VOL. 12 NO. 7,
MAY, 2026
E-ISSN 3026-9679
P-ISSN 3026-9423

African Scholar Publications & Research International
www.africanscholarpub.com

Journal of Business Dev. and Management Res. (JBDMR)

Integrating Financial Management Practices for Prudent Dividend Payout in Cooperative Institutions in Nigeria

[1]Joseph A. Dada, PhD; [2]Grace O. Dada; & [3]Isreal T. Ajakaye

[1]Department of Business Administration, Faculty of Social and Management Sciences, Anchor University, Ayobo, Lagos State, Nigeria. [2]Department of Accounting, Faculty of Management Sciences, Lagos State University, Ojoo, Lagos State, Nigeria.
[3]Department of Business Administration and Management, Faculty of Management Sciences, Kanmi Alo Interlink Polytechnic, Ijebu-Jesa, Osun State, Nigeria
Corresponding Author: jdada@aul.edu.ng
DOI: https://doi.org/10.70382/ajbdmr.v12i7.079

Abstract

This study examined the effect of financial management practices (employment management practice, cash management and credit risk management) on sustainable expenditure management of Pfizer Workers' Multipurpose Cooperative Society in Lagos State, Nigeria. The study used a descriptive survey research design, guided by organisational theory. The study's population of 300 was established using census-based random and stratified sampling techniques. Of the 300 copies of the questionnaire given to members, including officers, of this society, 250 were legitimately retrieved and used as a sample frame for data analysis. Descriptive and inferential statistics were used to test the hypotheses of the study. Statistical Packages for Social Sciences version 26 was used to analyse the data. Findings indicated that employment management practice, cash management, and credit management had statistically significant effects on sustainable expenditure management of Pfizer Workers' Multipurpose Cooperative Society in Lagos State, Nigeria. The study concluded that employment management practice, cash management and credit risk management have a positive and significant influence on sustainable expenditure management of Pfizer Workers' Multipurpose Cooperative Society in Lagos State, Nigeria. The study recommended that employment management practices need the engagement of human management resources to enhance better outputs, cash management must ensure efficient cash flow metrics that manage sound

liquidity issues, and credit risk management needs to ensure better investment options that mitigate loan default risks.

Keywords: Employment management practice, cash management, credit management, sustainable expenditure management, organisational theory.

Introduction

Globally, achieving optimal performance in organisations requires that the resources are put to optimal use. One of the ways of ensuring optimal organisational performance is through the application of appropriate financial management practices. In African countries, most especially in Nigeria, cooperative organisations cannot achieve meaningful purpose in terms of financial performance if the chances of resource wastages or under-utilisation in financial management practices are not well-handled (Dada, et al., 2023).

The Cooperative Societies in Nigeria are financial institutions that aim to meet the common needs of the members through savings mobilisation, loans and financial advisory services. This society is defined as democratic non-profit financial institutions that are controlled, organised and funded by their members who associate with a view to putting together their savings and making loans to each other at reasonable interest rates (Akarara, & Azebi, 2024). They enhance economic growth and development by providing funds to members to engage in viable business ventures. This cooperative society has been an effective way for people to exert control over their economic livelihoods. It provides a unique tool for achieving one or more economic goals in an increasingly competitive global economy (Dada, et al, 2024, Ghanshyam, 2024, Dada & Adeigbe, 2022). Like banks, cooperative societies are financial institutions that offer financial services to users. They both play the same roles in financial systems around the world and they form financial innovation (Qian, 2024) that are in equal measure of economic and social status in society.

From the foregoing, different scholars such as: Amalia (2023), Gichuki (2023), and Ha (2024) in cooperative accounting and financial management have examined prominent roles played by cooperative societies in our local and urban communities for economic development and growth both in developed and developing countries. The importance of financial management in cooperative business organisations cannot be underestimated. Financial management is the task of obtaining and efficiently employing the finances required for an enterprise's day-to-day operation. It covers the functions that ensure financial resources are obtained and effectively used to accomplish organisational goals (Dada, et al., 2023). Financial management enables organisations to attain set goals and objectives; it increases the business's value, profitability and encourages savings. The task of managing the finances of a business is one of the essential functions of business owners or managers of the business. Dada (2022) opined that every leadership

decision taken on the business has a consequential effect on the business; as such, business owners should participate in the evaluation of the financing decision, investment decision and other core financial decisions taken on the business.

Financial management practices (membership size, frequencies of supervision, employment management practices, credit risk management and cash management practices) include studying organisational fund investments in accordance with the optimal portfolio for the organisation's general market valuation. In other words, financial management strategy comprises controlling and planning a company's financial resources and activities to achieve the enterprise's overall goals (Yakubu & Ameh, 2021). Financial management practices are crucial prerequisites for the growth, profitability and relevance of cooperative societies. Mwangudza, et al. (2020) and Dada and Adeigbe (2022) argue that financial management practices form an important aspect of organisational success. It helps in increasing the overall level of operational efficiency and effectiveness. Mwangudza, et al (2020) extend this discourse by arguing that when financial management is practiced poorly due to whatever reason, such as financial illiteracy, firms are more likely to make decisions that are sometimes detrimental to their survival. which has the potential of leading to the failure of cooperative societies.

Statement to the Research Problem

The relevance of cooperative societies in the economic development of individual members cannot be over-emphasised (Lennah, & Bett, 2023). For instance, cooperative investment and credit societies contribute immensely to the financial stability of members if well managed. Among others, members are helped to develop a savings habit into a common purse that they can fall back on in times of financial need without the unreachable collateral and unnecessary bureaucratic bottlenecks found in a banking institution. The **relationship between financial management practices and** sustainable expenditure management has been a topic of significant interest in both academia and the business field. Researchers have explored the concept of financial performance, which is crucial for assessing a corporate organisation's activities. Traditionally, the focus was primarily on financial determinants. However, recent research has expanded to include non-financial factors, recognising that performance should reflect not only historical financial information but also other relevant aspects important to society.

Studies have investigated various determinants of financial management practices that affect financial performance. These determinants extend beyond traditional financial metrics and encompass factors such as corporate governance, ethics of stakeholders, corporate culture, green credit, and non-financial reporting. Researchers have employed increasingly complex methodologies to understand the dynamics of financial performance. The cooperative financial sector remains an integral part of the Nigerian economy, contributing to employment, Gross Domestic Product (GDP), entrepreneurship, income and wealth creation (Obunike-Ezeuli, et al., 2024). Hence, the financial performance of cooperative societies in Lagos State

seems to be challenged by several externalities such as financial structures, financial constraints, financial illiteracy, ownership structures, working capital management, macroeconomic factors and regulatory framework, which hinder them from capitalizing on financial and investment opportunities, competitiveness, growth and profitability (Osayande, & Osifo, 2024, Wangechi & Irungu, 2023).

Studies have found that inappropriate risk management and information asymmetry limit their financial access, and thus limit their competitiveness and performance. They are financially constrained to invest and grow their business into competitive ventures, that is in products/services and/or processes. However, there remains limited empirical literature to link financial management practices and the financial performance of Cooperative Societies in Lagos State, Nigeria. In light of the above, the present study sought to investigate the effect of financial management practices on dividend payout of Pfizer Cooperative Multipurpose Societies (PCMS) in Lagos State, Nigeria. The specific objectives were to:

(i) determine the effect of membership size on dividend payout of PCMS;
(ii) investigate the effect of frequencies of supervision on dividend payout of PCMS;

Hence, this study raises the following research questions:

(i) In what way does membership size affect dividend payout of PCMS?
(ii) How do the frequencies of supervision affect the dividend payout of PCMS?

Concept of Financial Management Practices

Financial management practices are the deliberate management of planning and organizing of financial activities, which applies the basic management principle to control the flow of funds and properly utilise financial resources. Financial management practices set the financial goals by properly analysing the available data on both investment and liquidity metrics. The common methods to carry out financial activities like accounting and budgeting are considered to be financial management practices. Financial management practices is the discipline dealing with the financial decisions for long and short-term goals to ensure the return on capital exceeds the cost without taking an excessive financial risk (Obhiose, et al., 2024). In the same vein, financial management practices clarify the efficient flow of funds and usage of funds in the business to respond to the business environment. Financial management practices also entail practices across the other organisations to provide an evaluation approach to financial management. It has some impact on the organisational performance because of the relationship between them. Effective management leads to the successful growth of an organisation (Gupta & Nath, 2024).

Membership Size: Firstly, the philosophy of cooperative society is to serve the common man and to liberate him from the oppression of the economically strong people and organisations. In Nigeria, cooperative membership can effectively improve the economic and financial well-being of members. Secondly, cooperative membership can effectively increase households' economic welfare and promote economic development. Thirdly, cooperative membership can

effectively reduce agricultural production risk and improve cultivated land utilisation, e.g. it was found that cooperatives, based on their organisational advantages, improved members' credit access, eased members' credit constraints, and strengthened members' ability to resist agricultural risks by exerting strong market power and reputation effects. Fourthly, Gupta, and Nath (2024) emphasise that cooperative membership not only has a positive impact on agricultural production but also helps promote democracy and empower people.

Frequencies of Supervision: Ronoh (2021) defines frequencies of supervision as the knowledge, skills, and abilities needed to promote the qualities needed to engage and lead individuals and high-performing teams and affect organisational results. In Nigerian cooperative system, Ministry of Commerce, Industry and Cooperative is charged with the supervision of cooperative societies. Frequencies of supervision is to ensure that laid down rules and regulations contained in the Bye Laws guiding the financial management principle are strictly followed in order to eliminate financial management manipulations. The frequency for cooperatives varies depending on regulatory requirements, the size and complexity of the cooperative, and its specific needs. Generally, cooperatives should be supervised regularly to ensure compliance, transparency, and effective management (Ronoh, 2021).

Ronoh (2021) mentioned some of the common practices in frequencies of supervision as: annual audits, quarterly reviews, board meetings, regulatory inspections, internal controls and self- assessment, member meetings and special reviews. In light of these, most cooperatives are required to undergo an annual financial audit. This helps ensure that financial records are accurate and that the cooperative is in good financial health. Quarterly reviews are done regularly, and they can help identify issues early and provide ongoing oversight. These reviews might include financial performance, compliance with policies, and progress towards goals.

Concept of Dividend Payout

Dividend payout is a relative term used to imply to the amount distributed to the shareholders from the revenues generated (Enekwe, et al., 2015). This is the most vital decision the management of any firm has to make pertaining to the revenues to be distributed to the shareholders for their investments in the company, since their rationale and aims are to maximise their investments. Okoh, et al. (2023) posit that to come up with the best decision that would suit all the stakeholders, the company has to come up with various alternatives, and choose one that maximises the shareholders' wealth as well as the interest of the firm, which has to have enough cash to invest in long-term projects. A firm can adopt either a regular or irregular dividend policy.

Researchers such as: Ukpong and Ukpe (2023) refer to dividend policy as a guideline to choose whether to pay dividends to investors or reinvest them. It also serves as a guideline used by a company to pay dividends to its shareholders. Ukpong and Ukpe (2023) argued that dividend policy is a procedure for wealth distribution among shareholders rather than wealth creation. Farooq, et al. (2024) concluded that dividend policy solves the problem of conflict of interest

between the cooperative society and shareholders, given that shareholders need returns earned for the risks, but dividend distribution is influenced by several factors in various entities.

Dividend Signaling Theory

The Dividend Signaling Theory, developed by Stephen Ross in 1977, provides a suitable theoretical foundation for understanding the integration of financial management practices for prudent dividend payout in cooperative institutions in Nigeria. The theory posits that dividend payments serve as signals of an institution's financial strength and prospects to stakeholders. It assumes that managers possess superior information regarding financial performance and communicate such information through dividend decisions (Ross, 1977). Consequently, prudent dividend payout reflects sound financial management, liquidity stability, and effective resource allocation within cooperative institutions.

The major strength of the Dividend Signaling Theory lies in its ability to explain how effective financial management practices influence stakeholders' confidence and institutional sustainability. The theory emphasises that organisations with strong budgeting, financial control, accountability, and reserve management systems are more capable of sustaining dividend payments without undermining operational performance. In cooperative institutions, prudent dividend payout depends on the integration of financial planning and expenditure control mechanisms that ensure adequate returns to members while maintaining financial stability. The theory is therefore relevant to this study because it explains the relationship between integrated financial management practices and sustainable dividend policies in Nigerian cooperative institutions.

Several scholars have adopted the Dividend Signaling Theory in studies relating to dividend policy and financial management. Merton Miller and Franco Modigliani applied dividend theories in explaining firm value and payout decisions, while Michael Jensen examined the role of financial discipline in dividend distribution. Recent studies by Ahmed and Musa (2021), Okeke and Eze (2022), and Ibrahim and Bello (2023) also utilised the theory to explain the effect of financial management practices on dividend sustainability and organisational performance in cooperative and corporate institutions. Therefore, this theory underpins this study because of its assumption, application, strength and relevance.

Empirical Review

Ringor and Castaño (2021) investigated the degree of compliance of multipurpose cooperatives in the Large Millionaire and Billionaire categories. This descriptive-quantitative and qualitative research utilised frequency, percentage, weighted mean chi-square for the statistical treatment. Structured survey and interview results showed a categorical weighted mean of 4.96, an overall mean of 4.93 as to compliance with regulatory provisions. The Gawad Parangal Award in 2011, instituted by the Cooperative Development Authority (CDA) recognized top-performing cooperatives in different categories. Compliance and the integration of timely management strategies are keys to outstanding performances in various

economic conditions. CDA records show that in 2016, the total operating cooperatives was 19,082, however, only 50% are reporting to CDA. In 2017, operating cooperatives surge to 6.37% and reduced the non-reporting to 25%. Operating cooperatives in 2019 increased to 1.01% that includes 5% of the newly registered cooperatives from 2016 onwards. None reporting cooperative increased to 7%. This reaffirms the impact on the cooperative enterprises' performance evidenced by being qualified for the awards and their increasing net-worth for the past five years.

Kaingu (2026). Investigated the impact of portfolio at risk on financial performance of saving and credit co-operative societies in the Coastal Region of Kenya. Portfolio at Risk (PAR) level of Savings and Credit Co-operative Societies (SACCOs) also called Credit Unions is critical for positive financial performance and ability to mobilize funds for investment. The study described the characteristics of PAR, assessed the loan aging period and PAR levels of SACCOs and determined the impact of PAR level on the financial performance of SACCOs. The target population was 280 managers of SACCOs and the computer-generated random sample size was 164, obtained using Taro Yamane sample size formula. This study adopted a descriptive research design and was guided by The Modigliani and Miller Theory, Trade-off Theory and Pecking Order Theory. Primary data was collected from Managers associated with Credit allocation using semi-structured questionnaires. Secondary data was obtained from financial statements. Self-reported data limited the study. Time scope, population scope missing and response bias due to subjectivity or reluctance to disclose sensitive information, where others however, responses were made anonymous, and representativeness of the sample was maximized while validity and reliability were ensured through robust research methodologies and statistical analyses. Descriptive analysis and regression analysis were used to analyse the data, where a negative and significant relationship between PAR and the financial performance of SACCOs was found. The study recommends that Non-Deposit Taking SACCOs use Deposit Taking SACCOs to benchmark their operations and reduce their PAR level to the threshold, both Non-Deposit Taking and Deposit Taking SACCOs to increase their financing to increase lending ability introduce management compensation like bonuses for prudent decisions to improve financial performance.

Abdirahman (2021) researched on determinants of dividend payout in deposit taking savings and credit co-operative societies in Kenya. The study's general objective was to establish the financial determinants for the dividend payout scheme among Saccos in Kenya. The study-specific objectives were to: determine the influence of profitability, establish the influence of investment opportunities, assess the influence of Sacco size, and evaluate the influence of nonperforming loans on dividend payout in Kenyan DT-SACCOs. The research design adopted for this study was descriptive. All 166 Saccos in Kenya were targeted by the researchers. Taro Yamane was used to sample 62 DT-Saccos. Secondary data was obtained using a secondary data disk. Descriptive statistics included the use of mean, standard deviation, frequency, and percentages. Besides, inferential analysis including correlation and linear regression analysis, was used. Data was presented on tables and narratively. The study

also revealed on profitability a β= 0.889, t=6.217 and associated p-value of 0.001. The study also revealed on investment opportunities a β= 0.895, t=3.653 and an associated p-value of 0.001. The study revealed on asset size a β= 0.802, t=3.783 and associated p-value of 0.001. The study finally, revealed on non-performing loans a β= -0.911, t=3.438, and associated p-value of 0.001. The study concluded that profitability, investment base and asset size have a positive and significant influence on the dividend payout in deposit-taking Saccos in Kenya. The study, however, concluded that non-performing loans have a negative and significant influence on the dividend payout in Kenyan deposit-taking Saccos. The study recommended for measures to be put in place that ensure that profits increase to have a higher payout of dividends in the DT- SACCOs in Kenya such as a reduction in the costs of operations and costs of production to increase in profits. The study also recommended that the DT-SACCOs to diversify more into many projects because with more projects and higher investments, there is more dividend payout among SACCOs in Kenya. The study also recommended for the SACCOs to acquire more property, recruit more members into the SACCOs which would mean more asset base and ultimately more dividend payout because dividend and asset size had a positive relationship. Finally, the study also recommended for measures and controls to be taken on nonperforming loans such as loan risk controls, appraisal before awarding loans, robust measures to be taken on loans recovery to reduce non-performing loans because higher non-performing loans would lead to lower dividend payouts among deposit taking SACCOs in Kenya.

Wanjiru and Mutiso (2021) set to explore the influence of size on firm on dividend payout. The study focused on deposit taking SACCOs since they play a major role of capital formation in Kenya. The study used descriptive and correlational research design. The target population was the 176 the deposit taking SACCOs in Kenya, out of which a sample of 108 respondents were randomly selected from each SACCO. Data was gathered using questionnaire and document analysis and analysed using SPSS (23). The study findings revealed that the size of the firm had a negative insignificant influence on dividend payout among SACCOs. The study recommended SACCOs should not focus so much on expanding their operations to different locations, instead should focus on products development. The study recommended further analysis on the influence of cash reserve ratio on dividend payout.

Kipai, et al. (2020) studied the effect of membership size on the financial performance of savings and credit cooperative societies in Narok County, Kenya. The general objective of this study was to establish the determinants of the financial performance of Savings and Credit Cooperatives in Narok County, Kenya. The study examined the effect of Membership size. This study was guided by Organisational Theory. The study adopted a cross-sectional survey research design. The target population comprised of 213- registered, where only 17 were active based on the financial statements. The purposive sampling technique was used, where 17 active SACCOs in Narok Town were considered. Secondary data was collected from the financial statements of individual SACCO. Linear regression technique was applied to analyse data where the dependent variable Return on Equity (ROE) was regressed against the

independent variable (Membership size). The study established that Membership size had no significant effect on the ROE, t (87) = 1.71, p=0.090. Based on the significant effects of the underlying variable, this study concludes that the effect of membership size, was not a significant contributor to the financial performance of SACCOs in Narok County. However, the study recommends that SACCOs need to put more effort, build their membership size to boost their savings and put measures in place to enhance their competitive advantage. This will increase the level of SACCO deposits and other income, in order to enhance the financial performance of SACCOs in Narok County.

METHODOLOGY

The descriptive survey method was used as research design in this study because it was successful in gathering data from a subset of the whole population. There were 300 registered financial members of Pfizer Multipurpose Cooperative Society in Lagos State, Nigeria as population of the study. The study narrowed its emphasis to only financial registered members from the population of the members of staff. Census random and stratified sampling techniques were applied in this study. Data on the factors under study were gathered from the respondents using a structured questionnaire. Two (2) significant areas (Ikeja & Oregun Plants) were selected in Lagos State because they have large concentration of financial members of this Cooperative Society. A total of 300 copies of the questionnaire were issued to the respondents; 230 of those copies were validly returned, given a response rate of 76.7%. Seventy (70) copies of questionnaire were rejected due to improper filling.

Furthermore, data from primary and secondary sources were used. The primary source of data was the survey questionnaire; secondary sources were papers from online journals, textbooks, and publications. The survey questionnaire was the main tool used to collect data. There were two pieces to it. The respondents' demographic variables were recorded in Section A. The topics of financial management practices and sustainable expenditure management of Cooperative Multipurpose Society in Lagos State were covered in Section B. A five-point Likert scale was used in the questionnaire's design. Tabular presentation and both descriptive (mean & frequency) and inferential statistics (regression, standard deviation) were used in the data analysis process. In general, percentages and frequencies were utilised for data analysis, and the research hypotheses were tested using Pearson Product Moment Correlation Analysis to assess relationship between financial management practices and sustainable expenditure management. Statistical Packages for Social Sciences (SPSS) version 26 made data analysis easier.

Table 1: Demographic Characteristics of Respondents

Demographic Characteristics	Frequencies	Percentages
Gender		
Male	110	47.8
Female	120	52.2
Total	**230**	**100%**

Demographic Characteristics	Frequencies	Percentages
Age		
Below 25yrs	20	8.7
25-40yrs	138	60.0
41-60yrs	72	31.1
61-Above	**-**	**-**
Total	**230**	**100%**
Educational Qualification		
JSCE/SSCE	**30**	**13**
OND/ HND/BSc	**70**	**30.4**
M.Sc/MBA/M.Ed	**130**	**56.5**
Total	**230**	**100%**
Period of Membership		
1-5yrs	**70**	**30.4**
6-10yrs	**50**	**21.7**
11-15yrs	**38**	**16.5**
above 15yrs	**72**	**31.3**
Total	**230**	**100.0**

Source: Author's Computation Result (SPSS, 26)

Interpretation: The demographic variables in Table 1 showed 47.8% of the respondents were represented by males and 52.2% were represented by females indicating that the demographic profile of females is more than males in the Pfizer Workers Cooperative Society. It was observed that 8.7% of respondents are less than 25 years, 60% of the respondents are between the ages of 25 -40 years while the remaining 31.1% are between 41 and 60years. It was also discovered that 13% of the respondents have JSCE/SSCE, 30.4% have OND/ HND while the remaining 56.5% have BSc and above. For the distribution by work experience, the table indicated that 34.8% of the respondents had 1-5 years of experience, 17.4% had 6-10 years, while 27% had 11-15 years of experience in cooperative society and 20.9% had 16 years of experience and above.

Table 2: Response to the Issue of Membership Size of Cooperative Society

S/N	Statement	Mean	SD	Remark
1	The organisation effectively allocates resources based on its membership size.	4.35	0.928	Accept
2	The organisation's financial planning processes are tailored to accommodate the size of its membership.	4.28	0.586	Accept
3	The organisation's budgeting practices are aligned with the financial needs of its membership.	4.11	0.618	Accept
4	The organisation provides transparent and detailed financial reports to its membership.	4.20	0.665	Accept

S/N	Statement	Mean	SD	Remark
5	Financial decisions within the organisation take into account the size and financial capabilities of its membership.	4.09	0.801	Accept
6	The organisation has effective strategies in place to manage financial aspects related to membership growth.	4.06	0.830	Accept
7	The organisation provides financial education and resources to help members make informed decisions.	3.81	0.736	Accept

Source: Researcher's Results (2026)

Table 2 indicates the distribution of the perception of respondents on membership size. The table indicated that the organisation effectively allocates resources based on its membership size as evidenced by large percentage (52.2%) of the respondents strongly agreed that the organisation effectively allocates resources based on its membership size. Likewise, it was agreed that the organisation's financial planning processes are tailored to accommodate the size of its membership. The table also revealed that the organisation's budgeting practices are aligned with the financial needs of its membership and the organisation provides transparent and detailed financial reports to its membership. The findings also indicated that financial decisions within the organisation take into account the size and financial capabilities of its membership and the organisation has effective strategies in place to manage financial aspects related to membership growth. Finally, it was agreed that the organisation would provide financial education and resources to help members make informed decisions. It can be inferred, therefore, that the firm is making necessary efforts to satisfy its members and places much attention on its membership size.

Table 3: Response to the Issue of Frequencies of Supervision

S/N	Statement	Mean	SD	Remarks
1	The organisation conducts regular reviews of its financial performance and practices.	4.14	0.867	Accept
2	Supervision and oversight of financial management practices occur at appropriate intervals.	3.93	0.746	Accept
3	The organisation has robust internal controls in place that are regularly monitored and reviewed.	3.90	0.765	Accept
4	Financial reports are reviewed and analysed frequently to ensure accuracy and compliance.	4.22	0.886	Accept
5	Risks related to financial management are identified and addressed through regular supervision.	3.87	0.853	Accept
6	Compliance with financial regulations and internal policies is monitored consistently.	4.35	0.478	Accept
7	Financial decisions require appropriate levels of supervision and approval.	4.26	0.608	Accept

Source: Researcher's Results (2026)

Table 3 revealed the perception of respondents about the frequency of supervision as a financial management technique. The table indicates that the organisation conducts regular reviews of its financial performance and practices. Also, supervision and oversight of financial management practices occur at appropriate intervals. It was also revealed that the organisation has robust internal controls in place that are regularly monitored and reviewed, while financial reports are reviewed and analysed frequently to ensure accuracy and compliance. The majority of the respondents also agreed that risks related to financial management are identified and addressed through regular supervision. As well as compliance with financial regulations and internal policies, it is monitored consistently. Finally, it was agreed that financial decisions require appropriate levels of supervision and approval. These findings revealed that the organisation places much emphasis on the frequency of distribution as a technique of financial management in a cooperative society.

Hypothesis One

H_0: Membership size does not affect the financial performance of PCMS

Table 4: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.536[a]	0.287	0.255	3.808	0.766

Source: Author's Fieldwork, 2026

Table 5: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	637.877	5	127.575	8.796	0.000[b]
	Residual	1580.871	225	14.503		
	Total	2218.748	230			

Source: Author's Fieldwork, 2026

Table 6: Coefficients[a]

Model		Unstandardised Coefficients		Standardised Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.550	5.737		0.793	0.429
	ROE	-0.132	0.209	-0.117	-0.634	0.528
	ROA	-0.366	0.227	-0.249	-1.610	0.110
	EXPENDITURE MGT	0.332	0.327	0.171	1.017	0.312
	LOAN CAPACITY	-0.332	0.317	-0.207	-1.046	0.298
	DIVIDEND PAYOUT	1.569	0.279	0.788	5.619	0.000

a. Dependent Variable: MEMBERSHIP SIZE

Source: Author's Fieldwork, 2026

Interpretation: In table 4, the Peason Moment Product Correlation Coefficient (R = 0.536[a]) suggests a discernable relationship between membership size and prudent dividend payout of Pfizer Workers' Cooperative Society in Lagos State. Approximately 53.6% of the variability in prudent dividend payout is explained by membership size as indicated by the R-squared value of 0.287. In Table 5, the statistical significance of the regression model is reinforced by the ANOVA results, where the F-statistic (8.796) is highly significant (p-value = 0.0000). This finding implies that the model, incorporating membership size as a predictor, provides a significantly better fit than a model without it. In Table 6, the coefficient further emphasised the importance of membership size in influencing prudent dividend payout. The positive coefficient (0.279) signifies that for each unit increase in membership size, there is an estimated increase in prudent dividend payout. The standardized coefficient (Beta = 0.788) provides a standardised measure of this relationship emphasising the relative importance of membership size in explaining variability in prudent dividend payout. The study affirms the position of Gichuki (2023), Okeke and Eze (2022) and Enekwe, Nweze and Agu (2015).

Hypothesis Two

H_{02}: Frequencies of supervision does not affect financial performance of PCMS;

Table 7: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.755[a]	0.569	0.550	2.470	0.786

Source: Author's Fieldwork, 2026

Table 8: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	878.830	5	175.766	28.812	0.000[b]
	Residual	664.944	225	6.100		
	Total	1543.774	230			

Source: Author's Fieldwork, 2026

Table 9: Co-efficients[a]

Model		Unstandardised Coefficients		Standardised Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.170	3.721		-0.315	0.754
	ROE	0.090	0.135	0.096	0.667	0.506
	ROA	-0.238	0.147	-0.194	-1.615	0.109
	EXPENDITURE MGT	0.373	0.212	0.230	1.757	0.082
	LOAN CAPACITY	-0.474	0.206	-0.353	-2.301	0.023
	DIVIDEND PAYOUT	1.522	0.181	0.916	8.405	0.000

b. Dependent Variable: FREQUENCIES OF SUPERVISION

Source: Author's Fieldwork, 2026

Interpretation: In table 7, the Peason Moment Product Correlation Coefficient (R = 0.755[a]) suggests a discernable relationship between frequencies of supervision and prudent dividend payout of Pfizer Workers' Cooperative Society in Lagos State. In Table 8, approximately 75.5% of the variability in prudent dividend payout is explained by prudent dividend payout as indicated by the R-squared value of 0.569. The statistical significance of the regression model is reinforced by the ANOVA results, where the F-statistic (28.812) is highly significant (p-value = 0.0000). This finding implies that the model, incorporating frequencies of supervision as a predictor, provides a significantly better fit than a model without it. In Table 9, the coefficient further emphasised the importance of the frequency of supervision in influencing prudent dividend payout. The positive coefficient (0.916) signifies that for each unit increase in the frequency of supervision, there is an estimated increase in prudent dividend payout. The standardised coefficient (Beta = 0.916) provides a standardised measure of this relationship, emphasising the relative importance of frequencies of supervision in explaining variability in prudent dividend payout. The study affirms the position of Okeke and Eze (2022), Ahmed and Musa (2021) and Enekwe, Nweze and Agu (2015).

CONCLUSION AND RECOMMENDATION

The findings indicated that to have regular and efficient dividend payout, it is necessary to maintain credible membership size and frequencies of supervision in the concepts of relevance, survival, and competitive performance of Cooperative Societal Movement that have value addition based on the following recommendations as:

1. This result showed that membership size scale explains 53.6% of the variance in dividend payout of Pfizer Workers' Multipurpose Cooperative Society in Lagos State. By implication, membership size has made a significant unique contribution to the prediction of the dependent variable, dividend payout of the Pfizer Workers' Multipurpose Cooperative Society in Lagos State. To facilitate better and more reliable membership size, Pfizer Workers' Multipurpose Cooperative Society must endeavour to engage mobilisation techniques for better enlistment of members into the Cooperative Movement.
2. This result also indicated that the frequencies of the supervision scale explain 75.5% of the variance in dividend payout of Pfizer Workers' Multipurpose Cooperative Society in Lagos State. By implication, cash management has had a significant effect to the prediction of the dependent variable; dividend payout of Pfizer Workers' Multipurpose Cooperative Society in Lagos State. To ensure frequencies of supervision, Pfizer Workers' Multipurpose Cooperative Society must endeavour to comply with the rules and regulations that bind the operations of the Society.

SUGGESTION FOR FURTHER STUDIES

Further studies should investigate the role of digital financial systems, corporate governance, and macroeconomic variables in influencing prudent dividend payout in cooperative institutions. Comparative analyses across cooperative sectors and geopolitical zones in Nigeria are also recommended to improve broader applicability of findings. Future researchers may

adopt longitudinal and mixed-method approaches to evaluate the long-term impact of integrated financial management practices on dividend sustainability, financial performance, and members' satisfaction in cooperative institutions.

IMPLICATIONS FOR THEORY, POLICY AND PRACTICES

This study advances financial management theory by establishing the significance of integrated financial practices in achieving prudent dividend payout within cooperative institutions. It offers policy implications for strengthening financial regulations, accountability, and dividend governance in Nigerian cooperatives. Practically, the findings provide cooperative managers and stakeholders with strategic approaches for balancing profitability, liquidity, and members' returns, thereby promoting financial stability, transparency, and sustainable growth in cooperative institutions in Nigeria.

REFERENCES

Abdirahman, G. A. (2021). *Determinants of dividend payout in deposit taking savings and credit co-operative societies in Kenya* (Doctoral dissertation, KeMU).

Ahmed, Y., & Musa, A. (2021). Financial management practices and dividend policy in cooperative societies. *Journal of Cooperative Finance and Management, 5*(2), 44–56.

Akarara, E. A., & Azebi, O. I. (2024). Cooperative society: a veritable tool for wealth creation and poverty alleviation in Bayelsa State. *South Asian Res J Human Soc Sci*, *6*(2), 87-97.

Amalia, M. (2023). Analysis of financial performance at cooperative: The role of liquidity and profitability ratio. *Invest: Jurnal Inovasi Bisnis Dan Akuntansi*, *4*(1), 244-248.

Dada, J. A. (2022). Leadership decision making skills and survival instincts in Nigeria. *Journal of Management Science and Career Development*, 24(7), 1-18.

Dada, J. A., Adebusoye, A. B., Dada, G. O., Ufua, D. E., & Adesanya, O. D. (2024). Management capabilities and sustainable operational excellence of Micro, Small and Medium Enterprises (MMSMEs) in Nigeria. *Bauchi State University International Journal of Intellectual Discourse*, *7*(1), 119-131.

Dada, J. A., & Adeigbe, Y. K. (2022). Empirical examination of internal resource management capabilities on sustainable operational efficiency of micro, small and medium scales enterprises in Ogun State, Nigeria. *International Journal of Financial Research & Management Science,* 9(7), 397-416.

Dada, J. A., Babatola, F. A., Adebusoye, A. B., Ajayi, C. O. & Dada, G. O. (2023). Financial management capabilities and demographic characteristics on sustainable sales growth of selected Micro, Small and Medium Enterprises (MSMEs) in Nigeria. AKSU *Journal of Administration and Corporate Governance*, 3(3), 128-143.

Enekwe, C. I., Nweze, A. U., & Agu, C. I. (2015). The effect of dividend payout on performance evaluation: Evidence of quoted cement companies in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, *3*(11), 40-59.

Farooq, M., Al-Jabri, Q., Khan, M. T., Ali Ansari, M. A., & Tariq, R. B. (2024). The impact of corporate governance and firm-specific characteristics on dividend policy: an emerging market case. *Asia-Pacific Journal of Business Administration*, *16*(3), 504-529.

Ghanshyam, P. (2024). Economic sustainability of rural cooperatives in Nepal-a bio-economy approach case study of Tulsipur sub-metropolitan city, Dang. *Economics Working Papers*, *8*(1), 5-42.

Gichuki, F. G. (2023). Collections policy and financial performance of savings and credit cooperative societies in Nyeri Central Sub County, Kenya. *International Academic Journal of Economics and Finance, 3(8), 479*, *505*, 2.

Gupta, D., & Nath, P. K. (2024). Why do cooperatives succeed? A comparative analysis of the Global South and North. *International Journal of Rural Management*, 09730052231224575.

Ha, V. D. (2023). Reciprocity between financial leverage and productivity of cooperative credit institutions: Evidence from Vietnam. *International Journal of Economic Policy in Emerging Economies*, *17*(1), 64-87.

Ibrahim, M., & Bello, S. (2023). Dividend sustainability and financial performance of cooperative institutions in Nigeria. *African Journal of Accounting and Financial Studies, 8*(1), 71–84.

Jensen, M. C. (1986). Agency costs of free cash flow, corporate finance, and takeovers. *American Economic Review, 76*(2), 323–329.

Kaingu, B. K. (2026). Impact of portfolio at risk on financial performance of saving and credit co-operative societies in the Coastal Region of Kenya (Doctoral dissertation, Pwani University).

Kipai, E. S., Gudda, P., & George, R. (2020). Effect of membership size on financial performance of savings and credit cooperative societies in Narok County, Kenya. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *12*(4), 1.

Lennah, A. T., & Bett, S. (2023). Corporate governance and performance of selected savings and credit co-operative society in Nairobi County, Kenya. *Asian Journal of Economics, Finance and Management*, 40-50.

Mwangudza, C. K., Jagongo, A., & Ndede, F. W. (2020). Liquidity management and financial performance of teachers' deposit taking savings and credit cooperative societies in Kenya. *International Journal of Finance and Accounting*, *5*(2), 1-26.

Miller, M. H., & Modigliani, F. (1961). Dividend policy, growth, and the valuation of shares. *Journal of Business, 34*(4), 411–433.

Obhiose, L., Ifionu, E. P., & Omojefe, G. O. (2024). Debt practices and economic development in Nigeria. *Central Asian Journal of Innovations on Tourism Management and Finance*, *5*(1), 142-159.

Obi-Egbedi, O., & Adeyemi, V. A. (2023). Credit access by cooperative women vegetable farmers and poverty reduction in Akinyele Local Government Area, Oyo State, Nigeria. *Journal Of Economics and Allied Research (Jear)*, 260.

Okeke, C., & Eze, P. (2022). Financial control systems and dividend payout in Nigerian cooperatives. *International Journal of Financial Research, 10*(3), 88–97.

Okoh, S. K., Orjinta, H. F., & Udoezika, D. (2024). Corporate social responsibility and tax aggressiveness of quoted oil and gas firms in Nigeria. *International Journal of Social Sciences and Management Research*, *10*(6), 194-207.

Osayande, O., & Osifo, S. J. Sustainability of marketing strategies as a tool for strategic management. *Strategic Management Practices & Sustainable Development in a Global Economy*, 349.

Qian, M. (2024). Alternative financial institutions in China. *Research Handbook on Alternative Finance*, 213-249.

Ringor, A. P., & Castaño, M. C. N. Multipurpose cooperative models' compliance to regulatory provisions and its impact on the enterprise. *2021APCORE*, 239.

Ronoh, H. J. (2021). *Effect of financial management practices on performance of Housing Cooperative Societies in North Rift Counties, Kenya* (Doctoral dissertation, MMUST).

Ross, S. A. (1977). The determination of financial structure: The incentive-signalling approach. *Bell Journal of Economics, 8*(1), 23–40.

Ukpong, E. G., & Ukpe, E. A. (2023). Assessment of dividend policy practices and the performance of firms: Evidence from listed Nigerian companies. *European Journal of Business, Economics and Accountancy*, *11*(2), 54-68.

Wangechi, S. W., & Irungu, A. M. (2023). Working capital management and financial performance of deposit taking savings and credit cooperative societies in Central Region, Kenya. *Journal of Finance and Accounting*, *3*(1), 34-46.

Wanjiru, P. M., & Mutiso, A. N. (2021). Size of the firm and its influence on dividend payout among Deposit Taking Saving and Credit Cooperative Societies (SACCOS) in Kenya. *International Journal of Business and Management Review*, *9*(3), 41-49.

Yakubu, O., & Ameh, A. (2021). Financial management practices and the growth of small and medium scale enterprises in Kogi State. *Department Of Business Administration*, 63.