Why integrity is cornerstone of Saccos

Across religious and cultural traditions, stories of moral strength often illustrate genuine integrity. In both the Bible and the Quran, the story of Job—Ayyub in the Quran—stands as a powerful and enduring symbol of integrity. Job is described as blameless and upright, a man who remained faithful to his principles and values despite suffering immense loss and hardship. His life offers important lessons for modern institutions, especially savings and credit co-operatives (Saccos), where leaders' integrity is not merely admirable but essential.

Saccos are established to serve members—protect their savings and improve members' economic well-being. To achieve these goals, governance structures are required but ethical leadership is foundational. Weak governance exposes members' funds to risk and erodes confidence in the cooperative.

Briefly, governance in Saccos relies on two organs: the board of directors and the supervisory committee. Both are essential for accountability and sustainability. The board provides leadership, sets strategy, develops policies and sets budgets, oversees management, and reports to members at annual general meetings. The supervisory committee is the internal watchdog. It independently audits operations, safeguards savings, enforces compliance, promotes ethics, reports irregularities, and recommends corrective actions.

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Therefore, boundaries between the governance organs must be clear to avoid conflict and weak accountability. This underscores the need for integrity.

Integrity is the foundation for trust and stability, and long-term sustainability. When integrity lacks, Saccos struggle or collapse. Many Sacco failures can be traced to leaders' misuse of power, incompetency, or misunderstood roles. Integrity goes beyond simply following laws and regulations; it is about character. Leaders with integrity act ethically even when no one is watching; they are faithful to their values during times of pressure or temptation.

In practice, integrity in Sacco leadership is reflected in several ways. First is fairness in decision-making. Leaders must act in the best interest of all members, not to favour individuals, factions, or allies. Decisions should be guided by policy and documented clearly.

Second is the separation of personal and cooperative interests. Leaders must avoid conflicts of interest and never treat Sacco resources as personal property. Entrusted positions should not be for self-enrichment.

Lastly is accountability and transparency. Honest leaders value accurate records, open communication and timely reporting. They are willing to explain decisions, admit mistakes and take responsibility for positive and negative outcomes. Transparency builds trust, and trust is the currency upon which cooperatives thrive.

Cooperatives are human organisations that depend on trust, effort and strong relationships. In environments where trust is weak, Saccos face greater challenges. Yet these challenges could be overcome when integrity is at the centre of leadership.

The full potential for Saccos to promote financial inclusion, resilience and shared prosperity will be realised when integrity becomes the cornerstone of leadership. Saccos do not need perfect leaders, they need leaders of character—people who can stand firm under pressure and consistently place the common good above personal gain. Saccos need leaders who, like Job, hold firmly to their integrity.

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