and hierarchical regression analysis. The study findings reveal a strong positive influence of norms that need for governance mechanisms with a significant impact on cooperative performance in Tanzania. The practical implications of the study enforce to improve Cooperative norms interventions with corporate governance structures on cooperative performance on services delivery to allow transparency and accountability and build trust among members and stakeholders. The study findings recommended to provide valuable insights into enhancing efficiency, accountability, participation, and engagement by cooperative norms to influences governance practices and cooperative performance in regions and the best practices in diverse environments to identify and share best practices for governance based on norm contexts and regional differences.

Keyword: Moderating role, Cooperative norms, Institutional factors, Cooperative performance, Tanzania.

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1. INTRODUCTION

The moderating role of cooperative norms affects the strength of the original relationship between the independent variables or exogenous and the dependent variables or endogenous (Sekaran et al., 2016). However, the institutional factors moderate the variables relationships that include the practices social norms, values, and expectations that shaped cooperative institutions with member behaviour's, these included the professional standards and ethical guidelines (Martin et al., 2014). This study focuses on the moderating role of cooperative norms on corporate governance and cooperative performance in selected regions in Tanzania.

Globally, moderating role of cooperative norms affects corporate governance in shaping the performance of institutions in terms of Transparency and Accountability. Abdul et al. (2023) examined corporate governance as a systematic mechanism to ensure global Transparency and Accountability in Europe. Abdul et al. (2023) revealed corporate governance as a systematic mechanism for cooperative performance to ensure transparency and accountability around the globe. Hú et al. (2023) examined the effect of board independence on firm performance in Europe. However, the study did not examine the firm's performance.

The study done outside Africa revealed the moderating role of cooperative norms to affect the corporate governance systems for business growth to trade structures outside Africa. Abhilash et al. (2020) did a study on the impact of corporate governance on financial performance in India. Luddin et al. (2023) argued about cooperative governance in Malaysia. However, the study found the board did not practice corporate governance more than cooperative governance.



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According to the International Cooperative Alliance governed the implementation of the cooperative principles that includes the cooperative norms in Africa, (ICA, 2024). Led et al. (2023) examined the effect of corporate governance and corporate social responsibility on firm performance and the mediating role of corporate image in Ghana. However, the study did not show the legitimate role of corporate governance on corporate social responsibility on firm performance.

In Tanzania the cooperative norms moderate corporate governance and cooperative performance, despite of that many cooperatives in Tanzania have underperformed due to weak corporate governance mechanisms and have contributed to poor financial performance, decline of profits, customer dissatisfaction and poor image (Owuoth et al., 2025). Towo et al. (2023) pointed out the board independence on corporate governance of the cooperative institutions in Tanzania. However, the study did not demonstrate the usage of theory on board independence for cooperative performance. Belated et al. (2023) observed that the board composition on corporate governance of the cooperative institutions the majority were men in Tanzania. However, the study did not focus on gender equality in board composition, where the study showed that women were a minority than men. Lay et al. (2023) assessed the board size and cooperative performance. But the study did not clearly show the number of women and men cooperative board in Tanzania.

The current situation in Tanzania on the cooperative norm's moderations, Still, the cooperative institutions lacked internal capitalization, weakness in internal control, ineffective debt management, and a lack of financial experts. However, the COASCO auditing report 2023 revealed the financial performance in terms of profit and loss statements, balance sheets, and cash flow statements (Mollona, 2021). While previous studies have explored the role of corporate governance in various organizational contexts, limited papers have examined the moderating role of cooperative norms on corporate governance and cooperative performance in Tanzania, particularly concerning the moderating effect of institutional factors across different regions in Tanzania.

The theoretical analysis of this study focuses on Agency theory, which aligns the Principal and Agent relationship to reduce the agency problem in the cooperative industry (Jensen and Meckling, 1976). Moreover, Institutional theory aligns with Institutional factors such as cooperative norms oversight and socio-political conditions that play a crucial moderating role in the relationship between corporate governance and cooperative performance. In regions where institutional theory was supported for good corporate governance practices are more likely to translate into improved cooperative performance (Selznick, 1940). However, the study has the integration of both agency and institutional theories that provides a richer, multidimensional understanding of organizational behaviour in terms of the complementary perspectives of this study.

This study explored the moderating role of cooperative norms on corporate governance examining the Financial Key Performance Indicators (F-KPI) However, the records show the cooperative unions in Tanzania had never published their financial performance report to their members, yet, but only SACCOS had succeeded in publishing the prudential report in the years 2023 and 2024 for the cooperative financial performance. This report revealed earnings ratio of the SACCOS in Tanzania had a RoA standard ratio above 2% RoE standard ratio above 0% and operating expenses less than or equal to 85% (TCDC,2023).

The study used the moderating role of cooperative norms, values, and expectations that shaped cooperative institutions with member behaviour's, these included the professional standards and ethical guidelines (Martin et al., 2014). However, the norms are significantly shape how relationships between variables play out in real-world settings to strength or direction of relationships that link between employee empowerment and organizational performance, may be stronger in institutions with supportive policies (Akinlo et al.,2024).

The empirical relevance of the contextual gap in cooperative norms that the corporate governance and board independence in Thailand (Chancharat et al., 2019). However, the study did not examine the cooperative board archives for the cooperative's performance in its firm. Abhilash et al. (2020) recognized that there was no assessment for the performance impact in India. Moreover, Lennah et al. (2023) indicated a lack of consistency in demonstrating the board's effectiveness on cooperative performance in Kenya. Moreover, the Contextual gaps recalled the board composition and cooperative



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performance. Luddin et al. (2023) stated that no board composition for cooperative performance in Iran. However, the study did not show clear evidence of the relationship between corporate governance on board composition and cooperative performance. Boshnack (2023) supported the qualification of board composition that needs financial expertise in Saudi Arabia. However, the study did not conclude that the evidence on board composition showed that financial expertise affected the cooperative performance. Additionally, the contextual gaps found in the board size and cooperative performance that the study concentrated on board size of cooperative institutions. Luddin et al. (2023) did a study on board size and the characteristics of boards in Kenya. However, the study did not reveal the board characteristics that influence cooperative performance since the small board size was not effective in influencing cooperative performance in the study. Lay et al. (2023) appraised the relationship between women and men on the board and financial performance in Tanzania. However, the study did not provide evidence on this gender relationship to compare with cooperative performance.

The study found the theoretical gaps in other scholars' studies viewed for the theoretical analysis. However, the norms of the cooperative principles promoted cooperative development from a global perspective (ICA, 2024). However, the study did not show the theory used for a review of related literature on governance practices and performance. Neither Magali (2014) nor Towo et al. (2023) did a study on cooperative board independence in Tanzania. However, the study failed to demonstrate the study's theory on cooperative performance.

The moderation role showed the interaction of corporate governance and cooperative performance is justified by the influence of corporate governance on cooperative performance, which has a positive relationship. Owuoth et al. (2025) did a study on corporate governance. However, the study found that corporate governance is essential in every organization to enhance service delivery as well as performance. The study analysed the moderating roles of cooperative norms on corporate governance and cooperative performance. Moreover, the study found that the moderating role of cooperative norms intervening in the legal framework in Tanzania. Reardon et al. (2019) showed that the change in government law, regulation, and policy may affect cooperative norms on cooperative performance. Even though the International Cooperative Alliance insists that cooperative norms are basic principles that form the base of cooperative formulations (ICA, 2024).

Therefore, the variable indicator hypothesis the predictive statement on cooperative norms moderated the relationship between corporate governance and cooperative performance based on the hypothesis of this study moderation leading to H1, H2 and H3 for the study moderation in hypothetical statements. The cooperative norms moderate the relationship between corporate governance and cooperative performance in selected regions in Tanzania: -

H1. The institution's norms moderate the relationship between board independence and cooperative performance of selected regions in Tanzania.

H2. The institution's norms moderate the relationship between board composition and cooperative performance of selected regions in Tanzania.

H3. The institution's norms moderate the relationship between board size and cooperative performance of selected regions in Tanzania.

2.MATERIALS AND METHODS

2,1 Methodology.

This study used positivism philosophy which relates to the nature of science in an observable social reality to produce law generalization and emphasized the positive experience of data observation (Saunders et al., 2019). This study used explanatory design to explain the relationships between variables and uncover certain phenomena to occur. The explanatory design helped to analyse patterns and formulate hypotheses (Saunders et al., 2019). However, this study collected the field data and analyses to obtain the specific answers to the questions (Creswell, 2009). The paper approach is a plan and process that leads the decisions related to execution (Saunders et al., 2019). This study used a deductive approach from the general



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idea of the study theories and design strategy to test the hypothesis in the view of the study literature. The reason for using a deductive approach is to realize the conclusions of the theories (Saunders et al., 2019). This study is a quantitative design and data collection. The reason for using the quantitative strategies enabled the data collection at numerical value and the discovery of knowledge related to the insights of the respondents on study data analysis (Saunders et al., 2019).

2,2 Area of study.

The study was conducted on Tanzania's mainland among the five selected regions such as Mtwara, Lindi, Ruvuma, Coastal, and Tanga. The choice of these regions was based on the fact that they have established the cooperative system with a affiliated members a total of five hundred and fifty AMCOS from Seven cooperative unions which attribute mostly significantly to social economic viabilities and job creation in Tanzania (TFC, 2024). The study used the survey population of six hundred and seventy-three co-operators. However, Cresswell (2021) defined the population as the people or objects more or less with common characteristics. This study used the selection of probability sampling techniques whose respondent's selection was done heterogeneously were UNIONS and AMCOS Co-operators and were selected equally. The reason for using probability sampling was to give an equal and the same chance in the representative of the sample size (Saunders et al., 2019). The study used probability sampling methods, such as stratified sampling and simple random sampling, the study divided the population into strata (subgroups) based on specific characteristics of the Agricultural Marketing Cooperative Societies (AMCOS) and Secondary Cooperative Societies (UNION). The reason for using study simple random sampling was to give representatives of sample size of the respondents having an equal probability of random selection from the whole population (Saunders et al., 2019). The study determined the sample size by using statistician formulae developed in 1967 by Taro Yamane a sample size of two hundred fifty-one cooperative respondents.

2,3 Data collection

The Author first collected primary data using the selected survey questionnaire in field where the data were collected for this study. Furthermore, the secondary information collected from various studies, financial audit statements, Internet sources, brochures, journals, Goggle Scholar and Research Gate (Saunders et al., 2019). The main instrument for primary data collection was a structured questionnaire. The questionnaire was developed by an Author (2025) and adopted from Umbria, (2021) and Pescali et al., (2020). The study survey included closed-ended questions formulated by considering the chronological order of questions and the questions were also arranged from simple to complex. These questionnaires were closed and open-ended questions which allowed uniform information from the employees from Secondary Cooperative Societies (UNIONS) and affiliated members of Agricultural Marketing Cooperative Societies (AMCOS). The ethical consideration and confidentiality were maintained when data were collected from primary sources. The reasons for using questionnaires were cost efficiency, quick results, objectivity, and privacy. The Author also used secondary sources given documentary reviews for academic journals, academic papers, academic books, publications, and electronic reports. To obtain data quality control, the author organized the questionnaires from the field data, and the author checked for accuracy and proper filling. The improperly filled questionnaires were dropped; the data analysis was conducted to determine the correlation between the independent variables in the study (Mmari, 2022).

2,4 Data Process and analysis

According to Kyriazos & Poga, (2023) provide the assumption that gives insight and stability of the model predictors variables while the Variance Inflation Factors (VIF) values as key indicators of Multicollinearity in the Hierarchical regression analysis with the Variance Inflation Factors (VIF) value (Saunders et al., 2019). The author used the method of data analysis known as hierarchical or sequential regression analysis. This method analysed the relationship between multiple predictors and an outcome variable to enable the reliability of the data analysis (Saunders et al., 2019). The reason for choosing hierarchical regression analysis was powerful in understanding and quantifying relationships between variables (Weedmark, 2018). Practically, the study used Statistical Package for Social Sciences (SPSS) Software version 26 and started with the menu and selected regression with linear then chose independent variables moved to the independent box



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clicked the statistic button with an estimate, model Fit, R squared change, descriptive, part and partial correlation, collinearity diagnosis. The author continued with the Plots button and clicked. The hierarchical regression analysis uses the predictors based on theoretical relationships of dependent and independent variables that influence the outcome (Saunders et al., 2019).

3.RESULTS

The results of the study measured the validity by the discriminant validity that demonstrate the evidence that theory was not related or no theory to test validity Fiona, (2023). However, the study validity used the convergent validity that demonstrates the standard value to be equal to or more than 0.5 was acceptable (Barahona, et al.,2023). and the study checked the instrument that administered the pilot test of 10% equal to 25 questionnaires out of 251 sample sizes to check the validity through triangulations of method, triangulations of data, and triangulations of theory. The reliability was tested by the Cronbach alpha to assess the internal consistency of the instrument by testing reliability of the Cooperative Norms (CN) was 0.755, as shown in Table 3.1.

Table 3.1: Reliability

Variable	Cronbach Alpha	N of Items
Cooperative Norms(CN)	0.755	5

Source: Data analysis (2025).

3.1 Data Analysis Based on Moderating role of cooperative norms

The data analysis based on moderation of cooperative norms focused as following Table 3.2 shown below.

Table 3.2 Data Analysis Based on Moderating role of cooperative norms

Item	Frequency	Per cent
1.Data Analysis with the Cooperative Norms		
Members believe in Voluntary and Open Membership.	135	53.8
Cooperative institutions were Democratic Member Control	112	44.6
Cooperatives believe in Economic Participation	136	54.2
Cooperative were Autonomous independent institution	128	51.0
Members had access to education and training.	136	54.2
Members had access to important information about their cooperative	149	59.4
There was good working relationship and cooperation between members	134	53.4
The Cooperatives had high concern for the community	157	62.5

Source: Data analysis (2025).



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From Table 3.2 above, the Moderating role of cooperative norms shows that the breakdown of responses obtained from the variables under study improved the cooperative performance. The data analysis indicated a high score of 62.5% for the cooperatives that had high concern for the community. The findings further suggested that 59.4% of members had access to important information about their cooperative societies. Moreover, the Score of 53.8% was for the members who believed in voluntary and open membership. The cooperatives believed in economic participation and had a score of 54.2% similar to a score of 54.2% for the members who had access to education and training. On the contrary, the medium score of 44.6% for cooperative institutions was democratic member control. The study findings have showed that respondents strongly agreed with all items during the data analysis, while the rest expressed opposing views.

3.2 The Moderation effects of Cooperative norms in Selected Regions in Tanzania

The study used the cooperative norms as study moderators that interfered with other variables to undertake as shown in Table 3.3

Table 3.3: Moderation Effects of the Study Variables

Mode 1	R	R ²	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin - Watso n
					R ² Change	F Change	df1	df2	Sig. F Change	
1. <i>Moderation Effects of the Study Variables with the Cooperative Norms</i>										
1	.748 ^a	.560	.555	.47481	.560	104.88 2	3	247	.000	
2	.818 ^b	.669	.661	.41434	.109	26.788	3	244	.000	2.007

Source: Data analysis (2025)

From Table 3.3 above, Given the moderation effects of the study variables with the cooperative norms, the determination of the coefficient R square with the moderation effect of study variables and the moderator (cooperative norms). The results indicated a positive relationship between cooperative performance and cooperative norms. Furthermore, the findings concur with the statistical analysis showing the R square value of 0.560 or 56% in model 1 and the F Change Value 104.9 with a significant of change 0.000 at Durbin Watson of 2.007 which shown the variability of the study data and a positive value R square value of 0.669 or 67% in model 2 at a Positive F Change Value 26.8 with a significant of change 0.000 at Durbin Watson of 2.007 which shown the variability of the study data. This implies that the predictors are constant in terms of average cooperative culture, average rules and regulations, the average cooperative norms. The findings revealed the results to show change in the R-square between the study variables and institutional factors (cooperative norms). The results showed that the R square change had a positive value of R square 0.560 or 56% in model 1 and to R square value of 0.109 or 10.9% in model 2 to be statistically significant. This explained well the relationship among the study all variables and the cooperative norms of the study to evaluate.

The predictive power added to the models and the significance without statistical error that the data analysis indicated the standard error (Se) 0.4748 in model 1 and the standard error (Se) 0.41434 in model 2. This was done with Predictors Constant at Average Cooperative Culture, Average Rules and Regulations, Average Board Independence, Average Board Composition, Average Board Size, and Dependent Variable with Average Financial Performance. This was statistically significant with the relationship among study variables and the cooperative norms of the study, to estimate data analysis to be significant results to indicate the relationship between the cooperative norms and cooperative performance without errors. The study findings suggested that the moderation role of variable R and institutional factors, R square changed by a model change in R square,



where the standard error changed in moderation. The study findings indicated the significant F value of change equal to 0.000 after moderation, where the implication was that when the F value is less than 0.000 ($F < 0.000$), establishing the statistical significance of the constant estimates provides a reliable foundation for data analysis,

3.3 Moderation Relationship

The statistical analysis involves a coefficient of determination that measures the moderation relationship indicated by the R-square value of 0.560 or 56%. This means that the model fit as corporate governance in terms of the Board independence, Board composition, and Board size and the Moderation effect of the study in Model 1 and the R square value 0.669 or 66.9% which means that the model fit in model 2. Furthermore, the significant change of 0.000 at Durbin Watson of 2.007 shows the variability of the study data and the results show the positive value R square 0.560 or 56% in model 1 and R square 0.109 or 10.9% in model 2. This finding is statistically significant and well explains the relationship among the study all variables and institutional factors of the study to evaluate the predictive power added to the models and the significance of F Change value 104.9 in model 1 and 26.8 in model 2 with Predictors Constantly of the cooperative Norms and corporate governance as indicated by Average Board Independence, Average Board Composition, Average Board Size, and Dependent Variable. Average Financial performance was found to be statistically significant relationship the results as showed in Table 3.5

Table 3.5: The Moderation Relationship

Moderation relationship	R ²	R ² Change	F Change	Sign of Change	Durbin Watson
Moderation of variables and Norms with R square change					
Model 1	0.560	0.560	104.88	0.000	
Model 2	0.669	0.109	26.788	0.000	2.007

Source: Data Analysis (2025)

3.4 Study Hypothesis Test

Table 4.25: Hypothesis Test

Variables	Model	R ²	Change of R ²	Sig. F- Value	Comments
Institutional factors after Moderation Effects Model					
Cooperative Norms	1	0.560	0.560	0.000	Supported the positive relationship due to strong positive influence
	2	0.669	0.109	0.000	

Source: Data analysis (2025).

From H1: The cooperative norms moderate the relationship between board independence and cooperative performance in selected regions in Tanzania. The hypothesis was supported by the findings indicating a moderate relationship between cooperative norms on board independence and cooperative performance. The study was supported with the internal consistency of 0.755 or 75.5% which is above 0.7 as accepted. This implies that the change in R square value of 0.560 or 56% and Standard error of 0.47481 in model 1 and the Change in R square value of 0.669 or 67% and Standard error of



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0.41434 in model 2 show that between independent variables, moderating variables and cooperative performance there is strong moderating relationship between cooperative norms and cooperative performance. Moreover, the significance of the F Change Value of 0.000 ($F < 0.000$) implies that there is a moderate relationship between the cooperative norms on board independence and cooperative performance of the selected regions in Tanzania. The finding suggested that there is a positive and moderating relationship between cooperative norms, board independence and cooperative performance of the selected regions in Tanzania.

From H2: The cooperative norms moderate the relationship between board composition and cooperative performance in selected regions in Tanzania. The hypothesis was supported by the findings indicating a moderate relationship between cooperative norms on board composition and cooperative performance. The study was supported with the internal consistency of 0.755 or 75.5% which is above 0.7 as accepted. This implies that the change in R square value of 0.560 or 56% and Standard error of 0.47481 in model 1 and the Change in R square value of 0.669 or 67% and Standard error of 0.41434 in model 2 show that between independent variables, moderating variables and cooperative performance there is strong moderating relationship between cooperative norms and cooperative performance. Moreover, the significance of the F Change Value of 0.000 ($F < 0.000$) implies that there is a moderate relationship between the cooperative norms on board composition and cooperative performance of the selected regions in Tanzania. The finding suggested that there is a positive and moderating relationship between cooperative norms, board composition and cooperative performance of the selected regions in Tanzania.

From H3: The cooperative norms moderate the relationship between board size and cooperative performance in selected regions in Tanzania. The hypothesis was supported by the findings indicating a moderate relationship between cooperative norms on board size and cooperative performance. The study was supported with the internal consistency of 0.755 or 75.5% which is above 0.7 as accepted. This implies that the change in R square value of 0.560 or 56% and Standard error of 0.47481 in model 1 and the Change in R square value of 0.669 or 67% and Standard error of 0.41434 in model 2 show that between independent variables, moderating variables and cooperative performance there is strong moderating relationship between cooperative norms and cooperative performance. Moreover, the significance of the F Change Value of 0.000 ($F < 0.000$) implies that there is a moderate relationship between the cooperative norms on board size and cooperative performance of the selected regions in Tanzania. The finding suggested that there is a positive and moderating relationship between cooperative norms, board size and cooperative performance of the selected regions in Tanzania.

4.DISCUSS

The discussion of this study confirmed that the moderating relationship with the cooperative norms to govern the cooperative sectors. The cooperative norms attributes influence the financial performance of the organization (Martin et al., 2014). According to Reardon et al. (2019), the institutional factors were different concepts in the author discipline that moderated the independent variables and dependent variable relationship with the moderating cooperative norms.

The Hypothesis of this study, this study hypothesized significant relationship that supported a positive relationship between cooperative norms and the cooperative performance of selected regions in Tanzania. However, the change into moderation effects that Change in R square value of 0.109 or 10.9% and Standard error of 0.41434 in model 2 show strong relationship between independent variables, cooperative norms and cooperative performance in the selected region in Tanzania. Moreover, The significance of change Value of 0.000 ($F < 0.000$) implies that there is a relationship between independent variables, cooperative norms and cooperative performance but the study findings after moderation effect of cooperative norms indicated a positive relationship due to the positive influence between independent variables, cooperative norms and cooperative performance of the selected regions in Tanzania.

4.1 Study findings

This study made the consideration based on involvement in the data collection, where the conceptual ideas were developed with significant results on each contextual dimension of the influence of corporate governance on cooperative performance.



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The factors moderating the corporate governance on cooperatives performance that were added values to shape the behaviour and decisions of cooperative institutions. However, the overall norms that influence cooperatives were perceived and supported by their members and the broader community that value collectivism and mutual support, cooperative institutions performed better due to higher member engagement and trust. Moreover, the formal and informal norms added values shape the behaviour aspects of organizations and individuals to improve the social capital levels within the cooperative institutions, including building trust, networks, and social cohesion which moderate the institutional performance by enhancing collaboration and member participation respectively to enhance the cooperative performance and achieved their goals more effectively.

4.2 Study Recommendations

The study findings were recommended to address the great need for cooperative institutions to build internal capacity and capabilities in implementing cooperative norms on corporate governance practices to provide valuable insights into enhancing efficiency, accountability, participation, and engagement. Moreover, the recommendations of this study were drawn from study variables, as some potential recommendations that the study recommended the cooperative norms influences on governance practices and cooperative performance in regions and the best practices in diverse environments to identify and share best practices for governance based on cultural contexts and regional differences.

4.3 Significance of the Findings

The practical implication of this study is to build lessons to improve service delivery towards Transparency and openness to the cooperative members. However, the implication for the cooperative board members having significant lessons from this study's findings of their role, despite the board composition, its size, and its independence enhances the best practice of corporate governance. It also ensured accountability, transparency, and the rule of law among the cooperative institutions and developed significant results on cooperative performance. Furthermore, the practical implications of the study on corporate governance and cooperative performance ensure the successful operation and sustainability of cooperative institutions' corporate governance practices that lead to more informed and effective decision-making. Clear roles and responsibilities for board members and management ensure that decisions are made in the best interest of the cooperative and its members. Furthermore, the practical implications of corporate governance allow transparency and accountability and build trust among members and stakeholders. Regular reporting, audits, and open communication ensure awareness of the cooperative's performance and any challenges it may face. Moreover, the practical implications of corporate governance on cooperative performance ensured that effective governance encourages active participation from members. This is achieved through regular meetings, clear communication channels, and opportunities for members to provide input and feedback. Engaged members are more likely to support the cooperative and contribute to its success. Additionally, the practical implications of corporate governance on cooperative performance ensure strong governance frameworks, including robust risk management practices. This involved potential risks, implementing mitigation strategies, and regularly monitoring and reviewing these risks with effective risk management to protect the cooperative from unforeseen challenges. Again, the practical implication of corporate governance on cooperative performance adheres to governance standards that ensure compliance with legal and regulatory requirements.

The Implications of the agency theory reduced the problem between principals (the board on behalf of members) and agents (managers). Moreover, this agency theory implication enhances monitoring cooperative management actions and decisions and ensures that they align with shareholder interests. This mitigated the agency problems where managers might act in their own interests rather than those of the shareholders. Furthermore, the agency theory facilitated better decision-making and comprehensive feedback from all board members and led to more informed and balanced decision-making. This helps to ensure that decisions are made with a holistic view of the institution's objectives. Moreover, the implications of the agency theory focused on the relationship between principals (the board on behalf of the members) and agents (managers). It highlighted potential conflicts of interest and the need for mechanisms and incentives to align the interests of managers with those of members to ensure effective governance and performance. Additionally, the implications of the institutional theory examine the institution's adoption and implementation structures, behaviours, and practices to gain legitimacy and conform



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to the norms and expectations of their environment. Institutional theory implies that legitimacy and conformity to adherence to the institution were motivated to conform to practices that gained legitimacy and acceptance from stakeholders, including investors, regulators, and the public. The institutional theory implies that the cultural and social context in which an institution operates significantly impacts its behaviour and practices. However, the implication of the theory is regulatory compliance the institution must comply with regulatory requirements and professional standards to maintain legitimacy and avoid sanctions. Nevertheless, the theoretical implications of institutional theory for corporate governance on cooperative performance were deeply rooted in organizational structures and practices that were influenced by external institutional pressures on regulations and cultural norms.

Conflict of Interest: The authors reported no conflict of interest

Data Availability: The data results are included in the content of this paper

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Declaration for Human Participation: This study has been approved by the Principal of the Open University of Tanzania (OUT) and got Introduction approval for the assistance of The Registrar of Cooperative and Regional Assistance Registrars declared were consulted for this study data collection.

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