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Influence of Strategic Management Practices on Performance of Savings and Credit Co-Operative Societies in Nairobi County, Kenya

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Abstract: The increase of competition in the financial sector, robust strategic management has become of utter essence to saving and cooperative societies in Kenya. Indeed, Sacco's in Kenya face many challenges and are forced to adopt various strategic management practices. However, even as Sacco's adopt these strategic management practices, they face other numerous challenges that hinder the efficient actualization of such practices. The study establishes the influence of strategic management practices on performance of savings and credit co-operative societies in Nairobi County, Kenya. The study adopted a descriptive cross-sectional survey. The study population was the employee of 35 SACCOS in Nairobi County at their head office in Nairobi. The study population composed of 486 members of staff in different managerial levels currently working at different SACCOS within Nairobi County. Stratified random sampling technique was used to select the sample of 146 respondents. Content analysis was used to test data that is qualitative in nature or aspect of the data collected from the open ended questions. Multiple regression analysis was done to establish the influence of strategic management practices on performance of savings and credit co-operative societies in Nairobi County, Kenya. The study revealed that unsupportive organization structure affects performance, there were long chains of command that affected performance, the institution's structure provides overall framework for achieving organization goals and there is a clear vision that governs change in the organization. The study also established that, institution's culture is a powerful driving force in implementation of strategic management practices and is consistent with the strategic management practices. The study found out that employees involvement in this organization influence the organization profitability, organization employees are involved during strategic management practices implementation and employees involvement contributes positively to implementation of strategic management.

Keywords: *Organization Restructuring, Strategic Culture, Employee Involvement, Stakeholder Involvement, Performance of SACCOS*

Introduction

Due to the rise and rise of competition in the financial sector, robust strategic management has become of utter essence to saving and cooperative societies in Kenya. Indeed, Sacco's in Kenya face many challenges and are forced to adopt various strategic management practices. However, even as Sacco's adopt these strategic management practices, they face other numerous challenges that hinder the efficient actualization of such practices (Heide & Johansson, 2016). Strategies are usually affected by the state of Sacco's and their external environments. Being in mind that the performance of Sacco's is dependent on the fit between firms and their external environment, the appearance of novel opportunities and threats in the external environment, then change in external environment require firms to adapt to the external environment (Bastedo, 2014). As a result, firms would change their strategy in response to the environmental changes. For example, Sacco's tend to adopt new strategies in the face of financial distress for the purpose of breaking the critical situations. Additionally, organizations would possess structural inertia that they tend to keep their previous structure and strategy (Dent, Chandler & Barry 2014). Financial institutions such as banks, microfinance institutions and Saving Credit Cooperative Societies (SACCOs) in Kenya are operating in a competitive and ever changing environment. Management in Saving Credit and Cooperative Society has adopted strategies, set financial and operating standards to improve the competitiveness of Sacco's societies (KUSCCO, 2012). This has influenced adoption and implementation of strategic management due to volatile markets influencing SACCO's to implement major corporate changes such as diversification in new products, adopt focus strategy in offering their products to specific groups in the markets and differentiation of financial products to meet the demand of the customers. This study seeks to establish the influence of strategic management practices on performance of savings and credit co-operative societies in Nairobi County, Kenya.

Statement of the Problem

Most Saccos face challenges in sustaining and improving profitability while increasing processes, efficiencies and fueling growth. Saccos each day are faced by changing environments and are undertaking strategic management as a way of improving the company's competitive advantage, longevity, or sustainability as well as improving organizational performance. No advantage is sustainable indefinitely since everything can eventually be copied and no customer is loyal forever. However, it is possible for a company to estimate the probable degree to which advantage could be sustained through strategic management processes (WOCCU, 2011). Kenya continues to enjoy the fastest growing economy in East Africa despite the current decline in some sectors of its economy; the financial sector in Kenya has been performing better than any other sector in the economy. Many commercial banks and other financial institutions continue to grow day by day and some have even crossed borders to offer services in the neighboring East African States with plans to explore West Africa. SACCOs are financial institutions which offer similar services and products like commercial banks. Most SACCOs are older than some of the commercial banks and some SACCOs are bigger of asset base than some commercial banks but their growth, financial performance and expansion level is not something to be proud of commercial banks and other financial institutions. Further, the financial performance varies among different SACCOs thus the concern of what could be affecting the financial performance of SACCOs (Fujo & Ali, 2016). In Kenya, empirical studies have been conducted on strategic management practices. Gekonge, (2009) conducted a survey of the strategic management practices by Kenyan companies listed at the Nairobi Stock Exchange.

Bwibo (2010) did a survey of strategic management practices within Non-Governmental Organizations in Kenya. Otiso, (2008) studied the strategic management practices at Africa Merchant Assurance Company. Kiptugen (2003) did a study to determine the strategic responses of Kenya Commercial Bank to environmental dynamics. Kamanda (2006) also did a study on Kenya Commercial Bank (KCB) with the objective of determining the factors that influence its regional growth strategy. Most of the studies done locally have been conducted in other organizations other than Saccos, these studies have failed to establish the influence of strategic management practices on performance of savings and credit co-operative societies. This study sought to fill the knowledge gap that exists by establishing the influence of strategic management practices on performance of savings and credit co-operative societies in Nairobi County, Kenya.

Objectives of the Study

i. To find out the influence of organization restructuring on performance of savings and credit co-operative societies in Nairobi County, Kenya

ii. To examine the influence of strategic culture on performance of savings and credit co-operative societies in Nairobi County, Kenya.

iii. To establish the influence of employee involvement on performance of savings and credit co-operative societies in Nairobi County, Kenya

iv. To assess the influence of stakeholder involvement on performance of savings and credit co-operative societies in Nairobi County, Kenya

Literature Review

Theoretical Literature Review

Administrative Theory

This theory was developed by Henri Fayol (1841-1925). He argued that management was an activity common to all human undertakings in business, in government, and even in the homes. Fayol believed that managerial practices were the key to predictability and efficiency in organizations. This theory views communication as a necessary ingredient to successful management. Management has five principle roles; to forecast and plan, to organize, to command, to co-ordinate and to control. Forecasting and planning is the act of anticipating the future and acting accordingly. This theory emphasized management functions and attempted to generate broad administrative principles that would serve as guidelines for rationalization of organizational activities. Based on the principle roles of management, Fayol concluded that all activities that occur in business organizations could be divided into six main groups namely technical, commercial, financial, security, accounting and managerial.

Cultural Dimension Theory

The theory of cultural dimensions describes the effects of a society's culture on the values of its members and how these values relate to behavior, using a structure derived from factor analysis. Hofstede (1980) identifies three dimensions that societies choose to cope with the inherent uncertainty of living: masculinity versus femininity, long-term orientation, amount of uncertainty avoidance and power distance (strength of social hierarchy). In highly feminine cultures, values focus upon relationships amongst people, concern for others and quality of life, and their key strength is personal service. Hofstede noted the employees' behavior in their workplace is influenced by three different cultures: their national, their occupational and their organizational culture. The five dimensions' model is widely used in many domains and particularly in the field of business. When it comes to business, promoting cultural sensitivity will help people work more effectively when interacting with people from other cultures, and will participate to increase efficiency in doing work (Munjau, 2013). This study used the cultural dimension theory to examine the influence of strategic culture on performance of savings and credit co-operative societies in Nairobi County, Kenya.

Lewin's 3 Step Model of Change Theory

Kurt Lewin developed a change model involving three steps: unfreezing, changing and refreezing. According to Burnes (2014), Lewis's 3 step model of change describes the change process of an organizational system as a series of transitions between different states of unfreezing, transition state and re-freezing. The unfreezing state is the initial state of the system which reflects a condition of relative stability. When a disruptive force affects the status quo, people are motivated to discontinue some aspects of the behaviour. Unfreezing is seen as the most difficult and important state in the change process. The transition state represents a phase of the change process when people are no longer acting as they used to, but are set in a new behaviour pattern. The need to reduce anxiety promotes a powerful desire for seeking out, processing and utilizing information to create a new state of stability or revert to the old state. One of the consistent findings about the change process is that there is initially a decrease in an organization's performance as change is implemented into the ongoing activities of the organization (Fullan, 2001).

Stakeholders Theory

Stakeholder theory is a conceptual framework of business ethics and organizational management which addresses moral and ethical values in the management of an organization. A number of stakeholder theories have developed overtime to explain, or to identify what the nature of the firm- stakeholder interaction should be (Friedman & Miles, 2002). Each offers insights into the motivations that potentially could influence management in their decision to interact with stakeholders in the decision to report information about the firm's activities. A number of researchers recognize that both managerial and normative motivations contribute to decision-making and have suggested approaches to stakeholder theory that may assist in the analysis of the firm-stakeholder interaction. Donaldson and Preston (1995) have argued that stakeholder theory would be better characterized as a 'Stakeholder Research Tradition rather than as one theory. While Jones and Wicks (1999) proposed the 'Convergent Stakeholder Theory' which was intended to offer an approach to the unification of the two branches of stakeholder theory in which the various stakeholder theories were to be seen as a 'class of theories'. As with Freeman (1985) they recognized that neither of the convergent forms of stakeholder theory is complete without the other.

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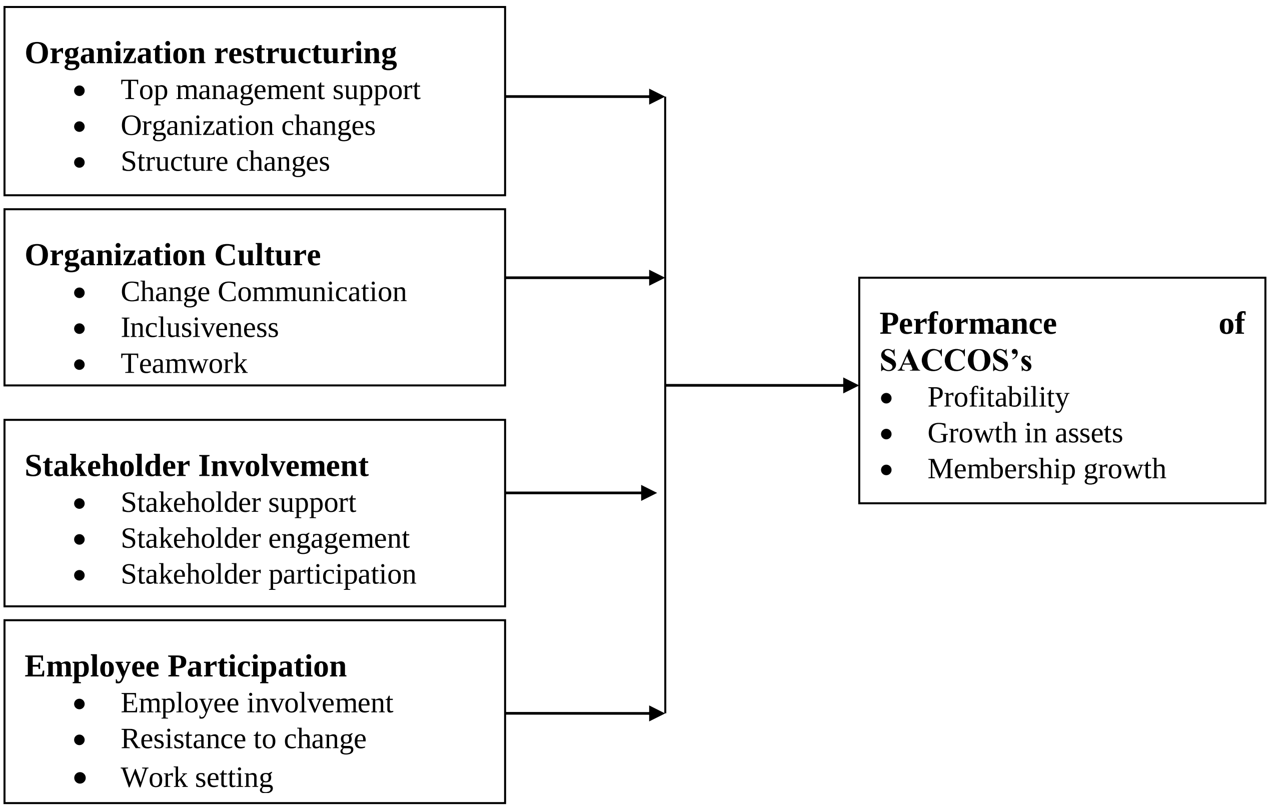
Conceptual Framework



Independent Variables **Dependent Variable**

Figure 2.1: Conceptual Framework

2.3.1 Organization Restructuring

Research Methodology

The study adopted a descriptive cross-sectional survey. According to Cooper and Schindler (2006), cross sectional studies are carried out once. The population for this study was the employee of 35 Saccos in Nairobi County at their head office in Nairobi. The study population composed of 160 members of staff in different managerial levels currently working at different SACCOS within Nairobi County. The study used the Krejcie and Morgan (1970) formular to arrive at the sample size. The selection formula is as follows:

$$n=\frac{N}{1+(N-1)e^{2}}$$

Where n= the required sample size, N = is the Target Population (160 respondents), e = accuracy level required. Standard error = 5%. The sample size was 114 respondents. The research used questionnaires. The questionnaires were used to collect mainly quantitative data.

However some qualitative data was collected from the open ended questions. Secondary data involved the collection and analysis of published material and information from other sources such as annual reports, published data. Secondary data was collected to generate additional information for the study from the documented data or available reports. Secondary data is for evaluating historical or contemporary confidential or public records, reports, government documents and opinions (Cooper and Schindler, 2003). Mugenda and Mugenda (2003) add that, numerical records can also be considered as a sub category of documents and those records include figures, reports and budgets. This basically implied the incorporation of valuable statistical data in the study. The study used content analysis to test data that is qualitative in nature or aspect of the data collected from the open ended questions. The study conducted a correlation analysis to establish the strength of the relationship between the independent and the dependent variable. Multiple regressions was done to establish the influence of strategic management practices on performance of savings and credit co-operative societies in Nairobi County, Kenya. The regression equation is:

$$Y= \beta_0+ \beta_1X_1+\beta_2X_2+ \beta_3X_3+ \beta_4X_4+ \varepsilon$$

Where

Y is the dependent variable (Performance), $\beta 0$ is the regression constant, $\beta 1$, β_2, β_3 and β_4 are the coefficients of independent variables, X_1 is organization restructuring, X_2 is strategic culture, X_3 is stakeholder involvement and X_4 is employee involvement.

Data Analysis, Results and Discussion

Response Rate

The study targeted a sample size of 114 respondents from which 106 filled in and returned the questionnaires making a response rate of 92.98%. This response rate was satisfactory to make conclusions for the study. The response rate was representative. According to Mugenda and Mugenda (2013), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered to be good.

Demographic Information

Gender of the Respondent

The respondents were requested to indicate their gender. From the findings the study revealed that, 56.7% of the respondents were male while 43.3% of the respondents were female. This shows that majority of the respondents were male. As shown in figure 4.2. These findings agree with Sharu and Guyo (2013) findings that most of the Saccos employees are males.

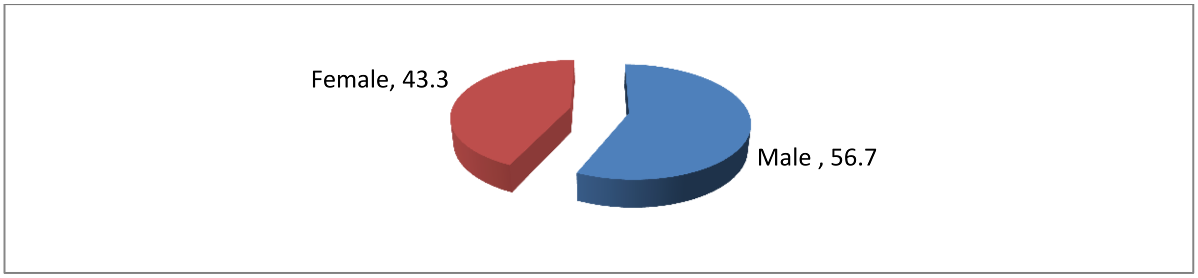


Figure 2: Gender of the Respondent

Period Worked in the Organization

The respondents were asked to indicate the number of years they have worked in the organization. According to the findings, 37.3% of the staff have worked in their organizations for a period of 4 to7 years, 24.6% have worked in the organization between a period of 8 to 11 years, 20.2% have worked in the organization for a period of 3 years and below and 17.9% have worked in their organization for 12 years and above. According to Aminu and Shariff (2015), most of experience employee in Saccos influences the performance of the organization. It can be deduced that most that majority of the staff have worked in their organization for a period of 4 to 7 years.

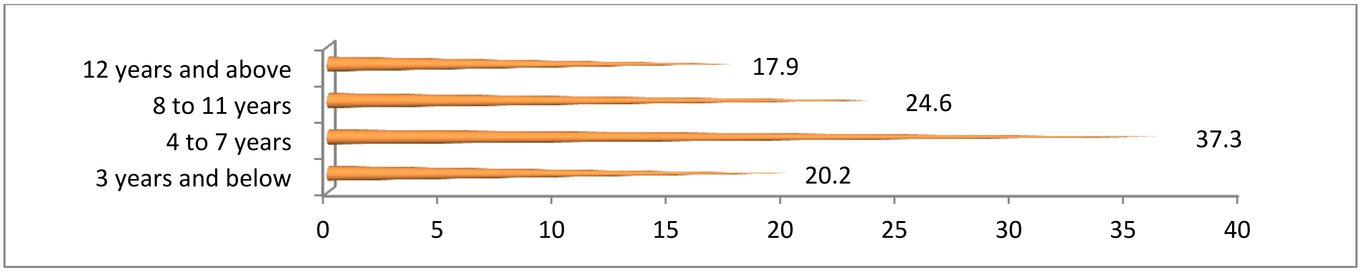


Figure 3: Period worked in the organization by the respondents

Position of the Respondent in the Organization

The respondents were requested to indicate their position in the organization. From the findings, 41.6% of the respondents are senior officers, 33.8% are managers and 24.6% are other staff. This indicates that majority of the respondents are senior managers. These findings are agreeing with Moreno *et al.* (2012) argument that employee position in the organization influence it performance.

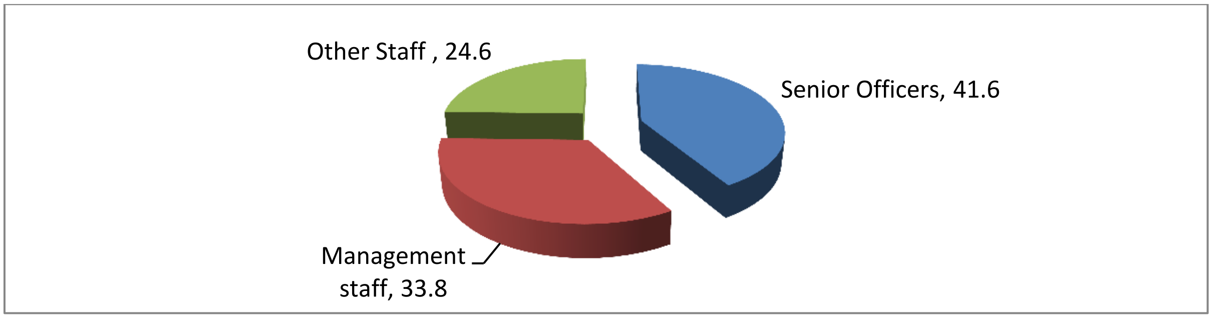


Figure 4: Positions of the respondents in the organization

Descriptive Statistics

Organization Restructuring On Performance

From the findings, the respondents agreed that Unsupportive organization structure affects performance as indicated by a mean of 4.42 and standard deviation 1.29, there were long chains of command that hindered affect performance as shown by a mean of 4.34 and standard deviation of 1.20, the institution's structure provides overall framework for achieving organization goals as shown by a mean of 4.32 and standard deviation of 1.14 There is a clear vision that governs change in the organization as indicated by a mean of 4.27 and standard deviation of 1.10, our organization's structure support strategic change management practices and performance as shown by a mean of 4.26 and standard deviation of 1.11, there is adequate training to enable employees cope with the change in management as indicated by a mean of 4.12 and standard deviation of 0.99 and leadership influences the change management practices in the organization as shown by a mean of 4.11 and standard deviation of 0.98. The study findings are in agreement with findings of Connolly (2010) who found that planned restructuring efforts involve attempts to get people and groups within organizations to work together more effectively.

Table 1: Organization Restructuring on Performance

Statements	1	2	3	4	5	Mean	STD Dev.
Unsupportive organization structure affects performance	3.1	2.7	3.3	30.8	60.0	4.42	1.29
There were long chains of command that hindered affect performance	3.8	3.3	4.4	32.7	55.8	4.34	1.20
The institution's structure provides overall framework for achieving organization goals	2.7	3.3	3.8	39.6	50.6	4.32	1.14
Our organization's structure support strategic change management practices and performance	4.0	3.8	4.8	37.5	50.0	4.26	1.11
There is a clear vision that governs change in the organization	3.5	3.3	5.2	38.8	49.2	4.27	1.10
Leadership influences the change management practices in the organization	4.6	5.8	6.7	40.0	42.9	4.11	0.98
There is adequate training to enable employees cope with the change in management	4.8	5.2	5.8	41.9	42.3	4.12	0.99

Strategic Culture on Performance

The respondents were requested to mark in the box which best describes their agreement or disagreement. According to the findings, the respondents agreed that the institution's culture is a powerful driving force in implementation of strategic change management practices as shown by a mean of 4.29 and standard deviation of 1.11, the institution's culture is consistent with the strategic change management practices as indicated by a mean of 4.28 and standard deviation of 1.10, our organization culture helps in attaining organization goals as indicated by a mean of 4.28 and standard deviation of 1.10, strategic change management practices is communicated effectively within the department as shown by a mean of 4.27 and standard deviation of 1.30, the institution's culture provides overall framework for strategic change management as shown by a mean 4.26 and standard deviation 1.07, there is mutual relationship among the workers which enables communication and hence change management as shown by a mean of 4.26 and some failure in internal communication have sometimes led to failure of implementation of strategic change management practices in the organization as shown by a mean of 4.17 and standard deviation 1.03. These findings concur with the finding of Johnson and Scholes (2012) who revealed that social processes can also create rigidities if an organization needs to change their strategy.

Table 2: Strategic Culture on Performance

Statements	1	2	3	4	5	Mean	STD DEV.
The institution's culture is consistent with the strategic change management practices	3.3	2.9	4.6	41.3	47.9	4.28	1.10
The institution's culture is a powerful driving force in implementation of strategic change management practices	3.1	2.9	5.2	39.2	49.6	4.29	1.11
The institution's culture provides overall framework for strategic change management practices	2.3	4.2	5.0	42.3	46.3	4.26	1.07
There is mutual relationship among the workers which enables communication and hence change management	4.6	3.3	4.4	38.5	49.6	4.26	1.11
Our organization culture helps in attaining organization goals	2.9	3.5	5.0	39.4	49.2	4.28	1.10
Some failure in internal communication have sometimes led to failure of implementation of strategic change management practices in the organization	4.0	4.8	4.8	43.3	43.1	4.17	1.03
Strategic change management practices is communicated effectively within the department	3.3	3.5	4.0	41.3	47.9	4.27	1.30

Employee Involvement on Performance

The respondents were asked to mark in the box which best describes their agreement or disagreement. From the findings, the respondents agreed employees involvement in this organization influence the organization profitability indicated by a mean of 4.39 and standard deviation 1.18, in this organization employees are involved during strategic change management practices implementation as shown by a mean of 4.30 and standard deviation of 1.12, Employees involvement contributes positively to implementation of strategic change management practices as shown by a mean of 4.27 and standard deviation of 1.11, employees are involved in the initial stage of strategic change management practices as shown by a mean of 4.19 and standard deviation of 1.04, resistance in our organization encourages the search for alternative methods and outcomes as shown by a mean of 3.29 and standard deviation of 0.84, resistance plays a crucial role in influencing the organization toward greater stability as shown by a mean of 2.74 and standard deviation of 0.34 and resistance serves as a warning signal directing the timing of technological changes as indicated by a mean of 2.12 and standard deviation 0.19. Sashkin (2014) posits that the need for participation in organizational change is based on the principle that it fulfils three basic human work needs: autonomy, meaningfulness, and decreased isolation.

Table 3: Employee Involvement on Performance

Statements	1	2	3	4	5	Mean	Std Dev
In this organization employees are involved during strategic change management practices implementation	2.7	3.8	3.3	41.5	48.8	4.30	1.12
Employees involvement in this organization influence the organization profitability	1.7	2.3	2.9	41.9	51.3	4.39	1.18
Employees are involved in the initial stage of strategic change management practices	3.8	5.2	4.4	42.1	44.6	4.19	1.04
Employees involvement contributes positively to implementation of strategic change management practices	4.0	3.3	3.8	39.6	49.4	4.27	1.11
Resistance plays a crucial role in influencing the organization toward greater stability	24.8	32.5	5.2	18.5	19.0	2.74	0.34
Resistance serves as a warning signal directing the timing of technological changes.	46.5	27.3	3.3	13.5	9.4	2.12	0.19
Resistance in our organization encourages the search for alternative methods and outcomes	9.4	14.2	4.4	32.5	39.6	3.29	0.84

Stakeholder Involvement on Performance

The respondents were requested to mark in the box which best describes their agreement or disagreement. From the findings, the respondents agreed that Stakeholder actions helps in emphasizing ethical practices as shown by a mean of 4.36 and standard deviation of 1.18, Stakeholder actions helps in developing human capital as shown by a mean of 4.35 and standard deviation of 1.19, stakeholder actions helps in sustaining an effective organizational culture by a mean of 4.30 and standard deviation of 1.11, stakeholder actions helps in developing social capital by a mean of 4.30 and standard deviation of 1.12, stakeholder actions helps in establishing balanced organizational controls by a mean of 4.29 and standard deviation of 1.10, stakeholder actions helps in exploiting and maintaining core competencies by a mean of 4.28 and standard deviation 1.11, stakeholder actions helps in determining the strategic direction of the organization by a mean of 4.27 and standard deviation 1.11 and stakeholder regularly spend time agreeing requirements by a mean of 4.27 and standard deviation of 1.09. Golembiewski (2015) argues that attaining support from governmental authorities and political actors involves serious challenges, given the constraints imposed by the political context in which public organizations operate.

Table 4: Stakeholder Involvement on Performance

Statements	1	2	3	4	5	Mean	STD dev
Stakeholder actions helps in determining the strategic direction of the organization	3.1	2.9	4.0	43.5	46.5	4.27	1.11
Stakeholder regularly spend time agreeing requirements	2.3	2.7	3.8	47.5	43.5	4.27	1.09
Stakeholder actions helps in establishing balanced organizational controls	2.7	3.3	4.2	42.3	47.5	4.29	1.10
Stakeholder actions helps in exploiting and maintaining core competencies	3.1	3.3	4.0	41.3	48.3	4.28	1.11
Stakeholder actions helps in sustaining an effective organizational culture	2.3	2.9	4.0	44.0	46.9	4.30	1.11
Stakeholder actions helps in emphasizing ethical practices	2.7	2.5	2.9	39.4	52.5	4.36	1.18
Stakeholder actions helps in developing human capital	3.1	2.7	4.6	34.8	54.8	4.35	1.19
Stakeholder actions helps in developing social capital	2.3	3.3	3.8	41.9	48.8	4.30	1.12

Performance of Sacco's

The respondents were requested to mark (x) in the box which best describes their agreement or disagreement on each of the following statements. From the findings, the respondents agreed that, our Sacco profitability is a key indicator of performance by a mean of 4.43 and standard deviation of 1.26, our Sacco has experienced an increase in employees over the last 5 years, our Sacco has experienced an increase in customers over the last 5 years, in our Sacco motivated employees are important for better performance as indicated by a mean of 4.40 and standard deviation of 1.20 , our Sacco has experienced an increase in assets over the last 5 years by a mean of 4.40 and standard deviation of 1.21.

Table 5: Performance of SACCO

Statements	1	2	3	4	5	Mean	Std dev
Our Sacco has experienced an increase in employees over the last 5 years	2.1	1.7	2.3	41.7	52.3	4.40	1.20
Our Sacco has experienced an increase in customers over the last 5 years	1.7	2.3	3.1	39.8	46.9	4.40	1.20
Our Sacco has experienced an increase in assets over the last 5 years	2.5	2.3	2.9	37.7	54.6	4.40	1.21
Our Sacco profitability is a key indicator of performance	2.3	2.7	3.1	33.8	58.1	4.43	1.26
In our Sacco motivated employees are important for better performance	2.3	1.7	4.4	37.1	54.6	4.40	1.20

From the finding presented on in figure 4.5 on Saccos Total assets, the study found that re was gradual increase in Sacco's assets from the year 2011 to years 2016. This is an indication that Saccos assets were on the rise for the study period. The finding correspond Nyakenyanya (2013), Odhiambo (2013) and Okello (2012) who posit that financially stable SACCOs provide better loan products and services which consequently lead to growth in annual incomes.

Total Assets

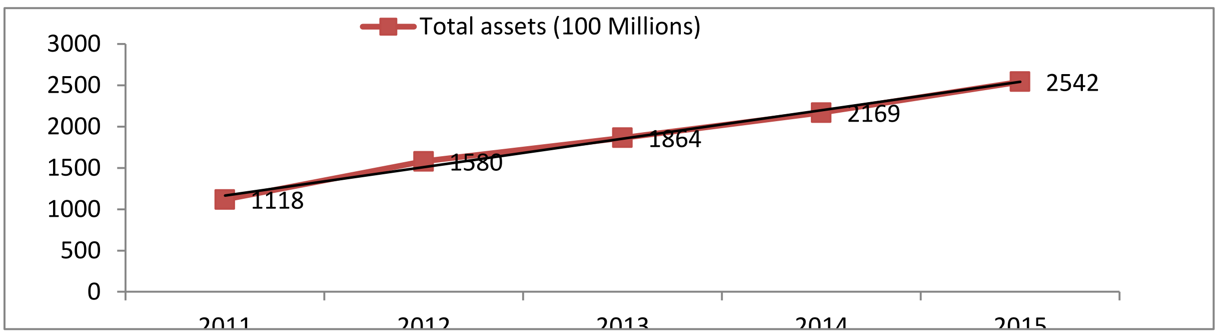


Figure 6: SACCOS Total Assets

According to the findings of the study presented in figure 4.6 the study found that there was an overall increase in the SACCOS rebates for the entire study period , this Cleary shows that SACCOS were performing well in the entire study period . The finding correspond Nyakenyanya (2013), Odhiambo (2013) and Okello (2012) who posit that financially stable SACCOs provide better loan products and services which consequently lead to growth in annual incomes.

Rebates

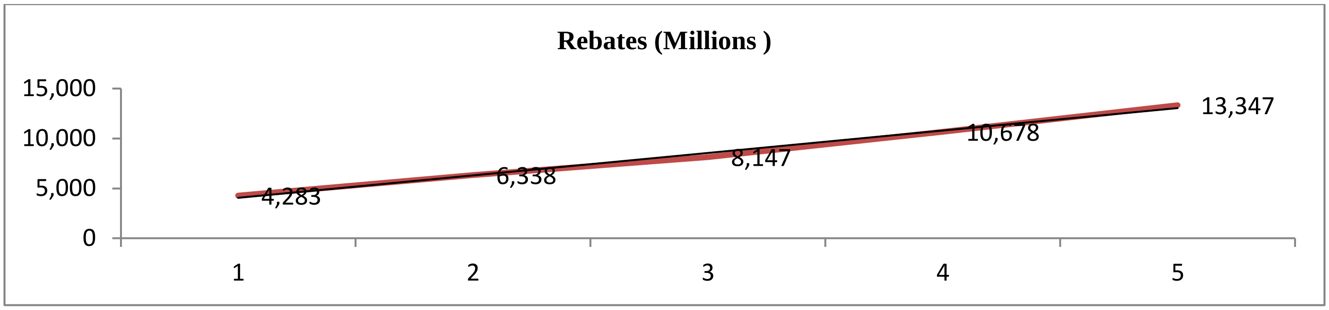


Figure 7: SACCOS Rebates

From the finding presented on in figure 4.7 on Sacco's membership, the study found that there was continuous increase in the Saccos members between years 2011 to years 2016. This is an indication that Saccos membership was increasing on annual basis.

SACCOS Membership

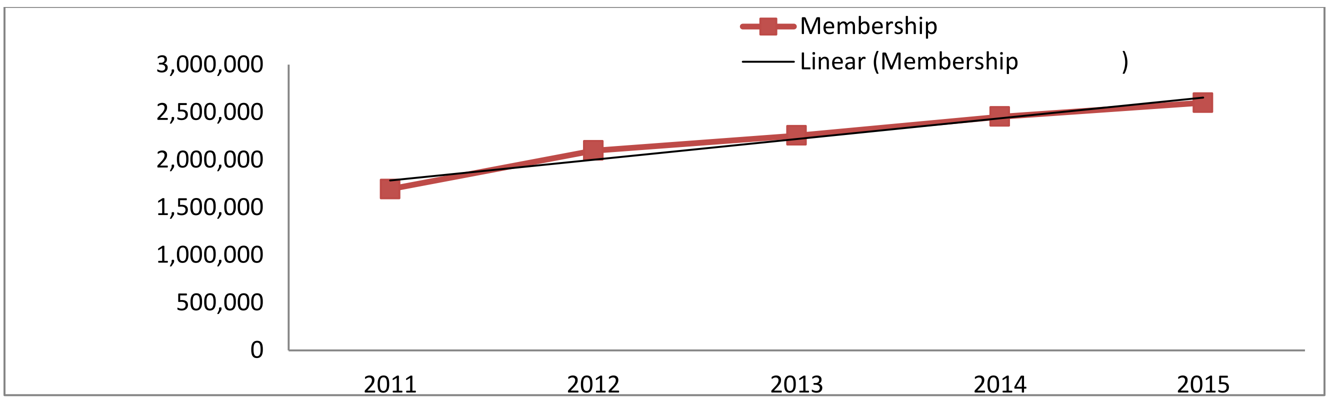


Figure 8: SACCOS Membership

Correlation Analysis

Table 6: Correlations Coefficient

		Performance	Organization restructuring	Strategic Culture	Stakeholder Involvement	Employee Participation
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Organization restructuring	Pearson Correlation	0.711	1			
	Sig. (2-tailed)	0.000				
Strategic Culture	Pearson Correlation	0.683	0.802	1		
	Sig. (2-tailed)	0.000	0.000			
Stakeholder Involvement	Pearson Correlation	0.415	0.270	0.093	1	
	Sig. (2-tailed)	0.053	0.116	0.597		
Employee Participation	Pearson Correlation	0.371	-0.008	-0.237	0.638	1
	Sig. (2-tailed)	0.973	0.965	0.170	0.000	
	N	106	106	106	106	106

The study correlation matrix analysis is depicted in Table 4.4. and illustrates that there is a strong positive correlation r=0.711 between organization restrcturing and performnace, statistically significant (P=0.000<0.05) at 95% confidence level; a strong correlation between strategic culture and performance (r=0.683), statistically significant (P=0.004<0.05) at 95% confidence level; weak and positive (r=0.415) between stakeholder involvement and performance and a weak postive correlation between employee participation and performance (r=0.371). This finding implies that there existed a positive correlation between organization restructuring, strategic culture, stakeholder involvement, employee participation and performance of savings and credit co-operative societies in Nairobi County, Kenya.

Regression Analysis

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.843	0.711	0.696	0.00850

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. From the findings in the table below the value of adjusted R squared was 0.696 an indication that there was variation of 69.6% on performance of savings and credit co-operative societies due to changes in organization restructuring, strategic culture, stakeholder involvement and employee participation at 95% significance level. This shows that 69.6 % changes in performance of savings and credit co-operative societies could be accounted to changes in organization restructuring, strategic culture, stakeholder involvement and employee participation. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table below there was a strong positive relationship between the study variables as shown by 0.843.

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.780	4	0.445	5.705	0.024
	Residual	7.878	101	0.078		
	Total	9.658	105			

From the ANOVA statics in the table below, the processed data which is the population parameters had a significance level of 2.4% which shows that the data is ideal for making a conclusion on the population parameters as the value of significance is less than 5%. The calculated value was greater than the critical value (5.426 >2.462) an indication that organization restructuring, strategic culture, stakeholder involvement and employee participation significantly influence performance of savings and credit co-operative societies. This is an indication that the model had goodness of fit.

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	0.686	0.207		3.314	0.048
	Strategic Culture	0.486	0.118	0.480	4.119	0.002
	Organization Restructuring	0.371	0.105	0.312	3.533	0.006
	Stakeholder Involvement	0.229	0.071	0.178	3.225	0.010
	Employee participation	0.057	0.013	0.044	4.385	0.030

The established regression equation was

$Y = 0.686 + 0.486 X_1 + 0.371 X_2 + 0.229 X_3 + 0.057 X_4$

From the above regression equation, it was revealed that holding organization restructuring, strategic culture, stakeholder involvement and employee participation to a constant zero, performance of savings and credit co-operative societies would stand at 0.686, a unit increase in organization restructuring would lead to increase in performance of savings and credit co-operative societies by a factor of 0.486. A unit increase in strategic culture would lead to increase in performance of savings and credit co-operative societies by factors of 0.371. A unit increase in stakeholder involvement would lead to increase in performance of savings and credit co-operative societies by a factor of 0.229 and unit increase employee participation would lead to increase in performance of savings and credit co-operative societies by a factor of 0.057. The study further revealed that organization restructuring, strategic culture, stakeholder involvement and employee participation were significantly influencing performance of savings and credit co-operative societies, as all the p value (sig) were less than 0.05%. The study also found that there was a positive relationship between performance of savings and organization restructuring, strategic culture, stakeholder involvement and employee participation. This is consistent with Kaplan and Norton (2012) who developed a system in which measurements are meant to drive performance where they cited productivity, employees' motivation and cost efficiency as the rightful measure of performance.

Conclusions

Unsupportive organization structure affects performance because when the organization has wrong chains of commands then the wrong information will be disseminated to individuals and hence wrong activities in the organization. Long chains of command that affect performance this is because the information takes too long to get to the recipients hence work is delayed this drags behind the achievement of organizational goals. The institution's structure provides overall framework for achieving organization goals and there is a clear vision that governs change in the organization. Therefore, the study concludes that organization restructuring has a positive influence on organization performance. This is because when the right organization structure is put in place then it leads to the improvement of organization performance. Institution's culture is a powerful driving force in implementation of strategic change management practices and is consistent with the strategic change management practices. The study concludes that strategic culture has a positive influence on organization performance. This is because a well set culture which is known by every employee in the organization is well utilized and followed to the later. Organizational culture is unique in every organization and therefore assists an organization to remain competitive. Employee's involvement in this organization influence the organization profitability, organization employees are involved during strategic change management practices implementation and employee's involvement contributes positively to implementation of strategic change management. Therefore the study concludes that employee involvement has a positive influence on organization performance. This is because when the employees are part of organization decisions they will feel that they are appreciated and work hard to achieve organizational goals. Stakeholder actions helps in emphasizing ethical practices, their actions also help in developing human capital, Stakeholder actions helps in sustaining an effective organizational culture, Stakeholder actions helps in developing social capital, Stakeholder actions helps in establishing balanced organizational controls, Stakeholder actions helps in exploiting and maintaining core competencies, Stakeholder actions helps in determining the strategic direction of the organization and

Stakeholder regularly spend time agreeing requirements. This shows that Stakeholder involvement has a positive influence on organization performance of Sacco's. This is because when the stakeholder's support the activities the organization then this will facilitate achievement of the organizational goals.

Recommendations of the Study

The study recommends that Sacco's should adapt organization structure that will assist in improving organizational efficiency, productivity, and competitiveness, as the study found that organization restructuring has a positive influence on organization performance. The Sacco's should adapt organization structure suitable to the organization that will enhance how activities are done in the organization and hence improve organization performance. There is need for Saccos to embrace strategic change, as organization culture is also important to Saccos because it is a major strength when it is consistent with the strategy change and thus can be a powerful driving force in implementation of strategic change in the organization. A culture which is in line with the organization structure will ensure that work is done consistently without many interruptions and hence organizational goals will be achieved faster. There is need for employee involvement during strategic change within Saccos as employee involvement is important to an organization because the employees will feel that they are part of the organization and hence, they will give all their best to achieve organizational goals. The organization should allow employees to participate in different decision making sessions tis will make them feel that they are part of the decisions they are implementing and therefore work hard to achieve them. Stakeholder involvement is essential since support from other key external stakeholder's figures prominently in successful change efforts. Stakeholders will assist in implementing strategic change will by impacting their knowledge to the organization. Stakeholders will also give the management assurance that they support the implementation of the organization activities and this will facilitate faster implementation.

Conflict of Interest

No potential conflict of interest was reported by the authors.

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