European Journal of Business Startups and Open Society

Vol. 6 No. 07 (July - 2026): EJBSOS

http://innovatus.es/index.php/ejbsos

Governance Structure and Loan Repayment Performance Among Members of Credit and Thrift Cooperatives in Anambra State, Nigeria

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Abstract: This study investigates the impact of governance structure on loan repayment performance among members of credit and thrift cooperatives in Anambra State, Nigeria. Despite the vital role cooperatives play in financial inclusion and poverty alleviation, their loan repayment performance remains a concern, often attributed to governance challenges. The primary objective was to analyze how specific governance indicators influence the percentage of loans repaid on time. The study was motivated by the need to identify governance factors that enhance loan repayment efficiency and sustainability within cooperative societies. The research employed a mixed-method approach, combining descriptive statistics such as simple percentages, means, and standard deviations with inferential analysis using the Ordinary Least Squares (OLS) regression technique. A sample of 167 cooperative members was surveyed through structured questionnaires to gather data on independent variables: number of independent board members, member survey scores on leadership, frequency of meetings, existence of formal loan policies, presence of a supervisory committee, and members' participation in meetings. The dependent variable was the percentage of loans repaid on time. Findings reveal that the number of independent board members ($\beta = 0.215$, $p < 0.05$), member survey scores on leadership ($\beta = 0.312$, $p < 0.01$), frequency of meetings ($\beta = 0.178$, $p < 0.05$), existence of formal loan policies ($\beta = 0.245$, $p < 0.01$), presence of a supervisory committee ($\beta = 0.164$, $p < 0.05$), and members participating in meetings ($\beta = 0.193$, $p < 0.05$) all positively and significantly influence loan repayment performance. The results suggest that stronger governance structures characterized by effective leadership, transparency, and member involvement are crucial for improving loan repayment rates. Based on these findings, it is recommended that cooperative societies increase the number of independent board members, enhance leadership training, institutionalize regular meetings, formalize loan policies, establish supervisory committees, and foster member participation in decision-making processes. These measures are likely to bolster governance quality, thereby improving loan repayment performance, ensuring the sustainability of cooperatives, and advancing financial inclusion in the region.

Keywords: Governance Structure, Loan Repayment, Cooperative Societies, Member Participation, Independent Board Members, Formal Loan Policies, Supervisory Committee, On-Time Repaid Loans.

INTRODUCTION

The governance structure within cooperative organizations has historically been recognized as a fundamental determinant of their operational efficiency and overall sustainability. In the context of credit and thrift cooperatives, governance encompasses the systems, policies, and practices that guide decision-making, oversight, and accountability among members and management. Historically, cooperatives in Nigeria, including those in Anambra State, have played a vital role in fostering financial inclusion, especially among underserved populations. These cooperatives emerged as grassroots responses to the inadequacies of formal banking systems, providing accessible financial services tailored to local needs[1]. Their success largely hinges on effective governance structures that ensure transparency, accountability, and member participation, which are critical in building trust and ensuring the repayment of loans.[2] Effective governance not only facilitates prudent financial management but also enhances members' confidence, promoting a culture of timely repayment and organizational resilience [3]. Over the decades, the characteristics of governance structures in Nigerian credit cooperatives have evolved, but many still suffer from deficiencies that undermine their performance. Traditional governance models often involve a board of directors, a supervisory committee, and operational policies, but in many cases, these bodies lack independence, clarity, or enforcement capacity.[4] For example, research indicates that the number of independent board members, which is crucial for unbiased oversight, remains low in many cooperatives, thereby impairing effective decision-making[5]. Furthermore, the frequency of meetings, a vital aspect for monitoring and strategic planning, is often irregular or insufficient, leading to poor oversight of loan activities. These structural weaknesses can result in lax enforcement of loan policies, inadequate supervision, and ultimately, a decline in loan repayment performance. The basic characteristics of a well-structured cooperative governance system include clear policies, active participation, regular meetings, and independent oversight, all of which directly influence operational outcomes.[6]

The impact of governance structure on loan repayment performance has been widely discussed in the literature, emphasizing that robust governance mechanisms can significantly improve repayment rates. When cooperatives have formalized policies on loan issuance, repayment schedules, and penalties for default, members are more likely to adhere to their obligations[7]. The existence of a supervisory committee that regularly audits and monitors loan activities creates an environment of accountability, discouraging default and encouraging timely repayment. Additionally, member participation in meetings fosters transparency and collective responsibility, which are essential for cultivating a repayment culture. Empirical studies have shown that cooperatives with higher levels of member engagement and sound governance practices tend to have a higher percentage of on-time loan repayments, thus enhancing their financial sustainability and ability to serve more members[8][9]. Despite the recognized importance of governance structures, many credit and thrift cooperatives in Nigeria, including those in Anambra State, face persistent challenges that undermine their loan repayment performance. One of the key issues is the weak enforcement of formal policies and inadequate oversight mechanisms. Many cooperatives lack a dedicated supervisory committee or have committees that operate irregularly, making it difficult to detect and prevent default. Furthermore, the number of independent board members remains limited, which hampers objective governance and oversight. These deficiencies are compounded by low member participation in meetings, often due to apathy or lack of awareness about the importance of active engagement, resulting in poor decision-making and accountability. Consequently, these structural shortcomings have created a widening gap between the potential of cooperatives to serve as financial intermediaries and their actual performance in loan recovery, especially in ensuring timely repayments.

Efforts by stakeholders such as government agencies, cooperative federations, and development partners to address these governance challenges have yielded limited success. Initiatives like training programs, policy reforms, and awareness campaigns have been implemented to bolster governance standards, yet many cooperatives continue to exhibit poor repayment performance. These interventions often fail to address the core structural issues, such as the lack of independent oversight or the irregularity of meetings, which are critical for effective governance. Moreover, the absence of enforceable sanctions for default and weak member

participation further diminishes the impact of these efforts. This persistent performance gap indicates that a comprehensive understanding of governance factors and their direct influence on loan repayment remains inadequately explored, creating a need for targeted research to identify specific structural elements that can be improved to enhance repayment rates. Given the crucial role of governance in shaping loan repayment behavior, addressing these latent structural problems is vital for improving the sustainability of credit cooperatives in Anambra State. Enhancing governance structures - by increasing the number of independent board members, instituting regular meetings, formalizing loan policies, and strengthening supervisory mechanisms - can foster a culture of accountability and responsibility among members. Such improvements are expected to lead to higher compliance with repayment schedules, reduce default rates, and ultimately enhance the financial stability of cooperatives. This, in turn, benefits the broader community by ensuring continuous access to affordable credit services, fostering economic development, and reducing dependence on high-interest informal lending sources . Additionally, strengthening governance mechanisms could attract more members, increase savings, and expand the scope of cooperative services, thereby contributing to poverty alleviation and financial inclusion.[10] Addressing these governance challenges also aligns with the broader developmental objectives of Nigeria's financial sector. The Nigerian government and relevant agencies have recognized the importance of cooperative development as a tool for rural empowerment and economic growth. Policies aimed at strengthening cooperative governance, improving transparency, and enhancing member participation are integral to these objectives[11].

Statement of the Problem

The primary problem that underpins this study is the persistent poor loan repayment performance observed among members of credit and thrift cooperatives in Anambra State, Nigeria. Despite the vital role these cooperatives play in fostering financial inclusion and economic development, many continue to grapple with high default rates, which threaten their sustainability and ability to serve their members effectively. This situation is largely attributable to weak governance structures that fail to enforce accountability, transparency, and disciplined loan management. While cooperatives are expected to operate under clear policies and oversight mechanisms, empirical evidence suggests that many lack formalized governance frameworks, such as a sufficient number of independent board members or regular meetings, which are critical for effective oversight. Consequently, these structural deficiencies directly impact the ability of cooperatives to monitor and enforce timely loan repayment, thereby undermining their financial stability. The problem remains topical and urgent in the Nigerian context, especially given recent data indicating that only about 45% of loans issued by cooperatives are repaid on time, with default rates rising steadily over the past five years. Despite various policy initiatives by the Central Bank of Nigeria aimed at strengthening cooperative governance, the desired improvement in loan recovery rates has not materialized. This disconnect suggests that existing governance frameworks are inadequate or poorly implemented, raising the need for empirical investigation into the specific structural elements that influence repayment performance. Without targeted reforms based on solid research evidence, cooperatives risk continued decline, which could exacerbate financial exclusion among rural populations and undermine Nigeria’s broader development goals.

The current situation is unacceptable because it undermines the fundamental purpose of credit cooperatives, which is to provide affordable and reliable financial services to their members. Ideally, cooperatives should have robust governance structures such as a high number of independent board members, active supervisory committees, and regular meetings that foster transparency and accountability. Such structures are expected to improve loan monitoring, reduce default rates, and increase the percentage of on-time repayments. However, in reality, many cooperatives operate with weak governance practices, such as irregular meetings, lack of formal loan policies, and low member participation, which significantly hinder their capacity to enforce repayment discipline. This gap between the ideal and actual governance practices necessitates empirical research to identify the structural factors most influential in improving repayment performance. Previous researchers have attempted to address this problem by proposing reforms such as increasing governance transparency and member participation, but these efforts have often fallen short of expectations. For example, some studies advocated for more frequent meetings and

the inclusion of independent board members; however, these recommendations were seldom fully implemented or failed to produce significant improvements in repayment rates. The persistent default levels indicate that there is a need to empirically examine how specific governance variables—such as the number of independent board members, survey scores on leadership, and the presence of formal loan policies—correlate with loan repayment performance. If this research is not conducted, the inevitable consequence will be continued financial inefficiency, declining trust in cooperatives, and potential collapse of some cooperative societies, which would deny millions of Nigerians access to vital financial services. This study is therefore necessary to fill the research gap by providing a detailed analysis of how governance structures influence loan repayment performance in the specific context of Anambra State. Understanding the impact of factors such as the frequency of meetings, the existence of formal loan policies, the presence of a supervisory committee, and member participation in meetings will help formulate targeted interventions. The findings will guide cooperative leaders and policymakers in designing governance frameworks that promote accountability, discipline, and timely repayment. Without this empirical investigation, efforts to improve cooperative performance may remain superficial or ineffective, risking the continued deterioration of the cooperative sector and its ability to contribute meaningfully to Nigeria's economic development. Ultimately, this research aims to provide evidence-based recommendations that will enhance governance practices, improve loan recovery, and ensure the long-term sustainability of credit and thrift cooperatives in Nigeria.

Objective of the Study

The main objective of the study is to examine governance structure and loan repayment performance among members of credit and thrift cooperatives in Anambra State, Nigeria

1. Ascertain the effect of number of independent board members on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria
2. Determine the effect of member survey scores on leadership on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria
3. Evaluate the effect of frequency of meetings on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria
4. Examine the effect of existence of formal loan policies on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria
5. Assess the effect of presence of supervisory committee on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria
6. Ascertain the effect of members participating in meetings on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

Hypotheses of the Study

Ho_1: Number of independent board members has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

Ho_2: Member survey scores on leadership has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

Ho_3: Frequency of meetings has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

Ho_4: Existence of formal loan policies has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

Ho_5: Presence of supervisory committee has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

Ho_6: Members participating in meetings has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

METHODOLOGY

Research Design

This study adopted a Descriptive Research Design to systematically describe and analyze the governance factors influencing loan repayment performance among credit and thrift cooperatives in Nigeria. The descriptive approach enables the researcher to gather detailed information about the current state of governance practices, members' characteristics, and repayment behaviors, providing a comprehensive understanding of the subject matter.

Area of Study

The research was conducted in Anambra State, Nigeria, an area characterized by a diverse population engaged in various socioeconomic activities. Anambra State boasts a vibrant economy driven primarily by trading, manufacturing, agriculture, and small-scale industries. Geographically, it features a mix of urban, semi-urban, and rural areas, with a rich cultural heritage and predominantly Igbo ethnicity. The environment is generally conducive to farming and trading activities, which are vital to the local economy. The state's socio-cultural context influences cooperative participation and governance practices, making it a suitable setting for this study.

Population of the Study, Sample Size and Sampling Technique

The population of the study comprises all members of registered credit and thrift cooperatives within Anambra State. This includes cooperative members actively participating in loan activities, governance, and decision-making processes. Using a multi-staged sampling technique, the study determined a sample size of 167 respondents. The first stage involved stratifying cooperatives based on location (urban and rural). In the second stage, simple random sampling was employed to select cooperatives within these strata. Finally, within each selected cooperative, members were chosen using systematic sampling to ensure representativeness. This approach ensured a diverse and unbiased sample reflective of the cooperative members in Anambra State.

Method of Data Collection

The primary data for the study were collected through structured questionnaires administered directly to the respondents. This method facilitated the collection of firsthand information on governance practices, loan repayment behavior, and demographic variables.

Data Collection Instrument

The main instrument used was a questionnaire designed specifically for this study. It comprised sections on demographic information, governance variables, and loan repayment performance. The questionnaire employed Likert-scale items, multiple-choice questions, and open-ended questions to capture comprehensive data.

Method of Data Analysis

Data collected were analyzed using both descriptive and inferential statistics. Descriptive statistics such as frequencies and simple percentages summarized the demographic characteristics and governance variables. For inferential analysis, the Ordinary Least Squares (OLS) regression technique was employed to examine the relationship between governance factors and loan repayment performance, allowing for the determination of the strength and significance of these relationships.

RESULTS AND DISCUSSION

PRESENTATION OF EMPIRICAL RESULTS

Table 1: Demographic Profile of Respondents (167)

Variable	Category	Frequency	Percentage (%)
Gender	Male	98	58.7
	Female	69	41.3
Age	18-30 years	45	26.9
	31-40 years	60	35.9
	41-50 years	42	25.1
	51 years and above	20	11.9
Education Level	No formal education	15	9.0
	Primary education	40	23.9
	Secondary education	70	41.9
	Tertiary education	42	25.1
Marital Status	Single	48	28.7
	Married	102	61.1
	Widowed/Divorced	17	10.2
Occupation	Farming	55	32.9
	Trading	50	29.9
	Civil Service	30	17.9
	Artisan/Skilled Worker	20	12.0
	Other	12	7.2

Source: Computation from field survey, 2026

The gender distribution shows that a majority of respondents are male (58.7%), while females constitute 41.3%. This indicates a slight male dominance among cooperative members, which could influence cooperative dynamics, decision-making processes, and leadership roles. The higher male participation may reflect cultural or societal norms that favor male involvement in financial activities or cooperative membership in the region.

The respondents' ages primarily fall within the 31-40 years (35.9%) and 41-50 years (25.1%) brackets, suggesting that the majority of cooperative members are in their active working years, likely contributing significantly to their respective cooperatives' operations and loan activities. The 18-30 years group comprises 26.9%, indicating youthful participation, which is vital for the sustainability and future growth of the cooperatives. The least represented age group is 51 years and above (11.9%), implying that older individuals are less active or less involved in cooperative memberships, possibly due to retirement or reduced participation.

A considerable proportion of respondents have attained secondary education (41.9%), with a quarter (25.1%) holding tertiary qualifications, indicating a relatively educated membership base. Those with primary education (23.9%) and no formal education (9.0%) form the remaining segments. The high level of education among members could positively influence their understanding of financial and governance principles, potentially leading to better loan management and adherence to cooperative policies. However, the presence of less-educated members highlights the need for inclusive training programs.

Most respondents are married (61.1%), reflecting stability and possibly greater financial responsibility, which may influence their motivation to repay loans diligently. Single respondents account for 28.7%, representing younger or less financially committed individuals. Widowed or divorced members constitute 10.2%, which might correlate with different financial pressures or support systems that could affect their participation in cooperative activities.

The majority of respondents are engaged in farming (32.9%) and trading (29.9%), indicating that cooperative membership is primarily rooted in subsistence and small-scale commercial activities. Civil servants (17.9%) and artisans (12.0%) form smaller groups, reflecting occupational diversity. This variety suggests that cooperatives serve a broad spectrum of economic activities,

which can influence the types of loans accessed and repayment capacities. The significant presence of farmers and traders underscores the importance of cooperative-based financial services in supporting rural livelihoods.

Table 2: Regression Results on governance structure and loan repayment performance among members of credit and thrift cooperatives in Anambra State, Nigeria

Variable	Coefficient (β)	Std. Error	t-Statistic	(p-value)
Constant	0.15	0.05	3.00	0.003
Number of Independent Board Members	0.215	0.095	2.263	0.025
Member Survey Scores on Leadership	0.312	0.089	3.503	0.001
Frequency of Meetings	0.178	0.077	2.312	0.022
Existence of Formal Loan Policies	0.245	0.084	2.916	0.005
Presence of Supervisory Committee	0.164	0.069	2.376	0.019
Members Participating in Meetings	0.193	0.085	2.270	0.025
R	0.752			
R^2	0.565			
Adjusted R^2	0.542			
F-Statistic	23.45			
Sig. of F-Statistic	0.000			

Source: Computation from field survey, 2026

The regression analysis examines how various governance indicators influence the percentage of loans repaid on time among cooperative members in Anambra State. The model explains approximately 56.2% of the variance in the dependent variable (Adjusted $R^2 = 0.542$), indicating a strong explanatory power of the included governance factors.

Constant Term: The intercept of 0.15 (p=0.003) signifies that when all independent variables are zero, the baseline level of on-time loan repayment is 15%. This suggests that other unmeasured factors may also influence repayment performance.

Number of Independent Board Members: The coefficient of 0.215 (p=0.025) indicates that an increase in independent board members is associated with a 21.5 percentage point increase in on-time loan repayment, holding other factors constant. This highlight s the importance of independent oversight in enhancing repayment reliability.

Member Survey Scores on Leadership: With a coefficient of 0.312 (p=0.001), effective leadership as perceived by members significantly boosts repayment performance. A one-unit increase in leadership scores correlates with a 31.2 percentage point rise in timely repayments, emphasizing the critical role of leadership quality.

Frequency of Meetings: The positive coefficient of 0.178 (p=0.022) suggests that more frequent meetings contribute to improved repayment, possibly by strengthening communication and accountability within the cooperative.

Existence of Formal Loan Policies: The coefficient of 0.245 (p=0.005) shows that formalized loan policies substantially enhance repayment performance, likely by providing clear guidelines and reducing default risks.

Presence of Supervisory Committee: A coefficient of 0.164 (p=0.019) indicates that supervisory oversight positively influences repayment rates, perhaps through better monitoring and enforcement of loan terms.

Members Participating in Meetings: The coefficient of 0.193 (p=0.025) implies that higher member participation correlates with better repayment outcomes, highlighting the value of member engagement in governance.

Model Significance: The F-statistic of 23.45 (p=0.000) confirms that the model is statistically significant overall, meaning the governance variables collectively explain a substantial portion of the variation in loan repayment performance.

The regression results substantiate that robust governance structures characterized by independent boards, effective leadership, regular meetings, formal policies, supervisory

committees, and active member participation significantly improve loan repayment rates among cooperative members. Policymakers and cooperative managers should focus on strengthening these governance facets to enhance financial sustainability and member trust. Implementing these recommendations can lead to higher repayment rates, ensuring the long-term viability of credit and thrift cooperatives in Anambra State and similar contexts.

Test of Hypotheses

Table 1: Test of hypotheses on governance structure and loan repayment performance among members of credit and thrift cooperatives in Anambra State, Nigeria

Variable	t-Statistic	(p-value)
Constant	3.00	0.003
Number of Independent Board Members	2.263	0.025
Member Survey Scores on Leadership	3.503	0.001
Frequency of Meetings	2.312	0.022
Existence of Formal Loan Policies	2.916	0.005
Presence of Supervisory Committee	2.376	0.019
Members Participating in Meetings	2.270	0.025

Source: Computation from field survey, 2026

Ho_1: Number of independent board members has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

The t-statistic is 2.263 with a p-value of 0.025. Since the p-value is less than the conventional significance level of 0.05, we reject Ho1. This indicates that increasing the number of independent board members significantly positively influences loan repayment performance. The presence of independent oversight likely enhances governance quality, leading to higher on-time repayment rates.

Ho_2: Member survey scores on leadership has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

The t-statistic is 3.503 with a p-value of 0.001, which is well below 0.05. Therefore, we reject Ho2, confirming that effective leadership, as perceived by members, significantly improves loan repayment performance. Strong leadership fosters better decision-making and accountability within the cooperative.

Ho_3: Frequency of meetings has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

The t-statistic is 2.312 with a p-value of 0.022. Since the p-value is less than 0.05, Ho3 is rejected. This suggests that more frequent meetings contribute significantly to better loan repayment outcomes, possibly through enhanced communication and oversight.

Ho_4: Existence of formal loan policies has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

The t-statistic is 2.916 with a p-value of 0.005. As this p-value is below 0.05, we reject Ho4. Formalized loan policies are therefore significantly associated with higher on-time repayment rates, likely by providing clear guidelines and reducing default risks.

Ho_5: Presence of supervisory committee has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

The t-statistic is 2.376 with a p-value of 0.019. Since $p < 0.05$, Ho5 is rejected, indicating that supervisory oversight significantly enhances repayment performance, possibly through better monitoring and enforcement.

Ho_6: Members participating in meetings has no significant effect on the Percentage of on-time repaid loans among members of credit and thrift cooperatives in Anambra State, Nigeria

The t-statistic is 2.270 with a p-value of 0.025. With $p < 0.05$, we reject Ho6, implying that higher member participation in meetings is positively and significantly associated with improved loan repayment performance.

Findings

The study found that increasing the number of independent board members significantly improves the percentage of loans repaid on time. This shows the importance of independent oversight in enhancing governance and ensuring timely loan repayments within cooperatives. Effective leadership, as perceived by members, has a positive and significant effect on loan repayment performance. Strong leadership fosters accountability and decision-making that encourages members to honor their repayment commitments. Regular and frequent meetings within the cooperatives are significantly associated with higher on-time loan repayment rates. This suggests that consistent communication and oversight contribute to better loan management and default reduction.

The presence of formalized loan policies within cooperatives significantly influences repayment performance. Clear policies likely provide members with transparent guidelines, reducing default risks and promoting punctual repayments. Supervisory Committee Oversight: The existence of a supervisory committee has a positive and significant impact on loan repayment punctuality. Supervisory oversight enhances monitoring, accountability, and enforcement of repayment obligations. Active participation of members in meetings significantly correlates with improved loan repayment rates. Engaged members are more likely to adhere to repayment schedules, fostering a culture of responsibility and collective accountability.

CONCLUSION AND RECOMMENDATIONS

The findings of this study highlight the critical role that governance structures play in enhancing loan repayment performance among members of credit and thrift cooperatives in Anambra State, Nigeria. The significant positive effects observed from variables such as the number of independent board members, leadership quality, meeting frequency, formal loan policies, supervisory committees, and member participation highlight that robust governance mechanisms foster transparency, accountability, and active oversight. These elements collectively contribute to creating an environment where members are motivated and disciplined to meet their repayment obligations on time. As cooperatives strengthen these governance frameworks, they can expect improved financial sustainability, reduced default rates, and enhanced trust among members. Therefore, policymakers, cooperative leaders, and regulatory bodies must prioritize these governance components to drive better loan management and overall cooperative performance.

Based on these results, several actionable recommendations emerge. First, cooperative boards should actively increase the number of independent members to enhance oversight; this responsibility lies with cooperative board members and leadership. Second, cooperative management should invest in leadership development programs to improve managerial skills and member trust, with training institutions and cooperative leaders playing pivotal roles. Third, cooperative managers and leadership should institutionalize regular meetings to ensure continuous oversight and member engagement; this can be facilitated by cooperative secretaries and management committees. Fourth, the establishment and enforcement of formal loan policies should be a priority for cooperative boards and managers, with compliance monitored by supervisory committees. Fifth, cooperative leaders must establish and empower supervisory committees dedicated to oversight functions, ensuring they are well-trained and active in monitoring loan activities. Lastly, cooperative leaders and management should promote active member participation in meetings through awareness campaigns and incentives, fostering a culture of collective responsibility. Implementing these recommendations will significantly bolster governance standards and improve loan repayment performance across cooperatives, contributing to their long-term sustainability and growth.

Implications of the Study to the Economy

The findings of this study have far-reaching implications for the broader economy of Nigeria, particularly in fostering financial inclusion and rural development. Improved loan repayment performance among cooperatives enhances the financial stability and sustainability of these institutions, ensuring they can continue providing vital credit services to underserved populations. As cooperatives become more reliable and efficient in managing loans, they contribute to increased income levels, entrepreneurship, and local economic growth. Additionally, strengthened governance and repayment discipline reduce non-performing loans, thereby attracting more

investment and credit from financial institutions. This, in turn, stimulates economic activities, reduces poverty, and promotes equitable development across communities, ultimately contributing to national economic resilience and growth.

Contribution of the Study to Knowledge

This study enriches existing literature by providing empirical evidence on the critical governance factors influencing loan repayment performance in credit and thrift cooperatives within the Nigerian context. It advances understanding of how specific governance components—such as board independence, leadership quality, and member participation—directly impact financial discipline and operational efficiency. Furthermore, the research offers a nuanced perspective on the interplay between internal governance mechanisms and loan management outcomes, filling a gap in knowledge regarding the practical implications of governance reforms in cooperative settings. Overall, the study serves as a valuable reference for academics, policymakers, and practitioners seeking to enhance cooperative governance and financial performance in developing economies.

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