

# **ENTREPRENEURIAL RISK TAKING AND GROWTH OF DEPOSIT TAKING SAVINGS AND CREDIT CO-OPERATIVES IN KENYA: MODERATING ROLE OF TECHNOLOGICAL CAPABILITY**

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## **ABSTRACT**

Firm growth remains the ultimate goal of financial organizations in banking sector. Banking Savings and Credit Co-operative societies (SACCOs) adopt Entrepreneurial risk taking in an effort to achieve expected growth objectives. Further, banking SACCOs embrace information technology to enhance entrepreneurial risk taking with a main focus of achieving expected growth. The study aimed to establish the moderating role of IT capability in the relationship entrepreneurial risk taking and growth of banking SACCOs in Kenya. The study was anchored on entrepreneurial orientation theory, resource-based view (RBV) and Information Systems Success Model. The study used a cross sectional research design. The population of the study was 175 DTSACCOs. The study used both primary and secondary data. Primary data was collected using structured questionnaire. Collected data was processed through checking for completeness, editing, and coding and data entry. The study adopted descriptive and inferential statistics techniques to analyze data. From the results, there exists a strong, significant and positive correlation ( $r=0.830$ ,  $PV=0.0000<0.01$ ) between entrepreneurial risk taking and growth of Deposit Taking SACCOs in Kenya. Regression results established that risk taking had a significant, positive relationship with growth of SACCOs as  $\beta_1 = 0.335$ ,  $PV=0.0000$ ,  $t= 18.014$ . This clearly indicated that an increase in SACCOs' entrepreneurial risk taking as entrepreneurial orientation would lead to increase in growth of DTSACCOs by 0.335. Upon introduction IT capability, entrepreneurial risk taking had a significant and positive correlation with growth of DTSACCOs in Kenya as  $R1=0.652 < R2=0.953$ . The results reveal IT capability enhance entrepreneurial risk taking contributing to significant growth in growth of DTSACCOs. The study concluded that entrepreneurial risk taking as entrepreneurial orientation contribute to proactively dealing with the risks promoting growth of firms. The study recommends that banking SACCOs should embrace entrepreneurial orientation through risk taking to achieve significant growth. The study also recommend leveraging on application of IT capability in banking operations of credit cooperatives institutions to foster entrepreneurial risk taking to increased financial accessibility, efficiency and foster growth.

**Key Words:** *Entrepreneurial Risk Taking, IT Capability, Growth of Banking SACCOs*