Corporate governance practices and financial sustainability of SACCOs in greater Bushenyi Uganda: The moderating role of technology implementation

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Abstract
This study develops a conceptual framework that examines the relationship between corporate governance practices and the financial sustainability of Savings and Credit Cooperative Organizations (SACCOs) in Uganda, with technology implementation conceptualized as a moderating variable. Drawing upon agency theory, stewardship theory, and the resource-based view, this research paper elucidates how board composition, transparency, risk management, and regulatory compliance influence financial sustainability, which is measured in terms of revenue growth, capital adequacy, and operating cash flows. Employing a conceptual research design grounded in a comprehensive review of empirical and theoretical literature, the findings indicate that effective corporate governance practices enhance the financial sustainability of SACCOs by strengthening accountability, transparency, and decision-making processes. The analysis further reveals that technology implementation moderates these relationships by improving operational efficiency, enhancing risk monitoring, and facilitating timely information flow, thus supporting effective oversight and strategic performance. The study recommends that SACCOs invest in cost-effective digital infrastructure, bolster the technological capacity of boards and management teams, and that regulators formulate supportive digital governance policies. Overall, this research paper contributes to the corporate governance literature by integrating technology as a moderating construct within the governance-sustainability relationship and proposes a framework to guide future empirical research on SACCOs in developing countries.

Keywords: Corporate governance, Financial sustainability, SACCOs, Technology implementation, Uganda

Introduction

In Uganda, Savings and Credit Cooperative Organizations (SACCOs) play a crucial role in fostering socioeconomic development and enhancing financial inclusion. These organizations significantly contribute to grassroots economic growth by providing low-income populations with accessible financial services, promoting savings mobilization, and supporting the development of microenterprises. However, despite their importance, many SACCOs continue to face challenges regarding their financial viability (Tumusiime, Nkundabanyanga, & Nsubuga, 2021). Issues such as inadequate financial management, poor governance, and insufficient regulatory compliance have resulted in financial instability and, in some instances, institutional failure.

Financial sustainability, defined as an organization's capacity to maintain operations and achieve long-term viability without compromising future performance, is essential in this context (Ochung & Jagongo, 2021). In SACCOs, financial sustainability is characterized by consistent revenue growth, adequate operating cash flows to sustain ongoing operations, and sufficient capital reserves. The effectiveness of corporate governance practices, which influence resource allocation, strategic decision-making, and accountability, is directly linked to the achievement of these objectives (Muthoni & Jagongo, 2022).

Theoretical Foundations

Agency Theory

Agency theory from Jensen and Meckling (1976) aims at understanding situations where principals entrust decision making powers to agents and these agents may end up having conflicts of interests with the principals when they start going after their own personal benefits at the cost of the principals. In the case of SACCOs, members of the cooperative are the principals and the management and members of the board are the agents. The various disagreements between agents and principals in this setting are often evidenced by the misappropriation of resources, lack of proper accountability mechanisms, and the nonexistence of transparency which in turn leads to the loss of financial viability (Tumusiime, Nkundabanyanga, & Nsubuga, 2021).

Corporate governance mechanisms have a pivotal role in addressing these agency problems. Institutional safeguards such as board composition, transparency, risk management, and regulatory compliance help to align managerial behavior with members' interests. Boards that are independent and professionally competent improve oversight and strategic alignment by limiting managerial discretion and the conflicts of interest (Obaka et al., 2021).

Transparency also helps to reduce agency conflicts by minimizing information asymmetry, thus enabling both members and stakeholders to have access to correct and up, to, date financial information (Kyenze & Aluoch, 2022). Moreover, sound risk management and regulatory compliance enhance accountability by securing members' resources and elevating the institution's reputation (Bowen & Makokha, 2021).

Recently technology advancement has greatly helped to make agency theory more relevant in SACCO governance. Digital systems like core banking platforms, automated reporting tools, and performance dashboards not only leave better audit trails, but they also improve data accuracy and allow financial activities to be monitored in real, time (Kariuki & Jagongo, 2022). By making information more visible and facilitating continuous supervision, technology thus lessens the costs of agency and encourages both accountability and efficient operations (Mutua & Jagongo, 2020). As an illustration, digital dashboards provide the board and members with the facility to keep track of key performance indicators, thus ensuring that management decisions are even more in line with the interests of members.

Agency theory has been challenged for the way it mainly focuses on control and self-interest, especially in cooperative settings. It is said that the theory overlooks the importance of trust, collective motivation, and shared values, which are the main attributes of SACCOs (Donaldson & Davis, 1991; Mugisha & Kule, 2023). Overemphasis on monitoring and control may demotivate people and lead to inefficient governance that is too bureaucratic, particularly in SACCOs that are constrained in terms of resources, have limited governance capacity, and lack technological infrastructure (Omondi & Kamau, 2023).

It should be noted that excessive reliance on monitoring and control mechanisms may suppress intrinsic motivation and create bureaucratic inefficiencies in SACCOs, especially those in resource-constrained with limited governance capacity and technological infrastructure (Omondi & Kamau, 2023).

However, agency theory remains a valuable theory for understanding governance challenges in SACCOs, particularly where weak oversight and information asymmetry persist. Agency theory underpins the argument that sound corporate governance, reinforced by technology, aligns managerial behavior with member interests, reduces opportunism, and enhances financial sustainability of SACCOs. When SACCOs integrate transparency, board independence, and digital accountability mechanisms into governance structures, they are better positioned to neutralize agency conflicts and improve long-term financial sustainability.

Stewardship Theory

By assuming that managers and board members act as responsible stewards who put organizational goals and the welfare of the group ahead of their own interests, stewardship theory which was developed by Donaldson and Davis in 1991 offers an alternative viewpoint to agency theory. Stewardship theory is in line with cooperative values like shared ownership, mutual accountability, trust, and participation in the context of savings and credit cooperative organizations. According to this viewpoint, leaders see themselves as stewards of members' resources dedicated to preserving institutional sustainability and long-term growth rather than as self-interested agents (Mugisha & Kule, 2023). Corporate governance practices are seen in this framework as facilitators of cooperation rather than tools of control. Because stewardship-oriented boards prioritize independence, competence, and diversity to improve organizational learning and strategic decision-making, board composition is crucial (Omondi & Kamau, 2023). By encouraging open communication and inclusive reporting practices, transparency increases member engagement and confidence while also fostering trust and operational efficiency (Kyenze & Aluoch, 2022). From a stewardship standpoint, risk management is a shared duty meant to safeguard members' assets and guarantee institutional resilience (Wekesa & Ochieng, 2021). According to Bowen and Makokha (2021), regulatory compliance is also understood as an ethical duty that reflects professionalism and integrity rather than just following external regulations.

Stewardship theory aligns well with the role of technology in governance. Digital systems improve stewardship by increasing access to real-time information, making reporting clearer, and supporting informed decision-making (Kariuki & Jagongo, 2022). Technology enables both boards and members to take part more effectively in governance processes, lowers information gaps, and boosts collective accountability (Mutua & Jagongo, 2020). In this way, technology serves not as a tool for surveillance, but as a way to strengthen trust, ethical responsibility, and participatory governance.

However, stewardship theory has its limitations. Some authors say it may be too optimistic, especially in situations where governance capacity is weak and institutional safeguards are limited. In these cases, a blind belief in benevolent leadership can expose SACCOs to risks of opportunism, fraud, or poor decisions (Njagi & Njati, 2015). Furthermore, the success of technology under stewardship logic relies on responsible use, strong data management, and proper cybersecurity measures to keep member trust.

Overall, stewardship theory adds to agency theory by emphasizing the relational and ethical aspects of SACCO governance. In this study, it supports the idea that when governance structures are based on trust and backed by suitable technology, SACCOs can achieve sustainable financial performance through collective responsibility and informed decision-making.

Resource-Based View (RBV)

The resource-based view (RBV), proposed by Barney in 1991, suggests that lasting success for organizations comes from resources and skills that are valuable, rare, hard to copy, and well organized. In SACCOs, corporate governance structures and technological skills are vital intangible resources that can create long-term competitive advantages and improve financial stability.

Good governance boosts organizational skills by enhancing accountability, strengthening strategic oversight, and ensuring wise resource allocation. Technology supports these governance roles by improving data management, operational efficiency, transparency, and the quality of decision-making (Kariuki & Jagongo, 2022). When governance systems and technology work together effectively, SACCOs can better manage risks, make the most of their resources, and provide value to their members, which are all key signs of financial sustainability.

Nevertheless, RBV scholars point out that technology in itself is not a guarantee of higher performance. Its value depends on a governance culture that supports it, competent management, and the organization's capability to incorporate digital tools into everyday work processes (Mugisha & Kule, 2023). Tumusiime et al. (2021) also emphasize that absence of training, ineffectual supervision, and improper data handling might not only create problems but also expose the organizations to the risk of fraudulent acts and operational failures.

This study considers technology implementation as a resource that elevates the effectiveness of governance practices when there are robust governance systems but SACCOs are governance, wise very weak. From an RBV point of view, the duet of good governance and efficient technology use is a strategic advantage that enhances financial sustainability and institutional resilience of SACCOs in developing economies.

Review of Related Literature

Corporate Governance and Financial Sustainability

Corporate governance basically means the systems and methods that an entity uses to direct, control, and keep managers accountable (Organization for Economic Co, operation and Development [OECD], 2002). When we talk about Savings and Credit Cooperative Organizations (SACCOs), strong corporate governance is essential not only to protect the resources of the members but also to increase their trust and ensure sound financial management. Different researchers have found that improvement in governance of cooperative institutions always leads to an increase in their financial sustainability (Muthoni & Jagongo, 2022; Mutua & Jagongo, 2020).

Governance that works well leads to financial sustainability by encouraging decision, making in line with policies and cutting down on fraudulent and other kinds of unethical behavior besides tightening up the internal control systems. SACCOs which have governance structures allowing for participation and transparency are more likely to experience stable revenue growth, have sufficient capital, and be able to generate positive cash flows from their operations on a continuous basis (Kiarie & Jagongo, 2022).

Nevertheless, there are scholars who argue that the use of governance tools alone will not be able to provide solutions in situations where there is weak enforcement of the law and where managers lack the necessary skills (Tumusiime et al, 2021). Therefore, governance is definitely a major factor influencing sustainability but its effect depends on other organizational and external factors that come simultaneously.

Board Composition

Board composition is very important in determining the quality of governance and strategic oversight that SACCOs can provide. An organized board with the right mix of independence, diversity, and expertise can significantly improve the level of monitoring, minimize conflicts of interest, and lead to better strategic decisions (Obaka et al., 2021). According to Tumusiime, Nkundabanyanga, and Nsubuga (2021), independent directors on the board significantly help to enhance accountability and limit the misuse of managerial power.

In cooperative societies, the board tends to focus more on the representation of members which is good for inclusiveness but it can negatively affect professional oversight if there is a lack of technical skills. Therefore, bringing in professional and independent directors can increase the financial sustainability of the cooperative through better financial discipline, risk management, and strategic planning (Nkundabanyanga et al,2023). However, some members feel that very independent boards may lead to a losing of members' voice and the weakening of cooperative identity (Mugisha & Kule, 2023). This case calls for a well, balanced board that mixes representation with professional expertise in order to provide financial outcomes that are both sustainable and satisfactory.

Transparency

In SACCOs, transparency plays an integral role in the effectiveness of governance as it forms the basis of trust, accountability, and member participation. It means, among other things, sharing financial information on time, maintaining open communication, and having decision, making processes that are inclusive (Kyenze & Aluoch, 2022).

Transparent SACCOs have a higher possibility of attracting and keeping their members, mobilizing savings, and raising funds from the outside, thus becoming financially stable (Mutua & Jagongo, 2020).

On the other hand, lack of disclosure and asymmetry of information shake the members' trust, and mismanagement and fraud risks become higher, which in the end most likely results in financial instability or the closure of the institution (Bowen & Makokha, 2021). It is true that transparency fosters accountability, but some scholars argue that if disclosure is excessive and members do not have sufficient financial literacy, there is a great likelihood that the members will misinterpret financial information thus causing governance conflicts (Omondi & Kamau, 2023). So, it can be understood from this that member education is a necessary condition for transparency to bring about the desirable effects on sustainability.

Risk Management

Risk management plays a key role in the financial sustainability of SACCOs that are very much exposed to credit, liquidity, and operational risks. In fact, establishing strong risk management systems helps SACCOs prepare for unexpected situations, handle loan portfolios with care, and have steady cash flows (Olando et al.,2013). Real, life data reveals that SACCOs that have in place mechanisms for early detection and prevention of risks are the ones that can withstand crises and make good profits in the long run (Kiplimo & Biwott, 2016).

In terms of sustainability, at the very heart of risk management, capital preservation is maintained, and member deposits are safeguarded which in turn leads to a stable institution. On the contrary, the use of advanced risk management techniques may be a thorn in the flesh for small SACCOs that do not have sufficient financial and technical resources (Tumusiime et al., 2021). Thus, one has to consider the size and capability of a SACCO when deciding on what risk management approach to recommend and it is equally important to ensure that minimum prudential standards are adhered to.

Regulatory Compliance

Regulatory compliance is a key requirement for any SACCOS if they want to be allowed to operate. When a SACCO is compliant with the set laws, it basically means that the institution has followed the right and legal ways to provide its services, is transparent in its dealings, is financially viable and is therefore able to continue providing services to its members.

By adhering to the Uganda Microfinance Regulatory Authority (UMRA) regulations, the SACCOs in Uganda not only protect their members' deposits but also develop their institutional reputation and status in the market. In their study, Bowen and Makokha (2021) demonstrated that SACCOs which comply with the mandated regulations gain more trust from the members and enjoy their operations for a longer time.

That said, some SACCOs still find complying with regulations to be an expensive and a major headache especially in relation to the requirements of documentation and provision of the minimum capital (Muthoni & Jagongo, 2022). Definitely these are some of the problems that go with compliance but the benefits that come with compliance in the long run such as improved governance, the ability to access external funding, and lower risk of failure are far greater than the inconvenience of the present costs.

Therefore, regulatory compliance still stands as a major pillar in the financial sustainability of cooperatively owned institutions.

Technology Implementation as a Moderating Variable

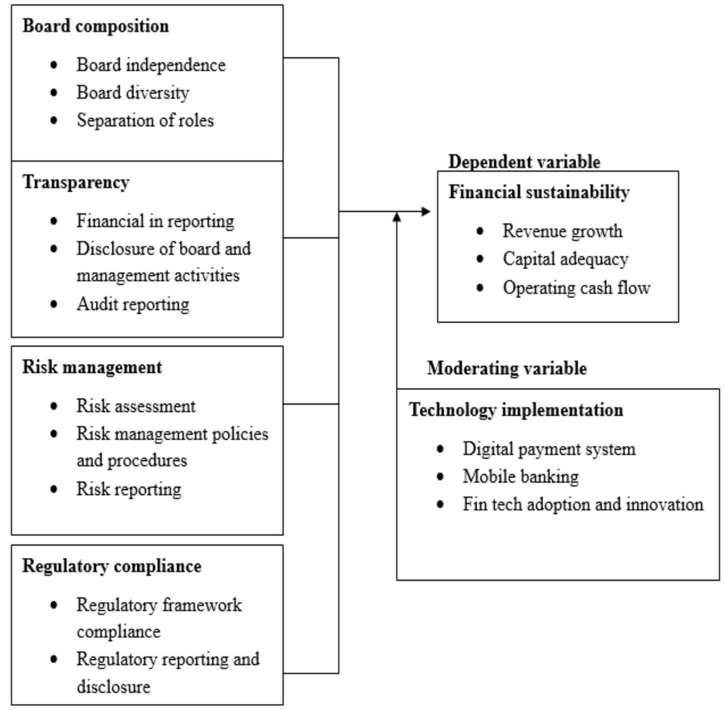
Technology implementation refers to embedding digital systems, automation of processes, and use of data analytics in SACCOs operations. Previous research revealed that the adoption of technology leads to increased productivity of operations, lowering of transaction costs, and better service delivery (Njagi & Njati, 2015; Mutua, 2017). Besides, technology facilitates the enhancement of governance mechanisms through providing tools for real, time monitoring, increasing data accuracy, and enabling data, driven decision, making (Kiarie & Jagongo, 2022).

Technology, when complemented by good governance practices, has the potential to greatly increase the impact that board oversight, transparency, risk management, and regulatory compliance have on financial sustainability. As an illustration, electronic reporting systems improve the level of disclosures, while the use of automated risk assessment tools encourages the making of safe lending decisions. On the contrary, some scholars argue that technology by itself cannot assure better results; in the absence of good governance, employees training and adequate controls, the digital infrastructures can be used to commit fraud and mishandle data (Mugisha & Kule, 2023; Tumusiime et al., 2021). Therefore, the role of technology is that of a factor whose level of usefulness is contingent upon how robust the governance structures are.

Conceptual Framework

The proposed conceptual framework depicts the relationship between corporate governance practices (independent variable) and financial sustainability (dependent variable), moderated by technology implementation.

Fig 1.1 adopted from Muthoni and Jagongo (2022) and modified by the researcher (2024)



Methodology

This research takes a conceptual and theoretical stance based on an extensive review of empirical and theoretical literature. The study did not collect primary data; instead, it relied on secondary data from peer-reviewed journal articles, SACCO-related policy reports, and documented case studies. The articles discussed key issues relating to SACCOs, corporate governance, financial sustainability, and technology adoption in developing countries. The literature was critically analysed to synthesize the major findings, theoretical discussions, and contextual perspectives that reveal the importance of cooperative governance and sustainability at the local level (Creswell, 2023; Webster & Watson, 2002).

The research team employed content analysis and thematic synthesis as their main methods of analysis to carefully study the literature and reveal the themes, relationships, and research gaps. Qualitative textual analysis of this kind allowed them to associate corporate governance aspects such as board composition, transparency, risk management, and regulatory compliance with the financial sustainability of the firm. Furthermore, technology adoption was viewed as a moderating variable that impacts these relationships. As a result, the authors were able to propose a more precise conceptual framework and theoretically grounded propositions that are suitable for future empirical studies (Braun & Clarke, 2006; Guest et al., 2012).

Conceptual Findings

Good corporate governance is essential for SACCOs to maintain financial viability. When governance is effective, accountability increases, managers are less likely to engage in misconduct, and members develop greater trust in the organization. This fosters stability and enhances the longevity of the SACCO (Obaka et al., 2021; Tumusiime et al., 2021). SACCOs with strong governance tend to manage resources more efficiently, retain members longer, and better withstand challenging circumstances. Factors such as board composition, transparency, risk management, and regulatory compliance are crucial to a SACCO's financial survival.

Board Composition

The composition of a board significantly impacts a company's governance and strategic planning. Boards that are independent, diverse, and composed of experts are better positioned to make informed financial decisions, ensure managerial accountability, and avoid conflicts of interest (Omondi & Kamau, 2023). Boards with a mix of genders, professional backgrounds, and experiences contribute diverse perspectives, leading to improved decision-making and adaptability. Research indicates that SACCOs with independent and knowledgeable boards perform better and face fewer issues related to poor management (Muriithi & Kihara, 2021). Additionally, Mugisha and Kule (2023) state that independent boards strengthen internal checks and balances, thereby reducing self-serving behavior among managers.

Continuous learning is vital for board members to keep pace with evolving regulations and emerging technologies. Kariuki and Jagongo (2022) argue that boards that undergo training can integrate technological advancements into their operations, enhancing oversight and ensuring financial integrity. Conversely, boards lacking the requisite skills may struggle to make timely decisions and comply with regulations, potentially jeopardizing the organization's long-term viability. Thus, board composition not only shapes governance but also influences a SACCO's ability to adapt to technological changes and maintain competitiveness.

Transparency

Transparency is critical for effective governance as it fosters trust, accountability, and stakeholder engagement. It entails the timely sharing of financial and operational information and involving members in significant decision-making processes. SACCOs that prioritize transparency tend to attract more deposits, maintain higher liquidity, and enhance member confidence, ultimately cultivating greater trust.

Recent studies indicate that transparency is closely linked to technology adoption. Digital reporting facilitates access to financial information and reduces the likelihood of data manipulation. For instance, SACCOs utilizing online banking systems provide members with real-time information, thereby enhancing satisfaction and trust. Conversely, a lack of transparency can lead to misinformation, conflicts, and financial difficulties. Therefore, fostering transparency is essential for building trust and ensuring smooth operations.

Risk Management

SACCOs can utilize risk management to identify, assess, and mitigate risks to their finances, operations, and reputation. Effective risk management frameworks enable them to proactively safeguard their assets and ensure operational continuity. Studies show that SACCOs with robust risk management practices tend to perform better financially and maintain adequate capital (Olando et al., 2013). Measures such as credit scoring and internal audits enhance their resilience and reduce the likelihood of loan defaults (Kiplimo & Biwott, 2016; Wekesa & Ochieng, 2021).

Technology significantly enhances risk management capabilities. Tools such as real-time data analysis, automated credit assessments, and online monitoring improve accuracy and reduce oversight costs (Kariuki & Jagongo, 2022). However, Mugisha and Kule (2023) caution that inadequate cybersecurity measures or insufficient technological expertise may expose SACCOs to data breaches and system failures. This underscores the necessity for effective leadership and technology-driven risk management to work in tandem.

Regulatory Compliance

SACCOs must adhere to the rules and regulations set forth by relevant governing authorities. Compliance ensures legitimacy and mitigates the risk of mismanagement. Adhering to guidelines from the Uganda Microfinance Regulatory Authority (UMRA) enhances member trust and contributes to sustainability (Bowen & Makokha, 2021). Technology plays a crucial role in this regard, as digital audits and automated reporting streamline compliance processes, minimize errors, and provide regulators with clearer insights (Mugisha & Kule, 2023). Conversely, failure to comply can result in penalties, reputational damage, and loss of member trust. Thus, the integration of regulatory compliance and technology is of paramount importance.

Technology Implementation as a Moderating Variable

Technology plays a significant role in harmonizing business management and financial operations. Digital tools facilitate monitoring, communication, and decision, making, thus, overall management functions become less complicated. According to Mutua and Jagongo (2020), technology enables the automation of financial reporting, performance tracking, and data validation processes. Additionally, it is evident that digitalization acts as a catalyst for reducing friction and allowing people to monitor managerial actions live (Kariuki & Jagongo, 2022; Mugisha & Kule, 2023).

However, the extent to which technology is beneficial hinges on a company's readiness, availability of equipment, and employee skills (Omondi & Kamau, 2023). Weakly set up systems or lack of proper cybersecurity could result in tampered data and SACCOs being exposed to risks. Nevertheless, if technology is implemented properly, it can result in management becoming more accountable, operations being more efficient, and the public having more trust in the company, which eventually leads to the company having a sustainable financial position. Therefore, good management and innovative technology cooperating are of paramount importance to SACCOs for them to remain viable and grow.

7.0 Implications and Recommendations

This study's results have real-world implications when it comes to thinking about SACCOs, how they work, and the rules that govern them. This helps us make solid suggestions on how to run and keep SACCOs going.

Theoretical Implications

This paper advances the contemporary governance literature by reinterpreting the classical agency and stewardship models. Whereas traditional viewpoints frequently split managerial motivation into two extreme categories, self, interest and collective stewardship, the study reveals that the implementation of technology may be considered one of the strongest influencing variables that facilitate a change in the governance model from a human, centered style to a technology, facilitated governance style. Digital architectures like automated reporting, audit trails, and real, time monitoring help to proactively reduce agency issues and increase transparency, thus upgrading the theoretical frameworks of Mutua & Jagongo (2020) and Kariuki & Jagongo (2022).

Besides, the Resource, Based View is supported and elaborated upon in this study. By smartly adopting the digital tools, SACCOs are not only creating their own unique, difficult, to, imitate, advanced capabilities (example advanced data analytics, automated risk controls, integrated reporting systems) but also continuously generating these capabilities that constitute the long, term sources of financial sustainability which is a direct result of winning and sustaining competitive advantage (Barney, 1991; Mugisha & Kule, 2023). This research, by proving that technological resources can coexist and add value to the governance ones, extends the realm of resource orchestration theory in the context of cooperative finance.

Practical Implications

The framework offers a clear message to SACCO managers and practitioners that a dual governance model incorporating both human and technological elements is indispensable. It is still very important to have well, qualified and independent board members for overall direction and risk monitoring, and at the same time, a culture of openness will improve the confidence and trust of the stakeholders as well as the reputation of the institution (Omondi & Kamau, 2023; Kyenze & Aluoch, 2022).

Embedding technology into the main business and governance operations such as transaction processing to automated reporting helps in elevating the operational efficiency, accuracy, and strengthening of internal controls (Kiarie & Jagongo, 2022). Thus, it is imperative for the managers to systematically plan the digital transformation initiatives in concert with the wider governance framework to not only attain performance optimization but also to secure financial resilience. Besides that, utilizing data, driven risk management strategies at the core allows for instant decision, making and lessens the risk in credit, liquidity, and operations.

Policy Implications

The results of the study can be interpreted as a wake, up call to the regulatory authorities especially the Uganda microfinance regulatory authority. In fact, regulations of the modern governance codes ought to be amended to reflect the use of technology as a major component of cooperative oversight. Regulatory requirements may either oblige or encourage the use of core banking systems, digital reporting platforms, and automated audit functionalities as effective means of raising the overall governance standards in the sector (Bowen & Makokha, 2021).

In addition to this, the regulators have to come up with specifically designed capacity, building programs to raise the level of digital literacy of SACCO boards and management. Training programs can reconcile the difference that exists between the regulatory notion and the actual ability through which SACCOs would be able to use digital governance solutions that are not only secure but also efficient and cost, effective (Mugisha & Kule, 2023)

Recommendations

Building on the results, the research gives the recommendations below:

Investment in Digital Infrastructure: SACCOs ought to invest in digital infrastructures that allow for easy expansion and are not very expensive, such which will improve the monitoring of governance, financial reporting, and decision, making.

Board Development: A training program for board members should be designed in such a way that it provides an understanding of how technology can be effectively used for financial control, data analytics, and risk, aware decision-making.

Strengthening Risk Management: Companies should consider the use of data, driven analytical tools as an integral part of their risk frameworks so as to easily identify, assess, and mitigate risks in real, time proactively.

Regulatory Support: Compliance frameworks should be revised by regulators in such a way that digital governance maturity standards are a part of them hence making SACCOs consistent and reliable.

Further Research: The current study model can be pilot, tested with strong indicators such as governance indices, technological readiness assessments, and financial sustainability measures of SACCOs not only in Uganda but also in other comparable developing countries.

Conclusion

This research presents a robust conceptual framework that connects corporate governance practices with the financial sustainability of SACCOs, where technology implementation plays an important role as a moderating factor. The framework reinterprets corporate governance by combining traditional governance mechanisms with the digital capability to serve as a means of achieving higher operational efficiency, accountability, and resilience of cooperative organizations.

Theoretically, the authors have combined agency theory, stewardship theory, and the resource-based view to discuss that technological assets, which are in line with good governance practices, can be an institutional strength and support long term viability (Mutua & Jagongo, 2020; Mugisha & Kule, 2023). In fact, the framework focuses on the characteristics of the best board of directors, transparency, risk management, and compliance. At the same time, it sees the incredible opportunity that the use of technology has in these procedures. Thus, the paper contributes to the academic debate surrounding the governance of cooperatives in the developing world and offers an initial framework for empirical research on the impact of digital transformation on sustainable financial management.

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