

Research Article

Examining the Effect of Management Committee Diversity on Sustainable Financing in Dairy Cooperative Societies in Kenya

Mburu Munyambu Zachariah^{1,*} , Esther Gicheru¹ , Lucy Ngare¹ ,
Denis Kamau Muthoni² 

¹School of Cooperatives and Community Development, The Cooperative University of Kenya, Nairobi, Kenya

²School of Business and Economics, The Cooperative University of Kenya, Nairobi, Kenya

Abstract

Background: The dairy sub-sector plays a pivotal role in Kenya's economy, contributing to employment creation, food security, household incomes, and rural development. Dairy cooperatives emerge when members come together democratically and voluntarily to pool resources with the aim of meeting their socioeconomic needs. These cooperatives serve as vital platforms for the production, processing, and marketing of raw milk and its byproducts. Beyond marketing, they extend technical support to members through services such as artificial insemination, improved animal husbandry practices, and the provision of essential farm inputs, including animal feeds and fertilizer. As such, dairy cooperatives not only enhance productivity but also foster community empowerment and economic stability. **Methodology:** The study was grounded in the Theory of Planned Behavior and employed an explanatory research design to establish causal relationships. The target population consisted of 216 registered dairy cooperatives, drawn from 11 counties in Kenya. A sample size of 140 cooperatives was selected using stratified sampling to ensure representativeness across the counties. Structured questionnaires were administered to gather primary data from management committees and members. **Findings:** The results revealed a positive and significant relationship between management committee diversity and sustainable financing of dairy cooperatives. Diversity in age, gender, educational qualifications, and professional experience within management committees was shown to enhance decision-making and resource mobilization, thereby contributing to the long-term financial stability of cooperatives. **Conclusion:** The study concluded that diversity in management committees fosters financial sustainability in dairy cooperatives. **Recommendations:** The study recommends that dairy cooperatives in Kenya should intentionally promote diversity in their management committees by ensuring inclusive representation across demographic and professional dimensions.

Keywords

Diversity, Sustainable Financing, Management Committee, Dairy Cooperative Societies

*Corresponding author: mburuz@cuk.ac.ke (Mburu Munyambu Zachariah)

Received: 18 August 2025; **Accepted:** 11 September 2025; **Published:** 10 October 2025



Copyright: © The Author(s), 2025. Published by Science Publishing Group. This is an **Open Access** article, distributed under the terms of the Creative Commons Attribution 4.0 License (<http://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution and reproduction in any medium, provided the original work is properly cited.

1. Introduction

Dairy farming plays a significant role in Kenya's agricultural sector, contributing to the nation's food security, economic growth, and employment opportunities. Moropane states that management diversity enshrines a diversified organizational culture and ethical practices [9]. This study's management diversity encompasses age, gender, expertise, and religion. This is because Cooperative societies comprise a diversified membership that must be handled with an open mind. Energi and Sarihusada noted that management diversity fosters equity in participation and performance [3]. Age diversity is key to a successful business. This means different needs and wants even at management levels. According to Heaslip [6], 85% of professionals believe that an age-diverse team displays innovative ideas and solutions that benefit all team members. Gender diversity refers to the proportion of women to men in a given setting. Khemakhem, Arroyo, and Montecinos suggest that management Committees (MCs) involving individuals with diverse traits and viewpoints facilitate the formulation of suitable strategies, promote creative problem-solving, and enhance productivity, thereby making management more effective [8]. The diversity of expertise enables individuals to approach various problems from multiple perspectives, thereby increasing their flexibility in new situations. According to Dobbin & Kaley [2]. Diverse expertise yields better results, encourages creative solutions, and boosts working morale. Religious diversity encompasses significant differences in spiritual practices and beliefs. Most people across the region view other religions as peaceful and compatible with their values and culture. People across the region say that ethnic, religious, and cultural diversity has neither a positive nor a negative impact.

In Kenya, dairy cooperative societies play a crucial role in the economic empowerment of farmers, especially in rural areas, by providing a platform for collective marketing, input procurement, and value addition. However, despite their significant contributions to the dairy sector, many cooperatives struggle with sustainable financing, which hinders their ability to scale, improve efficiency, and invest in long-term growth. Kiambu, Murang'a, Bomet, Tharaka Nithi, Uasin Gishu, Embu, Kirinyaga, Nyandarua, Kakamega, Trans Nzoia, and Meru counties, which are among the key dairy-producing regions in Kenya, have faced challenges in ensuring that these cooperatives achieve financial sustainability. Research indicates that factors such as the diversity of the management committee may influence the ability of these cooperatives to secure sustainable financing. Diversity on the management committee of dairy cooperative societies is vital in ensuring effective financial decision-making, which ultimately impacts their ability to access and manage sustainable financing. It is against this backbone that the research hypothesis is formulated.

2. Research Hypothesis

H₀₁: Management committee diversity has no significant effect on sustainable financing in dairy cooperative societies in Kenya.

3. Literature Review

Nishii and Mayer noted that management diversity involves the inclusion of varied demographic and experiential perspectives, such as age, gender, expertise, and religious background, which collectively enhance decision-making, creativity, and organizational resilience [10]. Moropane stated that Management diversity, as enshrined by management, fosters a diversified organizational culture and ethical practices [9]. Management committees' composition should be diversified since they are the policymakers and oversee the implementation in the organization. Cooperative societies are not exceptional since they have diversified membership and businesses that must be handled with an open mind. Energi and Sarihusada, noted that management diversity fosters equity in participation and performance [3]. Everyone in the organization is made to believe that it is an integral part of the entity, regardless of the hurdles to overcome or the achievements made.

Age diversity is key to a successful business. Since everyone is of a different age, lives, and has a varied career, this means they have different needs and wants, even at management levels. According to Heaslip [6], 85% of professionals believe that an age-diverse team displays innovative ideas and solutions that benefit all team members. Promoting age diversity and inclusive generations in management committees is crucial for enhancing diverse prospects. Arioglu, (2021) suggests that age diversity prompts varied decisions crucial to achieving organizational objectives. Further, fostering age diversity improves productivity compared to a less diverse age arrangement. This is because different age groups bring diverse experiences, skills, and viewpoints to the forum, thereby increasing creativity and innovation. Consequently, Ouyang (2022) articulates that cooperatives that emphasize the inclusion of all ages when formulating their management committees become more innovative and profitable, and solve problems amicably through well-guided decision-making processes. This enhances timely product and service development, promotes mentorship opportunities, and retains expert personnel.

Gender diversity refers to the proportion of women to men in a given setting. Males and females exhibit distinct behaviors; consequently, women tend to be more intuitive in decision-making, can multitask, and are better at structuring relationships. Men are task-focused and make decisions grounded in evidence and procedures [7]. Khemakhem, Arroyo, and Montecinos suggested that management committees composed of individuals with diverse traits and viewpoints help formulate suitable strategies, engage in creative prob-

lem-solving, and improve productivity, thereby making management more effective [8]. Berle, Kavajecz, and Onozaka, it has been explained that there is an increasing opinion that the higher the number of women on management committees, the more it positively influences performance [1]. Gender diversity has explanatory power, while the composition of committees influences the resources available to members and the quality of deliberations. This study aims to investigate the impact of gender diversity on sustainable financing.

The diversity of expertise enables individuals to approach various problems from multiple perspectives, thereby increasing their flexibility in new situations. Diverse skill sets improve creativity among the management committee members. This is largely drawn from the experiences from different fields, thus attracting unique, innovative solutions to problems (Avci, 2023). According to Dobbin & Kalev [2], noted that diverse expertise yields better results, encourages creative solutions, and boosts working morale. Additionally, the widespread expertise attracts new talent, increases profits, and eliminates biases while boosting productivity. Diversity of expertise creates brand value by improving the organization's reputation and employee retention. The employees are the implementers of the policies. In his study, Githinji found that the type of leadership and managerial skills in dairy cooperatives affected their investment progress, concluding that expertise deployed by the management teams determines the level of development performance in dairy cooperatives [5].

Religious diversity encompasses significant differences in

spiritual practices and beliefs. It is recognized by individuals outside the most isolated and remote communities. According to Tuggy (2024), different religious beliefs have distinct approaches to doing things. This results in separate ways of thinking, carrying out activities, and executing decisions by different persons. Many more people hold differing opinions on various religions, while others fail to accept followers of other religious groups as their neighbors. Most people across the region describe other religions as peaceful and compatible with their values and culture. A study by Gayan has shown that people from diverse backgrounds contribute to making their country a better place to live, while fewer adults in these countries believe that diversity makes their country worse [4]. Thus, many people across the region say that ethnic, religious, and cultural diversity has neither a positive nor a negative impact. Taylor says religious diversity provides a safe working environment for the members, management committees, and employees [11]. This reduces bullying and upheavals of religious hatred, thus promoting teamwork.

4. Conceptual Framework

The purpose of the conceptual framework is to facilitate the description of study variables and concepts, and to help map relationships among them as depicted in Figure 1. This study hypothesizes that the diversity of the management committee linearly influences sustainable financing in dairy cooperatives in Kenya.

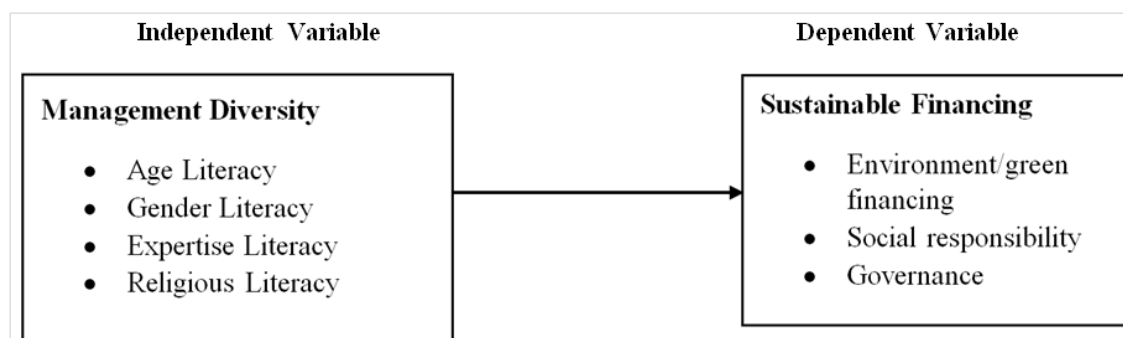


Figure 1. Conceptual Framework.

5. Methodology

In this study, in line with the positivist research philosophy, which incorporates both qualitative and quantitative elements, a descriptive and explanatory research design was employed. The philosophy employs an empirical and scientific approach, enabling the formulation and testing of hypotheses and objectives within a structured paradigm. With respect to the design, it was selected primarily for systematic

cally gathering information that describes the attributes of a situation, phenomenon, or population. According to Skidmore (2023), the design is effective in addressing the what, where, and how aspects of a research problem. In this study, the unit of observation was the chief executive officers of the dairy cooperatives, as they are responsible for leadership within the cooperatives. In the data analysis, both descriptive and inferential statistics were used. Cronbach's Alpha was used to assess the reliability of the study variables. Correlation and regression analysis were used. Simple regression

analysis was employed to examine the relationship between management committee diversity and the sustainable financing of dairy cooperatives in Kenya.

6. Results and Discussions

6.1. Reliability Test

Carroll (2023) observed that a Cronbach's Alpha of above 0.7 is good, one above 0.8 is better, and above 0.9 is best, while one that is below 0.70 is insufficient and thus not reliable. As presented in Table 1, all variables (Sustainable Financing and Management Committee diversity) had coefficients above 0.7 and were thus deemed reliable for the study.

Table 1. Reliability Test.

Variable	No. of items	Alpha	Comment
Diversity	12	0.947	Accept
Sustainable Financing	9	0.941	Accept

6.2. Descriptive Statistics for Financial Literacy

The study objective was to examine the relationship between management committee diversity and sustainable financing in dairy cooperatives in Kenya. Table 2 presents the percentage statistics relating to the information measuring the respondents' level of agreement as to how the given indicators of management committee diversity influenced sustainable financing in dairy cooperatives in Kenya.

1 represents strongly disagree (SD), 2 disagree (D), 3 neutral (N), 4 agree (A), and 5 strongly agree (SA).

A wide range of views is observed regarding age diversity in the committee. While 42.5% of respondents agree (18.3%) or strongly agree (24.2%) that the committee includes members from various age groups, 36.6% disagree (15.8% strongly and 20.8% disagree), suggesting some concern about age representation. The remaining 20.8% are neutral, reflecting either a lack of awareness or indifference to the committee's age composition.

Regarding the impact of age diversity on innovation and decision-making, a more positive outlook is evident. A combined 46.7% of respondents agree (24.2%) or strongly agree (22.5%) with the statement, indicating that many see age diversity as beneficial. Nevertheless, 32.5% disagree (15.8% strongly and 16.7% disagree), and 20.8% remain neutral, suggesting there is still room for broader acceptance or clearer evidence of this benefit.

Effective collaboration across age brackets is also acknowledged by a majority of respondents, with 47.5% either agreeing (25.8%) or strongly agreeing (21.7%). Meanwhile, 33.3% of respondents (15.8% strongly disagree

and 17.5% disagree) express skepticism, and 19.2% are neutral. These results suggest that while intergenerational teamwork is generally positive, it may still face challenges in specific contexts.

Regarding gender representation in the management team, 45.0% of respondents agree (20.8%) or strongly agree (24.2%) that both men and women are adequately represented. However, 35.0% of respondents (16.7% strongly disagree and 18.3% disagree) disagree with this view, and 20.0% are neutral, indicating some ongoing concerns about gender equity.

The impact of gender diversity on leadership quality and decision-making is viewed favorably by 45.0% of respondents, with 25.0% agreeing and 20.0% strongly agreeing. Still, 35.0% (15.8% strongly disagree and 19.2% disagree) question this view, while 20.0% remain neutral. This suggests that while many believe in the positive impact of gender diversity, others remain unconvinced or unsure.

On equal opportunities for leadership regardless of gender, 47.5% of respondents express agreement (26.7%) or strong agreement (20.8%), reflecting a majority perception of fairness in leadership roles. However, 34.1% (15.8% strongly disagree and 18.3% disagree) still perceive inequality, and 18.3% are neutral, signaling a need for continued efforts to promote inclusivity and transparency in leadership selection.

The presence of professional diversity within the committee is affirmed by 45.0% of respondents, with 25.8% agreeing and 19.2% strongly agreeing that the committee includes individuals with varied expertise. Still, 35.8% disagree (15.8% strongly and 20.0% disagree), and 19.2% are neutral. This highlights the importance of continuously broadening the range of professional backgrounds within the leadership.

Diverse skill sets, including legal, financial, and agricultural knowledge, are perceived as present by 44.2% of respondents (22.5% agree and 21.7% strongly agree). Nonetheless, 35.8% (15.8% strongly disagree and 20.0% disagree) feel otherwise, and 20.0% are neutral. This implies that while specialized expertise exists, a more balanced approach or greater visibility in certain skill areas may be needed.

The role of diverse expertise in enhancing governance and problem-solving is acknowledged by 45.9% of respondents (24.2% agree and 21.7% strongly agree). However, 33.4% express disagreement (16.7% for both categories), and 20.8% are neutral, suggesting a generally positive but not unanimous perception of the value of multidisciplinary approaches.

When asked about accommodating members from different religious backgrounds, 47.5% of respondents agree (23.3%) or strongly agree (24.2%) that such inclusion is practiced. Still, 33.3% (15.8% strongly disagree and 17.5% disagree) feel otherwise, while 19.2% are neutral. These findings suggest general support for religious inclusion, although some gaps in representation or perception may still exist.

Support for the idea that religious diversity promotes in-

clusion and mutual respect is slightly higher, with 48.4% of respondents agreeing (24.2%) or strongly agreeing (24.2%). However, 33.3% remain unconvinced (15.8% strongly disagree and 17.5% disagree), and 18.3% are neutral, suggesting an overall positive view tempered by differing experiences or values.

Lastly, the statement that religious differences do not in-

terfere with committee cohesion is endorsed by 46.7% of respondents (21.7% agree and 25.0% strongly agree). In contrast, 34.1% (15.8% strongly disagree and 18.3% disagree) indicate concerns, and 19.2% remain neutral. This suggests that while diversity is generally well-tolerated, there may still be occasional tensions or misunderstandings that require addressing.

Table 2. Descriptive Statistics on Financial Literacy.

Statement	SD	D	N	A	SA
The committee includes members from a wide range of age groups.	15.80%	20.80%	20.80%	18.30%	24.20%
Age diversity fosters innovative ideas and effective decision-making.	15.80%	16.70%	20.80%	24.20%	22.50%
Members of different age brackets collaborate effectively.	15.80%	17.50%	19.20%	25.80%	21.70%
Both men and women are adequately represented in the management team.	16.70%	18.30%	20.00%	20.80%	24.20%
Gender diversity improves the quality of leadership and decisions.	15.80%	19.20%	20.00%	25.00%	20.00%
There are equal opportunities for leadership regardless of gender	15.80%	18.30%	18.30%	26.70%	20.80%
The committee comprises individuals with varied professional expertise.	15.80%	20.00%	19.20%	25.80%	19.20%
Members bring diverse skills (e.g., legal, financial, agricultural).	15.80%	20.00%	20.00%	22.50%	21.70%
Diverse expertise enhances problem-solving and governance.	16.70%	16.70%	20.80%	24.20%	21.70%
The committee comprises members from diverse religious backgrounds.	15.80%	17.50%	19.20%	23.30%	24.20%
Religious diversity promotes inclusion and respect.	15.80%	17.50%	18.30%	24.20%	24.20%
Religious differences do not interfere with committee cohesion.	15.80%	18.30%	19.20%	21.70%	25.00%

Descriptive statistics for sustainable financing were evaluated using a Likert scale:

1 represents strongly disagree (SD), 2 disagree (D), 3 neutral (N), 4 agree (A), and 5 strongly agree (SA).

The data presents perceptions of respondents on the cooperative's commitment to environmental sustainability, social responsibility, and good governance. Regarding environmental sustainability, responses were mixed, with only around 41.6% agreeing or strongly agreeing that the cooperative invests in environmentally sustainable projects such as solar or biogas. Similarly, about 41.7% agreed that green financing options, such as green bonds or credits, are considered in funding decisions, although a notable portion also disagreed, indicating possible gaps in either practice or communication. When it comes to promoting efficient water and energy use, the cooperative received slightly higher support, with 42.5% agreeing

or strongly agreeing, though a combined 35.9% still disagreed or strongly disagreed. On the social front, the cooperative was seen somewhat more positively. Support for community healthcare initiatives and education or training programs drew agreement from around 43% and 45% of respondents, respectively, showing a moderate level of confidence in the cooperative's community support efforts. The cooperative's role in creating employment was among the most positively viewed, with nearly half (49.2%) of respondents agreeing or strongly agreeing. Financial transparency and anti-corruption measures were also relatively well-regarded, with 47.5% and 48.3% respectively expressing agreement. However, each statement still had at least 30% of respondents expressing disagreement or neutrality, suggesting room for improvement in communication, implementation, or awareness of the cooperative's efforts in sustainability, social welfare, and governance.

Table 3. Descriptive Statistics on Sustainable Financing.

Statement	SD	D	N	A	SA
The cooperative invests in environmentally sustainable projects (e.g.,	16.70%	19.20%	22.50%	23.30%	18.30%

Statement	SD	D	N	A	SA
solar, biogas).					
Green financing options (e.g., green bonds or credits) are considered in funding decisions.	17.50%	21.70%	19.20%	21.70%	20.00%
The cooperative actively promotes the efficient use of water and energy.	16.70%	19.20%	21.70%	20.80%	21.70%
The cooperative supports community healthcare initiatives.	16.70%	19.20%	23.30%	21.70%	19.20%
The cooperative contributes to access to education and training programs in the community.	16.70%	16.70%	21.70%	25.80%	19.20%
Social welfare is considered in all major cooperative financial decisions.	17.50%	17.50%	21.70%	23.30%	20.00%
The cooperative has created employment opportunities for members and the local community.	15.80%	15.80%	19.20%	25.00%	24.20%
Financial reporting and decisions are transparent and accountable.	15.80%	16.70%	20.00%	24.20%	23.30%
The cooperative has effective mechanisms for preventing and addressing corruption.	15.80%	17.50%	18.30%	25.00%	23.30%

6.3. Regression Analysis of Management Committee Financial Literacy and Sustainable Financing

The objective was to determine the impact of management committee diversity on sustainable financing. The hypothesis of the study was:

H₀: Management committee diversity has no significant effect on sustainable financing in dairy cooperative societies in Kenya.

In Table 4, the management committee diversity has an R-squared value of 0.209, indicating that management committee diversity accounts for 20.9% of the variation in sustainable financing.

Table 4. Model Summary on Management Committee Diversity and Sustainable Financing.

R	R Square	Adjusted R Square	Std. Error of the Estimate
.465	.216	.209	.81961

The findings on the ANOVA, as shown in Table 5, indicate that $F = 32.507$, $p = 0.000$, which is less than 0.05, implying that the model summary is statistically significant.

Table 5. ANOVA Table.

	Sum of Squares	df	Mean Square	F	Sig.
Regression	21.837	1	21.837	32.507	.000
Residual	79.268	118	.672		
Total	101.105	119			

Based on the regression coefficients in Table 6, there is a statistically significant positive relationship between financial literacy and sustainable financing. $\beta = 2.078$, $p = 0.000 < 0.05$).

The results show that sustainable financing will rise by 0.399 units for every unit increase in management committee diversity. The regression equation is given as:

$$Y = 2.078 + 0.399 X$$

Y = Sustainable Financing and X = Management Committee Diversity.

Table 6. Model Coefficients.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.078	.164		12.646	.000
X	.399	.070	.465	5.701	.000

7. Conclusion

In conclusion, based on the findings, the management committee's diversity has a significant influence on the sustainable financing of dairy cooperatives in Kenya. Thus, the study accepted the alternative hypothesis and concluded that diversity in the management committee significantly influenced sustainable financing. This highlights the importance of diversity in the management committee in promoting sustainable financing in dairy cooperatives in Kenya.

8. Recommendation

According to the study findings, dairy cooperatives in Kenya should intentionally promote diversity within their management committees. To achieve this, they should ensure representation across diverse age groups, genders, educational backgrounds, and professional experiences. This diversity brings varied expertise and decision-making approaches, which enhance financial sustainability and resilience. Additionally, the policies of the dairy cooperatives should be reviewed to support inclusive leadership and encourage participation across all groups, thereby strengthening the long-term financial resilience of the dairy cooperatives.

Abbreviations

MCs Management Committees

Conflicts of Interest

The authors declare no conflicts of interest.

References

- [1] Berle, E. C., Kavajecz, K., & Onozaka, Y. (2024). Effect of gender composition of committees. *Human Relations*, 77(5), 622–649. <https://doi.org/10.1177/00187267221135846>
- [2] Dobbin, F., & Kalev, A. (2022). *Getting to Diversity: What Works and What Doesn't*. Harvard University Press.
- [3] Energi, Y. R., & Sarihusada, D. E. (2023, April 18). *Training of Trainers Financial Literacy for Farmer Families and Cooperatives—Rumah Energi*. <https://www.rumahenergi.org/en/2023/04/18/training-of-trainers-financial-literacy-for-farmer-families-and-cooperatives.html>
- [4] Gayan, G. (2024). *8 Best Ways To Promote Religious Diversity In The Workplace*. <https://www.vantagecircle.com/en/blog/religious-diversity-in-the-workplace/>
- [5] Githinji, M. P. (2022). *Influence of Expertise in Cooperatives—Google Search*. https://www.google.com/search?q=influence+of+expertise+in+cooperatives&sca_esv=28f8fab5923385a6&source=Int&tbs=cd%3A1%2Ccd_min%3A2020%2Ccd_max%3A&tbm=
- [6] Heaslip, E. (2024). *5 Benefits Of Age Diversity In The Workplace* | Vervoe. <https://vervoe.com/age-diversity/>
- [7] Juwita, R. (2023). The Role of Gender Diversity in Corporate Governance for Quality Assurance of Financial Reports with Audit Fees as Moderating Variables. *European Journal of Business and Management Research*, 8(1), Article 1. <https://doi.org/10.24018/ejbm.2023.8.1.1753>
- [8] Khemakhem, H., Arroyo, P., & Montecinos, J. (2023). Gender diversity on board committees and ESG disclosure: Evidence from Canada. *Journal of Management and Governance*, 27(4), 1397–1422. <https://doi.org/10.1007/s10997-022-09658-1>
- [9] Moropane, K. L. (2022). *Achieving Business Sustainability through Diversity Management and Effective HRM* | IntechOpen. <https://www.intechopen.com/chapters/84587>
- [10] Nishii, L. H., & Mayer, D. M. (2022). Nishii, L. H., & Mayer, D. M. (2022). *Diversity and inclusion in organizations: Insights and future directions*. *Annual Review of Organizational Psychology and Organizational Behavior*, 9, 29–51.
- [11] Taylor, D. (2023). *Accommodating Religious Diversity in the Workplace: Fostering Inclusion & Cultural Understanding*. <https://www.inclusionhub.com/articles/accommodating-religious-diversity-in-the-workplace-fostering-inclusion-cultural-understanding>