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Implementation of Strategic Plans and Performance of SACCOs in Nyeri County, Kenya

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Abstract:

Despite the market forces the co-operatives societies in Kenya have continued to flourish in membership and size. In the current open global economy, saving and credit co-operatives (SACCOs) just like other financial institutions in the private sector must endeavour to be effective in offering proficient services in order to attract and maintain their members. This has forced SACCOs to develop strategic plans as a roadmap to ensure sustained SACCO performance. This study aimed to establish the effect of implementation of strategic plans on SACCOs' performance in Nyeri County, Kenya. Particularly, the study examined effect of leadership style, organisational structure, human resource management, and information communication technology on performance of SACCOs in Nyeri County, Kenya. The study employed explanatory research design. The target population for this study comprised of 36 SACCOs in Nyeri County. Due the size of target population, a census was conducted where all SACCOs were included in the study. Structured questionnaires were used for primary data collection. Descriptive, inferential analysis was used to analyse quantitative data while content analysis was used to analyse qualitative data. The study found that democratic leadership endeavoured to promote team spirit among the workers as well as encouraging team work while empowering individual employees. The study found that SACCOs' management slightly involved junior teams in development of strategic plans. The study also found that human resource department in most SACCOs recognised and conducted rapid promotions for exemplary performance among the SACCOs employees. The study found that majority of the SACCOs had adopted and enhanced ICT culture across all departments in their SACCOs. However, the study found that majority of the SACCOs marketed their services to the local Kenyan market. The study concludes that quality of human resource management is important for success of SACCOs. The study concludes that adoption of appropriate Information Communication Technology not only promotes internal efficiency but also enhances external competitiveness by providing SACCOs with a platform to market their service to the global market. The study recommends that the SACCOs regulatory body should develop a guideline for SACCOs on organisation structure and help them implement over a period. The SACCOs regulatory body should enforce recruitment of qualified human resource management to ensure the functions of the HR are not overlooked.

Keywords: Strategic plan, human resource process, information technology leadership style and organizational structure

1. Introduction

1.1. Background of the Study

A Savings and Credit Cooperative (SACCO) is a type of cooperative whose objective is to pool savings for the members and in turn provide them with credit facilities (Lari, 2009). Other objectives of SACCOs are to encourage thrift amongst the members and also to encourage them on the proper management of money and proper investments practices. Over the last few years, SACCOs have faced challenges in their operation (WACCU, 2011) and eventually contributed to adverse performance (Mudibo, 2005).

Strategic planning is dated back to 20th century. It is mainly concerned with defining the desired outcome more than the process of obtaining the outcomes (Blackerby, 1993). Wall and Wall (1995), describes the strategic plans implementation as separate actual discrete process of turning the plans into reality. According to concept of modern strategic planning as presented by Harvard policy model, strategy is a pattern of purpose and policies defining the company and the business it conducts.

Implementation of Strategic plans is the major challenge faced by most saving and credit co-operatives (SACCOs) in Kenya today. Business decision making is complex due to changing business environment and requires a strategic management approach (Heide, Gronhaug & Johannessen, 2002). Awareness of strategic management has increased in many organizations especially among the human resource managers (Mamman, Akuratiyagamage & Rees, 2006). Introducing strategic management process is predominantly the duty of the organization's top management; strategy determines the future course and survival of the organization. Every organization has responsibility to draft future course

that business will follow. Therefore, every senior manager has the obligation to secure the future of organization's survival and growth (Thompson, & Cole, 1997).

Strategy success depends on the implementation process and how well it has been undertaken. Execution of a strategy involves majority of elements in an organization put together to ensure the strategy is in action. The selected strategy then is implemented by changing the organization structure, organization systems and information, leadership and human resources (Devinney, Johnson, Richard & Yip, 2009). Thompson and Cole (1997) posited that management is faced with more than just the long-term corporate agenda during the strategy implementation phase. This is because implementing strategic plans requires an organization to deal with short-term, tactical/operational and other strategic concerns at the same time.

According to Thompson and Strickland (1992), the process of strategic plan implementation is a business of administration which entails attainment of balance between the chosen strategy and the manner in which the organization business is conducted. Johnson, Scholes and Whittington (2009) argue that strategy implementation encompasses describing the manner in which organization's resources is to be used and allocated to achieve the chosen organizations' strategic plans. The implementation takes in both resource management and its control to pursue the strategic plan.

According to Floyd and Wooldridge (1992) strategy implementation is coupled with a range of activities which entirely demand people management skills, the determination essential to get a diversity of initiatives launched and operating, the number of fundamental issues that must be worked out, the change resistance dealt with and the difficulties of incorporating the efforts of many groups into a smoothly functioning body. Johnson, Whittington and Scholes (2011) noted that strategy implementation framework may be directed to one or several common points which may include: goals and objectives; budgets and targets which are quantifiable; and main concerns on commonly agreed management process and outcomes.

1.2. Implementation of Strategic Plans

SACCOs must try to achieve lower cost of operations and timely decisions like other financial institutions and be able to offer affordable products/services to increase the number of members. Competition increased makes it easy for leaders who are innovative and managers to give a good response to these changes by evaluating critically their environment operations and competitive strategies development. Successful implementation of the strategic plan is determined by factors such as: organization structure, organization culture, information and information communication technology and reporting system, reward and motivation systems, provision of resources which are adequate, processes of decision making, communication which is effective, education, skills and capabilities (Easterby-Smith, Thorpe, Jackson & Lowe, 2008). This study investigated the organisational leadership/management style, organisation structure, human resource and information technology effect on the performance of SACCOs in Nyeri County.

Organizational leadership is an important aspect of the business. Mudibo (2005) noted that in most cases management committee lack complete trust on their employees. Mudibo further noted that elected board members are mostly non-professionals volunteers, yet they assume highly technical responsibilities such as loan analysis and disbursement, budgeting and financial expenditure control.

Structure of the organization entirely depends on the aims and the chosen strategy to attain them. The framework of cooperatives has remained to be relatively simple as compared with other business organizations. According to an empirical analysis by Drago, (1997), there exist a significant relationship between organization structure and strategic planning. Pearce and Robinson (2011) assert that the primary role of organizational structure and control is to co-ordinate the works of workers so that there could be team harmony enabling them strategy implementation hence increases competitive advantage of the company. It also encourages workers by providing them with the incentives to achieve superior efficiency, high quality, innovation and accurate responsiveness from customers. The success of a strategy depends on how well the implementation process is undertaken. Strategy execution involves using several tools-parts of the firm that can be adjusted to put strategy into action. Once a strategy is selected, it is implemented through changes in structure, leadership, information and controls systems, and human resources (Richard, Devinney, Yip, & Johnson, 2009). The importance of human factor in the accomplishment of the strategic plan has continued to increase with increase in global competition. Poor setting and implementation of co-operative strategic plan is rooted to untrained personnel (Manyara, 2003). Lack of skilled man power in co-operatives is a hindrance to successful implementation of strategic plan. According to Clark (1992), poor staffing decision not only contributes to poor strategic plan formulation but also implementation.

Organizations information technology is viewed currently as a core capability with which organizations can use to compete favourably with its rivals. According to Beeharry and Schneider (1996) utilization of proper IT gives a competitive advantage to an organization over its competitors. A crucial factor element for a successful organization is the information systems that provide management with the information that it needs. Such systems include those that provide accurate and timely data. Flexible systems enable firm to adjust its business strategy to take advantage of the opportunities in the market while helping firms to tackle the challenges of their market (Luo & Tung, 2007). Information Communication Technology and reporting system, motivation and reward systems, providing adequate resources, decision-making processes, effective communication, education, capabilities and skills (Thompson, Gamble, & Strickland, 2012).

1.3. Performance of SACCOs

Performance is the process or action of executing a purpose or task (Falola, Osibanjo, & Ojo, 2014). It can be perceived as measure of how effectively the person carries out that function. In the perspective of an organisation, it refers

to how sound an organization is doing to reach its vision, mission, and goals. Assessing organizational performance is a vital aspect of strategic management. Directors must recognize how well their organizations are doing to figure out what strategic changes they ought to make. Performance is a very multifaceted concept; thus, a lot of attention needs to be paid to how it is evaluated (Short, & Palmer, 2003).

Performance can be viewed as the output out of an engagement which is undertaken within a specified time period can be tangible in terms of goods or products and can be intangible like for the case of services (Badara, 2015). Good performance in organizations is not an accident but through a deliberate and a well thought out process through excellent strategic leadership. Among the main priorities of the upper echelons is to know or understand how customers view their performance, perceptions of customers are valued highly (Wheeler, 2007).

A Sacco can have a higher return on equity (ROE) and return on Assets (ROA) and still not be a profitable institution because of the expenses incurred. An organization which makes profits is both efficient and effective in delivering on its mandate. The study's performance can also be measured using three parameters namely: customer satisfaction, profitability and market share. With regard to these parameters, questions was asked through the questionnaires to gather the respondents' views (Nyariki, 2013). Performance of SACCOs have been given different approaches by various scholars, for instance, Hezron (2015) assessed performance based on loan defaults, gross income, loans issued and return on dividends. Another study by Mwangi (2016) assessed performance based on revenue growth, profitability and efficiency. Other studies have examined market share growth and profitability (Mungania, 2015). In this study the performance was measured using member's savings, net assets and dividends paid to members.

1.4. SACCOs in Kenya

The first co-operative in Kenya was introduced by the European colonists in the Rift Valley in 1908. The cooperative was called Lubwa Farmers' Cooperative Society. It was not until 1931 when the cooperative society's ordinance became law that these societies could formally be registered as cooperatives. The first society to be registered under the new Act was the Kenya Farmers Association (KFA) which started as a company in 1923. A new ordinance was then passed in 1945 and a commissioner of co-operative was appointed the following year. By independence time, there were over 600 primary cooperatives in Kenya. Kenya National Federation of Cooperatives (KNFC) was formed in 1964, and in 1966 a new Act was passed under cap 490 of the laws of Kenya (Maina, and Kibanga, 2004).

Currently, there are 5,122 registered SACCOs out of the total 12,000 registered co-operatives, which is about 44% of the total number of co-operatives in Kenya. Out of the 5,122 Saccos 150 are rural Saccos (commodity based) while the rest are Urban Saccos (employee based). All Saccos operate Back Office Service Activities and have been able to mobilize over Kshs 230 billion, which is about 31 per cent of the national saving and granted loans to the tune of Kshs 210 billion (Ministry of Cooperative Development and Marketing, 2010). Saccos have registered tremendous growth since mid-1970s and have currently achieved an average growth rate of 25 per cent per year in deposits and assets. SACCOs have grown tremendously and currently have about 3.7million members.

Co-operatives in Nyeri County are subdivided into three sets of classification; SACCOs dealing with transport and marketing; credit co-operatives and rural and urban savings. The front office activity of the SACCOs; transport and marketing, rural and urban savings and credit co-operatives in 2010 got lots savings to the levels of Kshs. 11.28B, Kshs 13.6 billion was given to members as loans for various development agendas and activities which are social, (Ministry of industry trade and cooperatives, 2010).

2. Statement of the Problem

SACCOs face various challenges that impends their performance. According to WOCCU, Report 2011, there were remarkable challenges affecting operations of SACCOs which subsequently tainted its image towards the mode of service provision. In Kenya several financial organizations including micro finance organization, banks, non-bank financial institutions and cooperatives have buckled (Maingi, 2012). Other key problems affecting performance in SACCOs include; lack of proper investment decisions, inappropriate finance management policies, investment deficiency openings, deferred cash flow of cash from various members and investments which are uncertain thus minimal or no additional capital gain to the members as a result of under regulation (Mudibo, 2005).

According to SASRA report (2016), SACCOs were found to lag behind in utilization of information technology and acquisition of team with relevant skills in executive positions (SASRA report, 2015). For instance, the report indicated that 44.4% of DT-SACCOs were not connected to any mobile application service providers thus could not be able to offer mobile or internet based financial services. Consequently, 39.6% were not connected to ATM platform. 2015 report indicated that maximum qualification of CEO was mere a degree with 17% holding a diploma level. While strategic plan may appear to be explored by various scholars (Maorwe, 2012; Wambua, 2012), SACCOs experience different business environment with independent management style as well as purpose of their formation (Ansoff & McDonnell, 1990). In both 2015 and 2016, Nyeri County was ranked among the counties with highest number of DT-Saccos after Kiambu and Meru counties. Despite the importance of strategic planning in performance of Organisation, there is no study that has been conducted to examine effect of implementation of strategic plan on performance of SACCOs in Nyeri County. Therefore, the study examined implementation of strategic plans and its effect on performance of SACCOs in Nyeri County, Kenya.

3. Objectives of the Study

The study was guided by the following objectives.

3.1. General Objective

The general objective of this study was to examine the effect implementation of strategic plans on performance of SACCOs in Nyeri County, Kenya

3.2. Specific Objectives

The specific objectives of the study were:

- To establish the effect of leadership style on the performance of SACCOs in Nyeri County.
- To determine the effect of organization structure on performance of SACCOs in Nyeri County.
- To find out the effect of human resource process on the performance of SACCOs in Nyeri County.
- To assess the extent to which information communication technology affects the performance of SACCOs in Nyeri County.

3.3. Research Questions

The research sought answers to the following questions:

- What is the effect of leadership style on performance of SACCOs in Nyeri County?
- To what extent does organizational structure affect performance of SACCOs in Nyeri County?
- What is the effect of human resource process on performance of SACCOs in Nyeri County?
- What is the effect of information communication technology on the performance of SACCOs in Nyeri County?

3.4. Significance of the Study

Most importantly the study provides an insight on strategic plans implementation which gives information valuable to the management of cooperatives and workers on the various important areas to evaluate strategic plans implementation successively. Considering the importance of SACCOs in achievement of Vision 2030, the findings contribute immensely towards the achievement of vision through providing information that enhances the SACCOs' growth. The findings of the study also contribute to existing knowledge in the study subject from which future scholars may form basis for their study.

3.5. Scope of the Study

The study covered all SACCOs in Nyeri County. The researcher examined adoption of strategic plans and their implementation by various SACCOs in Nyeri County. The study also assessed the performance based on profitability and the market share growth for the targeted SACCOs. Primary data was collected from the respondent on implementation of strategic plans; the Sacco's leadership/management style, organization structure, human resource process and use of information technology by Sacco's in Nyeri County. The study was conducted to cover SACCO performance between the years 2012-2016. During the last five years, there has been a transformation and growth of many SACCOs in Nyeri County, Kenya.

3.6. Limitations of the Study

There was lack of management expertise since some SACCOs were run by unprofessional committee members thus lacking strategic management skills. This also prolonged data collection period as appointments in most cases were not honoured by the managers. The study sought the response from experienced branch managers, IT managers, chairman, secretary and the treasurer in order to overcome the limitation. Information was sought from both the committee members and IT managers. The study examined the leadership information based on leadership style, management skills and management support; on the information communication technology the study was limited on computer hardware and software, internet facilities, Sacco link cards/ATMs and Society website; on the organisational structure, the study was limited on aspects of formal, informal structures, factions of organisation structure and supportiveness, the study was limited on salaries, bonus and commission offered by the human resources management. Due to busy schedule of executive team, the researcher arranged appointment for data collection. The findings of the study were limited to SACCOs and may be applied to SACCOs in other parts of the country.

4. Literature Review

4.1. Theoretical Literature Review

The following theories were used to guide the study; Institutional theory, group theory and resource-based theory.

4.1.1. Institutional Theory

There are a number of theories have been put forward to explain the implementation of strategic plans in organizations which includes Institutional theory (Burnes, 2004) among others. The origin of institutional theory is from the work of North (1991). The theory is based on the premise that institutional environment can influence strongly the

growth of structures which are formal in an institution. Institution theory states the survival of organization in an institutional environment which defines and gives reducing limits in its social reality (Burnes, 2004).

Firms are faced with various pressure aspects coming from other arenas other than environment task according to Meyer and Rowan (1977) first argument. Specifically, organizations use strategies, structures and practices that are socially expected of them. For example, firms dealing with accounting plans and arrange themselves as professional partnerships and socially active in the anticipated means: they support university education, and government tax policies are taken seriously, and accounting projects as a science which is rigorous with ethical underpinnings which is strong. Using such structures and practices elicits social approval and there is a chance likelihood increase that constituents which are external help the organization. Meyer and Rowan defined these pressures of expectation which are social as arising from the environment institutional. In the case of accounting, the institutional environment would incorporate professional institutions, agencies of the state, important interest groups and the media. Therefore, this study employs institution theory to describe how the pressure originating from business environment has triggered development and implementation of strategic plans in SACCOS.

4.1.2. Group Theory

The Group theory model was developed by Truman in 1951. Truman (1951) posits that strategy selection and implementation is the group interest balancing in an organization. According to Truman's argument, the strategy selected and implemented is drawn from various strategies chosen to represents proposals for various proponents (Jauch, Glueck & Richard, 1978). One of the vital roles of a manager is to balance internal group influences in strategy selection and interests balancing of groups which are external in selection of strategy and implementation which is a group of equilibrium problem in the view. When the group relative power changes, a new equilibrium is established by the changes in strategy, and change in the direction of desired group gaining in influence, and away from the desire of the group losing influence.

The group theory application in research in management of strategy results from Hunt (1972) observations. Hunt argued that contrary to theory which are existing based on the conduct-performance structure model in the organization industrial literature (Bain, 1959), the presence of differences in performance appeared amongst groups of organization within the similar sectors as well as across sectors. Hunt coined the term "strategic groups" to describe "a group of firms within the industry that are highly symmetric with respect to cost structure, the degree of vertical integration, and the degree of product differentiation, formal organization, control systems, management rewards/punishments, and the personal views and preferences for various outcomes which are possible" (Hunt, 1972). Since then the commonly used definition of strategic groups has been that provided by Porter: "A strategic group is the group of organization in any industry following a similar strategy along the dimensions which are strategic" (Porter, 1980). Drawing from the regulations governing SACCOS in Kenya through SASRA, SACCOS can be seen as group of firms in the same industry acting along similar strategic dimension. This study used the group theory to explain implementation of strategic plans and performance of these SACCOS in Nyeri County.

4.1.3. Resource Based View Theory

Resources of the right quality and quantity are important for strategy implementation (Aosa, 1992, Machuki & Aosa, 2011). Resource based view of the firm starts with the assumption that the desired outcome of managerial effort within the firm is a sustainable competitive advantage (SCA). Achieving a SCA allows the firm to earn economic rents or above-average returns. In turn, this focuses attention on how firms achieve and sustain advantages. The resource-based view contends that the answer to this question lies in the possession of certain key resources, that is, resources that have characteristics such as value, barriers to duplication and relevance. A SCA can be obtained if the firm effectively deploys these resources in its product-markets. Therefore, the RBV stresses strategic choice, charging the firm's management with the important tasks of identifying, developing and deploying key resources to maximize return. Resources involve three individual sub-groups, viz. tangible assets, intangible assets and competences. Tangible assets refer to the fixed and current assets of the organization that have a fixed long run capacity. Intangible assets include intellectual property such as trademarks and patents as well as brand and company reputation, company networks and databases (Williams, 1992). Capabilities have proved more difficult to delineate and are often described as invisible assets or intermediate goods (Itami, 1987). Basically, competences include the skills of persons or groups as well as the organizational procedures and connections through which all the firm's resources are harmonised (Grant, 1991).

4.1.4. Empirical Literature Review

The section below presents the empirical review on the variables considered in the study. Various studies have been conducted targeting implementation of strategic plans and organisations performance. The literature reviewed under this study was organised based on the study objective. The studies show leadership style, organisation structure, human resource process and information communication technology have effect on performance of an organisation (Birken *et al*, 2015; Maore 2011; Kabue 2013 & Ndegwa 2013).

These studies mainly employed the descriptive study design; little has been done to explain the contribution of these factors on performance of SACCOS. For instance, Githaiga (2011) looked at human resource challenges strategic plans implementation. Majority of the research work focusing on strategic plans implementation have concentrated mainly on factors and challenges encountered during implementation of strategic plans with very little emphasize on how implementation of strategic plans affects the performance of organisations. Though these factors have been examined by various scholars, in past little has been done to determine their effect on the implementation of strategic plans on

performance of Organisation. This study addresses the study gap by examining how SACCOs' leadership style, organisation's structure, human resource and information communication technology contributes to the performance of SACCOs in Nyeri County.

5. Research Methodology

The study employed explanatory study design to explain how leadership style, organisational structure, human resource process and information communication technology affects the performance of SACCOs in Nyeri County, Kenya. All 36 Deposit taking SACCOs in Nyeri County were recruited for this study. Questionnaire was used to collect primary data while secondary data were collected from financial report from regulatory body (SASRA) to complement the primary data. Data collection targeted management of SACCOs. The validity and reliability of the tool was assessed from pilot data before actual data collection.

Data analysis technique which is exploratory was utilised in the initial stages of analysis to uncover the structure of data or out of range values. Descriptive statistics such as mean, standard deviation, median, maximum, and minimum was used to categorize variables which are continuous.

The study employed inferential statistics to assess the leadership style, organization structure, and human resource process and information communication technology on the performance of the SACCOs. The inferential statistics was examined to determine effect of leadership, organisational structure, human resource and information technology on the performance of SACCOs in Nyeri County at $\alpha=0.05$. Data was interpreted with the help of significance P-values, if the P-value is less than 0.05 the variables was deemed significant to explain the changes in the dependent variable. The study used multicollinearity and autocorrelation regression diagnostic tested to assess the assumptions of regression analysis. The researcher observed ethical considerations.

6. Research Findings and Discussions

6.1. Basic Information

The study found that most of the respondents were male (63%). the study also found that majority of the respondents had attained bachelor's degree level of qualification as their maximum academic attainment.

6.2. Analysis of Leadership Style

Table 1 presents information leadership effects on performance. The study found that there is democratic style of leadership in the Sacco from top management as evidenced by the mean (4.09) and standard deviation (1.07). The findings in the table below indicate that there is team spirit promoted among workers by the top management as evidenced by the mean (4.42) and standard deviation (0.90).

The findings in the table below present that top management promotes innovative culture among the Sacco employees as demonstrated by the mean (4.14) and standard deviation (1.12). The findings in the table below present that management empower individual employee as evidenced by the mean (4.25) and standard deviation (1.11). Additionally, as evidenced by a mean of 3.97 and standard deviation of 1.21, management support research and development activities. The findings also present a mean of 4.23 and standard deviation of 1.25 which indicate management commitment to overcome change resistance. The findings also indicate that there is involvement of workers in key decision making as evidenced by the mean (3.88) and standard deviation (1.23). The high average mean of 4.13 implies that the respondents strongly agreed with the statements presented to them on the leadership style and a low average standard deviation of 1.134 implies that there was a low dispersion per the statement presented to the respondents.

The study concurs with Ndegwa (2013) findings on strategic plans implementations factors by SACCOs in Muranga County in which one SACCO was targeted. The findings of the research study were that strategic leadership style had strong significant relationships with performance. Among the factors strategic leadership had the greatest influence on strategic plans implementation in the SACCOs.

Statements	N	Min.	Max.	Mean	Std. Dev.
There is democratic style of leadership in the Sacco from top management	30	1.00	5.00	4.09	1.07
Team spirit promoted among workers by the top management	30	1.00	5.00	4.42	0.91
Top management promotes innovative culture among the Sacco employees	30	1.00	5.00	4.14	1.12
Management empower individual employee.	30	1.00	5.00	4.25	1.11
Management support research and development activities	30	1.00	5.00	3.97	1.21
Management commitment to overcome change resistance	30	1.00	5.00	4.23	1.25
Management have employee emotional attachment.	30	1.00	5.00	4.07	1.17
Involvement of workers in key decision making	30	1.00	5.00	3.88	1.23
Average				4.131	1.134

Table 1: Effect of Leadership Style
Source: Survey data (2018)

6.3. Organisation Structure

Table 2 presents information regarding organisation structure. As indicated by a low mean (2.97) and a standard deviation (1.25), it is clear that the SACCOs do not involve junior team in development of strategic plan. On the same note, the findings indicated that the management of the SACCO are moderately adaptable to organizational structure as evidenced by the mean of (3.33) and standard deviation of (0.899). As demonstrated by a mean of 3.55 and a standard deviation of 1.210, it is clear that the management of all the SACCOs are moderately centralised.

It was further clear that the management of the SACCOs is are moderately supportive at all levels as demonstrated by the mean of (3.63) and standard deviation of (0.940). The high average mean of 3.37 implies that the respondents strongly agreed with the statements presented to them on organizational culture and a low average standard deviation of 1.074 implies that there was low response dispersion.

The study concurs with Siapei (2015) findings on a study to establish the role played by organizational structure in strategy implementation and to determine the challenges of strategy implementation at Geothermal Development Company (GDC). Organization structure was found to play an important role in strategy implementation. GDC was found to have organic organizational structure that was flexible enough to allow adjustments during strategy implementation.

Statements	N	Min.	Max.	Mean	Std. Dev.
The SACCO involves junior team in development of strategic plan	30	1.00	5.00	2.97	1.250
The management of our SACCO is very adaptable	30	1.00	5.00	3.33	0.899
The management of our SACCO is Centralized	30	1.00	5.00	3.55	1.210
The management of the SACCO is very supportive at all levels	30	1.00	5.00	3.63	0.940
Average				3.37	1.074

Table 2: Organisation Structure
Source: Survey Data (2018)

6.4. Human Resource Process

The findings show the Mean of 4.16 and standard deviation of 1.12 which indicates that The SACCOs gives annual pay increases based on merit. The study findings also indicate that to a great extent SACCOs allows staff performance bonuses and ownership of deposits as demonstrated by a mean of 4.23 and a low standard deviation of 1.06. As indicated by high mean (4.35) and a low standard deviation (1.11), it is clear that recognition and rapid promotions for exemplary performance is always done by the SACCOs. On the same note, the findings indicated that management encourages delegation of responsibilities as evidenced by a mean of (4.44) and standard deviation of (0.99). As demonstrated by a mean of 3.99 and a standard deviation of 1.15, it is clear that the SACCOs have clear performance management system for its staff.

It was further clear that the SACCOs have a detailed and clear recruitment process as demonstrated by the mean of (3.87) and standard deviation of (1.02). The SACCOs have efficient reward system based on staff performance as evidenced by a high mean of 4.33 and a low standard deviation of 0.89. Additionally, the management encourages on the job trainings for continuous improvement as demonstrated by a high mean of 3.97 and a standard deviation of 1.20.

The average mean of 3.167 implies that the respondents moderately agreed with the statements presented to them on the human resource process and a low average standard deviation of 1.0675 implies that there was low response dispersion. The study concurs with Kering (2009) findings that that inadequate qualifications, lack of prior skills, unqualified management and out-dated performance appraisals posed challenges to performance of many organizations.

Statements	N	Min.	Max.	Mean	Std. Dev.
The SACCO gives annual pay increases based on merit	30	1.00	5.00	4.16	1.12
The SACCO allows staff performance bonuses and ownership of deposits	30	1.00	5.00	4.23	1.06
Recognition and rapid promotions for exemplary performance	30	1.00	5.00	4.35	1.11
Management encourages delegation of responsibilities	30	1.00	5.00	4.44	0.99
The SACCO has clear performance management system for its staff	30	1.00	5.00	3.99	1.15
The SACCO has a detailed and clear recruitment process	30	1.00	5.00	3.87	1.02
The SACCO has efficient reward system based on staff performance	30	1.00	5.00	4.33	0.89
Management encourages on the job trainings for continuous improvement	30	1.00	5.00	3.97	1.20
Average				4.167	1.0675

Table 3: Human Resource Process
Source: Survey Data (2018)

6.5. Information Communication Technology

The findings in the Table 4 indicate that majority of the customers receive electronic alerts concerning their transactions as evidenced by the mean (3.66) and standard deviation (1.18). The findings also indicate that the organization mostly does not sell its services in the global market as evidenced by a low mean (2.02) and a low standard deviation (1.22). The findings indicate that Just in Time (JIT) delivery services are offered to customers by the many

SACCOs as demonstrated by a mean of (3.43) and a low standard deviation (1.08). On the same note, the findings indicate that management minimizes costs of operation by ICT adoption as evidenced by the mean (3.95) and standard deviation (0.72).

Additionally, as evidenced by a mean of 3.93 and standard deviation of 1.19, it is clear that majority of SACCO staff have relevant IT skills. The average mean of 3.398 implies that the respondents moderately agreed with the statements presented to them on the utilization of information communication technology and a low average standard deviation of 1.078 implies that there was a low dispersion in terms of response rate.

The findings agree with Riedke (2010) findings on the study of the influence of saving and credit cooperatives computerization in Uganda. The study found that technology has high likelihood in reducing cost of operations, outreach and sustainability of saving and credit cooperatives. It was also observed that management information systems are indispensable when efficiency of Sacco operation is a priority and that technology had positively affected SACCOs by making daily work easier and faster

	N	Min.	Max.	Mean	Std. Dev.
Customers receive electronic alerts concerning their transactions	30	1.00	5.00	3.66	1.18
The organization sells its services in the global market	30	1.00	5.00	2.02	1.22
Just in Time (JIT) delivery services are offered to customers	30	1.00	5.00	3.43	1.08
Management minimizes costs of operation by ICT adoption	30	1.00	5.00	3.95	0.72
Majority of SACCO staff have relevant IT skills.	30	1.00	5.00	3.93	1.19
Average				3.398	1.078

Table 4: Information Communication Technology

Source: Survey Data (2018)

6.6. Performance of SACCOs in Nyeri County

The study sought to establish the SACCOs performance for the last five years. The indicators of SACCO performance used are market share, number of products, customer outreach and customer satisfaction.

Statements	N	Min.	Max.	Mean	Std. Dev.
The SACCO's market share had improved over the last five years.	30	1.00	5.00	3.89	1.01
We have experienced an increased in the number of products in the last five years	30	1.00	5.00	3.92	1.04
Customers are satisfied by our services according to yearly customer feedback reports.	30	1.00	5.00	4.11	1.23
The SACCO had experienced an increased in the number of products in the last five years	30	1.00	5.00	4.04	1.18
Average				3.99	1.115

Table 5: Performance of SACCOs in Nyeri County

Source: Survey Data (2018)

The findings in the above table indicate that majority of the SACCO's market share improved over the last five years 2012 to 2016 as evidenced by a mean (3.89) and standard deviation (1.01). The findings present that most SACCOs have experienced an increased in the number of products in the last five years 2012 to 2016 as demonstrated by a high mean (3.92) and a low standard deviation (1.04). On the same note, the findings indicate that customers are satisfied by the SACCOs services according to yearly customer feedback reports produced in years 2012 to 2016 as demonstrated by a high mean of (4.11) and a low standard deviation (1.23).

Additionally, the findings indicate that the SACCOs experienced an increase in the number of products in years 2012 to 2016 as evidenced by a high mean (4.04) and standard deviation (1.18). The high average mean of 3.99 implies that the respondents strongly agreed with the statements presented to them on the performance of SACCOs and a low average standard deviation of 1.115 implies that there was a low dispersion per the statement presented to the respondents. The average of the means (3.99) and average standard deviation (1.115) indicate a high level of SACCO's performance in general.

6.7. Regression Analysis

To assess the relationship between the variables the study adopts regression analysis model. Regression is a statistical technique to determine the linear relationship between two or more variables. The R square in a regression output shows how well the values fit the data. Regression analysis is an analysis that shows how variation in one variable predicts the variation in another.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867 ^a	.751	.706	17.95759

Table 6: Regression Model Summary

a. Predictors: (Constant), ICT, Organisation Structure, Human Resource, Leadership Style

Dependent Variable: Performance

Source: Survey Data (2018)

The model summary above indicates a coefficient of correlation R of 0.867 signifying presence of strong positive correlation between the variables of the study. The coefficient of determination R square is 0.751 indicating that 75.1% change in Sacco's performance is explained by independent variable implementation of strategic plans (ICT, organisation structure, human resource process and leadership style). This implies that 75.1% of variations in SACCO's performance are contributed by strategic plans (ICT, organisation structure, human resource process and leadership style).

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	21450.288	4	5362.572	16.629	.000 ^b
Residual	7094.453	22	322.475		
Total	28544.741	26			

Table 7: Anovaa

a. Dependent Variable: Performance Predictors:

b. (Constant), ICT, Organisation Structure, Human Resource, Leadership Style.

Source: Survey Data (2018)

The ANOVA findings of the processed data at 5% level of significance indicate an F calculated value of 16.629 while F critical read from F Table is 2.48. This shows that the overall regression model was significant in predicting relationship between the study variables as F calculated is greater than F critical. The P value 0.000 is also less than 0.05 and therefore statistically significant relationship of the study variables.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.619	45.560		5.751	0.000
Leadership Style	0.468	13.593	2.099	7.507	0.000
Organisation structure	-0.704	21.054	-1.480	-6.255	0.000
Human Resource Management	-0.575	11.125	-0.249	-1.490	0.150
ICT	0.565	2.090	0.499	4.098	0.000

Table 8: Regression Coefficients^a

Dependent Variable: Performance

Source: Survey Data (2018)

The following regression model was adopted:

$$Y = 2.619 + 0.468 X_1 - 0.704X_2 - 0.575 X_3 + 0.565X_4$$

Multiple regression analysis was conducted to determine the contribution of leadership style, organisation structure, and human resource process and information communication technology to the performance of SACCOs in Nyeri County. The findings show that leadership style, organisation structure, and information communication technology predict performance of SACCOs in Nyeri County sig=0.05. The multiple regressions indicate that holding leadership style, organisation structure, and information communication technology constant the performance of the SACCOs is 2.619 units. It is also clear from the multiple regression line that a unit positive change in leadership style would cause a positive change in performance by 0.468 units, a unit positive change in organizational structure would cause a negative change in performance by 0.704 units and a unit positive change in ICT would cause a positive change in performance by 0.565 units. Since the three variables have significant values of less than 0.05, they were used predict the performance of the SACCOs. Nonetheless, the findings established that they were no significant association between human resource process and performance of SACCOs in Nyeri County sig=0.05.

The finding concurs with Birken *et al.*, (2015), Maore (2011), Kabue (2013) and Ndegwa (2013) which established that leadership style, organisation structure and information communication technology have significant effect on performance of an organisation. However, the findings disagree with Kering (2009) study findings that human resource process has positive effect on organizational performance.

7. Conclusion and Recommendation

7.1. Conclusion of the Study

During implementation of strategic plans in SACCOs, the role played by leadership style on performance of SACCOs cannot be undervalued. From the findings of this study, it is clear that leadership style attributes such as ability to

encourage teamwork, involvement of juniors in strategic planning are crucial drivers of performance of SACCOs in Nyeri County. The study concludes that to enhance the performance of SACCOs, the organisation structure chosen should be adaptive, centralized, very functional and supportive at all levels in the organisation.

The study concludes that quality of human resource process is important for success of any organisation though not significant in our study. We conclude that the data was not sufficient to show that successful implementation of human resource duties such recruiting people, training, performance appraisals, motivating employees contributes to the performance of SACCOs.

The study concludes that adoption of appropriate Information Communication Technology not only promotes internal efficiency but also enhances external competitiveness by providing SACCOs with a platform to market their service to the global market.

7.2. Recommendations for Policy and Practice

Since most SACCOs are managed by members, the regulatory bodies should provide a guideline on leadership and leadership training through workshops to enhance their sustenance and growth. Different SACCOs were found to have different organisation structures. Borrowing from the importance of organisation structure, the SACCOs regulatory body should develop a guideline for SACCOs on organisation structure and help them implement over a period. SACCOs should strive to keep up with current technology in expansion and service delivery. The management of the SACCOs can use the findings of this study to plans on distribution of resources in implementation of organisation structure, human resource processes, adoption of leadership and making decision on the nature of ICT to incorporate in their day to day activities.

8. Suggestions for Further Study

The current study sought to establish the effect of implementation of strategic plans on performance of SACCOs in Nyeri County, Kenya; similar a study on the effect of implementation of strategic plans on other organizations performance should be carried out in other financial institutions such as banks, insurance companies, finance companies and pension funds.

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