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Influence of Strategic Implementation on Performance of Matatu Savings and Credit Co-operatives in Kenya

Dr. Robert Okwoyo Mang'ana
Lecturer, Department of Commerce and Economics Studies,
Jomo Kenyatta University of Agriculture and Technology, Kenya

Abstract:
Strategy implementation in Matatu SACCOs in Kenya is a key driver of the economy that keeps recording significant positive contributions but decline in growth. In terms of absolute figures, the sector contributed to the country's GDP about 3% in 2008, 3.5% in 2009 and 5.9% in 2010. The SACCO movement within the Matatu sector was introduced in 2010 and since then, the sector has witnessed decrease in growth. In 2011, the sector generated a GDP of 5.0%, 4.7% in 2012, 4.5% in 2013 and 4.2 % in 2014. The study focused on 635 registered Matatu SACCOs. The main objective of this study was to determine the influence of strategic implementation on performance of Matatu SACCOs in Kenya. This study adopted mixed research design which included cross-sectional survey, causal and descriptive designs. The target population for this study was all Matatu SACCOs in Kenya. The questionnaires were pilot tested to determine its validity and reliability. The study used primary data gathered from Matatu savings and credit co-operatives from the Ministry of Industrialization and Enterprise Development. Primary data was obtained through use of structured and semi structured questionnaires drawn from 245 Matatu SACCOs selected for the study. The results of the analysis indicated that strategic implementation had a positive relationship with performance of Matatu SACCOs. The study found that strategic implementation had significant influence on the performance of Matatu SACCOs which was 0.704. On the strategic implementation the study recommended that management of Matatu SACCOs should recruit qualified employees and provide adequate resources to make them efficient and effective in their operations. Adoption of cashless mode of payment to reduce wastage on revenue collection.

Keywords*: Strategic implementation, performance, Matatu savings and credit co-operatives in Kenya*

1. Background to Study

Co-operatives are user owned and user benefited organizations that could be agricultural, non-agricultural, unions or savings and credit co-operatives (SACCOs) which operate in different sectors of the economy including agricultural, handicraft, juakali, transport, housing and development, building and construction, consumer services, banking and finance (Gamba & Komo, 2010). The policy objective of the Kenyan co-operative was to spur sustainable economic growth by focusing on achievement of desired outcomes through strengthening of the movement, improving co-operative extension, service delivery, corporate governance, access to markets and marketing efficiency (IMF, 2007).
According to the economic survey of 2005, the savings and co-operatives industry mobilizes 31% of the national savings and also contributes 45% of the GDP to the Kenyan economy. The national impact indicators of this movement in Kenya are creation of employment, mobilization of resources and acquisition of property.

The international co-operative alliance (ICA) has ranked Kenya number seven worldwide and number one in Africa in terms of number, size and contribution of co-operatives to development (International Co-operative Alliance, 2008). The Matatu sector constitutes 80% of the public transport system in the country and was estimated to have an annual turnover of 73 billion. The sector contributes 4 billion to insurance companies and 1 billion in taxes every year (Republic of Kenya, 2011).

1.1. Strategic Implementation

Donnelly (2007) notes that implementing the strategic plan involves putting the plan into action performing marketing tasks according to the predefined schedule. Even the most carefully developed plans often cannot be executed with perfect timing. Thus; marketing executive must closely monitor and coordinate implementation of the plan.
Scott (2009) notes that the killers of strategy implementation are failing to launch the right initiatives, failing to tackle manageable number of initiatives ,failing to put the right structure in place, failing to install a supportive initiative environment ,failing to involve the right people in the right ways, failing to use a common language for initiative management ,failing to install an effective efficient reporting and monitoring system and failing to be patient. Pearce and Robinson (2003) strategy implementation is one of the concepts of strategic management and refers to a set of decision and actions that result in the formulation and implementation of long term plans designed to achieve organizational objective.

1.2. Performance of Matatu SACCOs

Mvula (2013) presented a report on common issues affecting performance of SACCOs and pointed out that the issues affecting performance of SACCOs are inadequate capital, poor asset quality, poor governance, poor profitability, poor liquidity and compliance. CAMEL (capital adequacy, asset quality, management competency, earning quality and liquidity) analysis is approach for researchers to measure bank financial performance (Douglas, Lant &Scott, 2014). The CAMEL framework also uses the financial ratios and analysis but evaluates in categories such as capital adequacy, asset quality, management competency, earning quality and liquidity. Mwangi (2008) the rate of getting dividends are generally lower than those in developed countries, therefore better dividend policy should usually be a priority for SACCOs in developing countries. Default on loan payments poses the greatest risk to stability of the multi-billion shillings savings and credit co-operatives (SACCOs).

1.3. Matatu Savings and Credit Co-operatives in Kenya

To bring sanity to public transport, Matatu and bus operators have organized themselves into SACCOs or companies for ease of management and enforcement of discipline. According to National Transport and Safety Authority (2015) 635 Matatu SACCOs and companies have been registered. Matatu SACCOs contributed ksh 4 billion insurance premiums every year and ksh 1billion taxes annually. Matatu SACCOs have played a significant role in the growth of public transport.

SACCOs are proved to be the most viable way of managing large public transport fleets and pioneers in changing the image of public transport which was dominated by rogue drivers and touts who did not follow traffic rules. Public service vehicles (PSV) in Kenya operate in major towns as well as in rural areas. Matatu SACCOs are operated by individual member who buy public service vehicle and register in the SACCOs that has route to operate and pay required money for the route. This has helped to bring sanity and accountability to the Matatu sector. In addition, the drivers and conductors must be required with the SACCO to operate and issued with badge. Matatu SACCOs have recruited qualified managers who help in management of Matatu SACCOs and report to the shareholders. Membership of Matatu SACCOs are individual owners of Matatu and are savings and credit co-operatives because they contribute on daily basis to SACCOs and get loans to meet the financial needs . Matatus are small scale transport that existed nearly all over the world.

1.4. Statement of the Problem

The Matatu sector in Kenya is a key driver of the economy that keeps recording significant positive contributions and growth. In terms of absolute figures, the sector contributed about 3% to the country's GDP in 2008, 3.5% in 2009 and 5.9% in 2010. There is limited empirical literature available in this area as the Matatu SACCOs came in force in the year 2010. Since then, the sector has witnessed decrease in growth. In 2011, the sector generated a GDP of 5.0%, 4.7% in 2012, 4.5% in 2013 and 4.2% in 2014 (KNBS, 2014).

Economic Survey Report of 2015 shows a trend of a decrease in growth in the sector between 2010 and 2014 in the economy. This study seeks to find out causes of decline in performance since introduction of Matatu SACCOs in Kenya. Oloo (2012) also investigated the challenges of strategy implementation in Public Corporations in Kenya. The study established that staff resistance to change and lack of skills to some extent affected the implementation of strategies by the organizations. KIPPRA (2013) study indicated that organizations failed to achieve their objectives in the long run due to improper planning. Odhiambo (2006) focused on challenges of strategy implementation. The studies available in literature review have been restricted on banks, SACCOs and focused on some region of the country but little study has been done on influence of strategic implementation on performance of Matatu SACCOs. This study seeks to fill the gap in the literature by focusing on influence of strategic implementation on performance Matatu SACCOs in Kenya. The previous studies adopted descriptive research design but this study will focus on mixed research design which include cross sectional, causal and descriptive designs. Furthermore the studies available in the literature review were restricted in scope as they were either case studies or focused on particular regions of a country. Thus for this research a problem of generalising the results may arise.

1.5. Objective of the Study

The objective of this study was to determine the influence of strategic implementation on performance of Matatu SACCOs in Kenya. In order to address the above objective, the following null hypothesis was tested.

- H01: Strategic implementation does not have significant influence on performance of Matatu Savings and Credit Co-operatives in Kenya.

2. Theoretical Literature Review

2.1. Resource Based View Theory

The independent variable strategic implementation require resources to be fully harnessed, hence the need to have an overall theory for this study. Furthermore all SACCOs require resources to develop this variable. The study utilised the Resource Based View (RBV) theory to expound on the resource availability variable. Resource Based View (RBV) states that firms compete on the basis of their resources and capabilities. The resource based view assumes that firms within an industry may be heterogeneous with respect to the bundle of resources that they control. Secondly, it assumes that resources heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly mobile across firms and are difficult to accumulate and imitate (Barney, 1991; Peteraf & Bergen, 2003). A resource-based view of firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their actions cannot be imitated by competitors which creates competitive advantage barriers (Hooley & Greenley,2005). The theory argues that strategic implementation will not continue unless there are resources. Performance of Matatu SACCOs requires adequate resources to achieve competitive advantage over their competitors.

2.2. Social Cognition Theory

The study made use of the social cognition theory to determine the influence of strategic implementation on performance of Matatu SACCO. Social cognitive theory stemmed out of work in the area of social learning theory proposed by Miller and Dollard in 1941 identifying four key factors in learning new behaviour: drives; cues; responses; rewards (Huitt & Monetti, 2008). They posit that if one was motivated to learn a particular behaviour, then that particular behaviour would be learned through clear observations.

By imitating these observed actions the individual observer would solidify that learned action and would be rewarded with positive reinforcement.

The social cognitive theory is a widely recognised theory that describes factors that affect and determine behaviour. It also specifies mechanisms through which the determinants work and how they may be translated into effective practice (Bandura, 2004).

Bandura (2001) defines goal setting as another core concept in the social cognitive theory framework. Goals reflect cognitive representations of future desired outcomes. Self-regulated learning is the idea that an organisation can take control and evaluate its own learning behaviour. This is dependent on goal setting, in that individuals and people are thought to manage their thoughts and actions in order to reach particular outcomes. Huitt and Monetti (2008) state that the skills needed to manage one's behaviour, as well the beliefs and attitudes that serve to motivate self-regulation, can be obtained through modelling where self-evaluation is done through periodic progress reports.

2.3. Conceptual Framework

Smith (2004) defined conceptual framework as a group of concepts that are broadly defined and systematically organized to provide focus ,a rationale and tool for the integration and interpretation of information. The variable to be considered when studying influence of strategic implementation on the performance of Matatu SACCOs in Kenya are; strategic implementation as independent variable. Dependent variable (performance) was measured by capital adequacy, assets quality and liquidity.

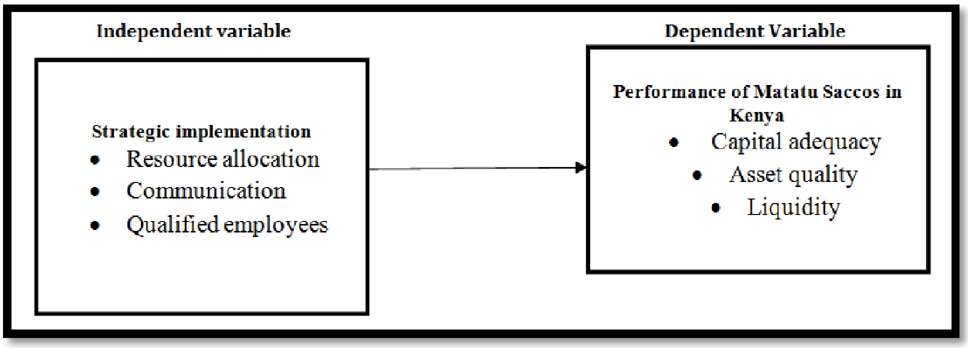

Figure 1: Conceptual Framework

2.4. Empirical Literature Review

2.4.1. Strategic Implementation

Konzo (2012) in Tanzania studied on the Relationship between Strategic plan Implementation and Performance of manufacturing firms clearly indicated that strategic plan implementation was a determinant of any successful organization and was realized by organizational culture and determination by all employees.

Oloo (2012) also studied on the challenges of strategy implementation in Public Corporations in Kenya. The study targeted the personnel in charge of planning in the organizations. The study established that staff resistance to change and lack of skills to some extent affected the implementation of strategies by the organizations. However, lack of top management commitment, organizational culture and structure were never in any way a challenge to the implementation of strategies in public corporations in Kenya. The study also established that inadequate staffing was never a challenge to the implementation of the strategies. The study established that according to respondents, the allocation of enough funds and timely distribution of resources would greatly enhance the implementation of strategies in the public corporations. The study concluded that enough resources and time positively influence performance.

Njeha and Mwangi (2010) conducted a study on the effects of enterprise resource planning systems on firm's performance. A survey of commercial banks in Kenya. The study found that financial resource availability, organizational complexities, employees' perceptions, regulatory requirements and having support of top management affects effective implementation of an ERP system which in turn has positive impacts on firm's performance.

Odhiambo (2006) carried out a study on challenges of strategic plan implementation on Non-Governmental Organizations in Kenya. The study observed that most Non – Governmental Organizations are faced with challenges during strategic plan implementation which included; employee motivation, resources allocation, communication and introduction of change. Accountability in the use of public resources and efficiency in service delivery. To improve performance, corporate governance and management in public service is through performance contracts. The study concluded that performance contracting together with employee's motivation, resource allocation and communication positively influenced performance.

KIPPRA (2013) conducted a study on Factors influencing Organizational Strategy Implementation clearly indicating that organizations failed to achieve their objectives in the long run due to improper planning. However, from the findings of previous studies little has been done on factors affecting the implementation of strategic plan.

2.4.2. Performance of Matatu SACCOs

Mohammad, Ridwan, John (2012) did a study on Strategic Planning process on Organizational Performance in the Regional Government Owned Banks in Indonesia. The findings gave researchers an understanding relating to steps, processes of planning practices, corporate culture, types of decision making in the organization, organizational structures and performance at each of the three government regional owned banks. This study finding also provides insights into the influence of corporate culture and types of decision making in developing institutional context to enable effective strategic planning process. The study finding was concerned with the role of CEO in strategic planning process. It was found that CEOS in all three banks in this research had a very decisive role in strategic planning process.

Study done in KIFI SACCO (Kibaigwa Financial Services and Credit Co-operatives) in Tanzania in 2011 it was observed that management leniency on loan follow ups seemed to have been going for some time. In 2006 the board extended the repayment time for a year for all agricultural loan debtors. One of the key factors that is likely to influence performance in Sacco's microfinance institutions and commercial banks is loans defaulting. The lending modality is one reason influencing loan repayment. There are more factors that have an effect on settling loans which include; inadequate loan follow ups by management, inadequate collateral verification, and bad repayment system and members failure to honour their obligations (Karumuna & Akyoo, 2011). The study concluded that failure to repay loan negatively affected performance.

3. Research Methodology

3.1. Sample Size and Sampling Procedure

According to Cooper and Schindler (2011) a sample is subset of a population. Ina descriptive survey a sample enables a researcher to gain information about a population (Kothari, 2004; Mugenda & Mugenda, 2003).The larger the sample, the more likely the scores on the variables will be representative of the population scores.

Given that the population size of 635 is finite, the study adopted sampling techniques for finite population to determine the sample size. Slonim (1960) provided a formular to use in determining the sample size for a finite population given by;

$$n = \frac{N}{1 + Ne^2}$$

Where;

N is the population size

e is the marginal error

n is the sample size

The formula has also been proposed by Anderson, Sweeney and Williams (2004) and has also been adopted by researchers such as Wachiuri (2015).From the sample size calculations, the study randomly selected 245 respondents from the population of 635.The sample for the study was therefore obtained as follows;

$n = \frac{N}{1+Ne^2}$. Taking a marginal error of 0.05 and the population of 635,

$$n = \frac{635}{1 + 635 \times 0.05^2}$$

$n = 245$

4. Research Findings and Discussions

4.1. Response Rate

This study targeted a population of 635 Matatu SACCOs registered by NTSA in which a sample of 245 Matatu SACCOs all operating in Kenya as at January 13, 2015 was derived. The duration for administering the questionnaire was two months. The questionnaires were administered to all sampled Matatu SACCOs. Given the population size, the study was conducted considering a samplesize of245registeredMatatu SACCOs. Out of these 245SACCOs,199 responded, translating to an overall response rate of81.22%% (See Table 4.1).Mugenda (2008) suggests that a response rate of 60% is good and 70% and above is very good implying that the response rate of 81.22%of this study was adequate.

Sampled	Responded	Response rate (%)
245	199	81.224%

Table 1: Response Rate

The high response rate implied reliability of the data collected and could be generalized to determine the influence of Strategic implementation on performance of Matatu SACCOs in Kenya. This was in line with Orodho (2009) who stated that a response rate above 50% contributes towards gathering of sufficient data that can be generalized to represent the opinions of respondents about the study problem in the target population. The response rate is considered adequate given the recommendations by Rugg and Petre (2007) who suggest a response rate of above 50% as adequate for analysis. Babbie (2004) recommended returns rates of 50% and Mugenda and Mugenda (2003) recommended a response rate exceeding 50%.

4.2. Missing Data Analysis

Mugenda (2008) and Tabachnick & Fidell (2007) state that, missing data is one of the most common problems in data analysis process. As expected when collecting data, some respondents adamantly refused to respond to some questions.

Missing Response	Respondents	Percentage	Cumulative Percentage	Action
2%	192	96%	96%	Retained
5%	4	2%	98%	Retained
7%	2	1%	99%	Retained
14%	1	1%	100%	Deleted

Table 2: Missing Data Analysis

The table 4.2 shows the percentage of responses that were missing in any random variable. There are no agreed principles of what constitute large amount of missing data. However, researchers suggested that less than 10% of missing data on a particular variable or response is not large and does not constitutea large amount of missing data (Cohen & Cohen, West & Aiken, 2003). Those respondents that had more than 10% missing responses in any of the whole questions asked were candidates for deletion. Only 1 respondent was deleted who had more than 10% of the response missing and the overall sample was reduced from 199 to 198. Tabachnick and Fidell (2007) suggests that cases that have less than 10% missing responses could be allowed for further analysis subject to dealing with missing responses empirically. The study examined the missing responses and concluded that they were independent and missing completely at random. With this in mind, the study did impute for the missing values by replacing it using median as one element of measures of central tendency (Yohai, Stahel & Zamar, 1991).

4.3. Demographic Information

This section outlines the general characteristics of the respondents. Data was presented in terms of their years of experience, education level and number of employees. In addition data was shown not only in terms of the years worked in the Matatu SACCOs and it affected performance.The respondents for this study were managers and employees working in the Matatu SACCOs.

<u>4.3.1. Years of Experience</u>

The background information of the SACCOs was analysed and reported in graphs. The respondents were asked to state their years of experience with the SACCOs. As presented in figure 4.1 below, majority (125) of the respondents had only 1 to 5 years of experience. 26 of the respondents had 6 to 10 years of experience. Only one respondent had between 11 to 15 years of experience and 3 of the respondents had over 15 years of experience.It was noted that most of the employees in the Matatu SACCOs studied in Kenya had 1-5 years of experience working in Matatu SACCOs. This is because Matatu Saccos was new concept that came into effect 2011 to bring sanity to public transport, ease management and enforcement of discipline in the sector. This agrees with Konzo (2012) finding on relationship between strategic plan implementation and performance of manufacturing firms depend on organizational structure and skills of employees.This however, differs with Oloo (2012) finding on challenges of strategy implementation in public corporations in Kenya.

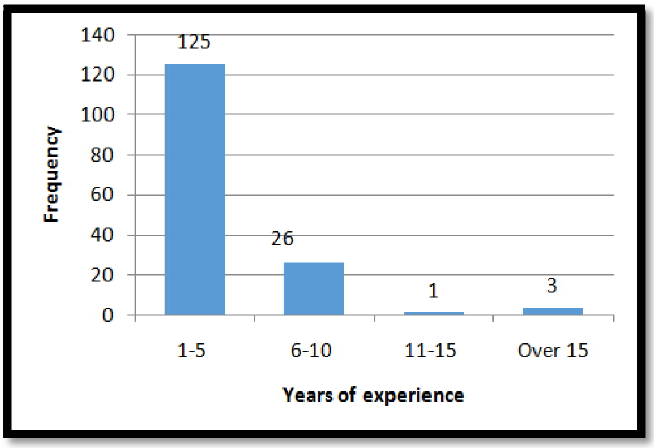

Figure 2: Years of Experience

4.3.2. Level of Education

The respondents of Matatu SACCOs were managers and employees of SACCOs working in the front office as non-deposit taking. It was concluded that Majority of the Matatu SACCO employees had diploma level of education. A few of the Matatu SACCOs employees had certificate level of education. There were small number of employees with bachelor's degrees and masters'. None of the SACCOs employees had PhD level of education. Most employees of Matatu SACCOs had diploma and bachelor degrees as the highest qualification which was adequate for implementation of strategy.

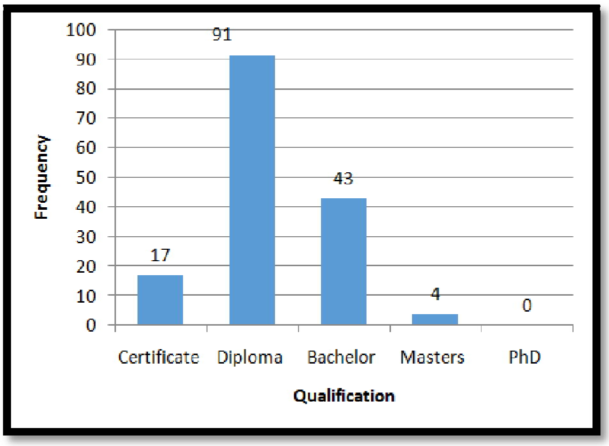

Figure 3: Highest Academic Qualification

4.3.3. Number of Employees

Majority of the Matatu SACCOs had 20 to 50 employees while a fewSACCOs had1 to 10 employees. This is because Matatu SACCOs are non-deposit taking for only members of the SACCO. The limited membership affect savings and lending of money hence no enough financial resources for recruitment of more employees.

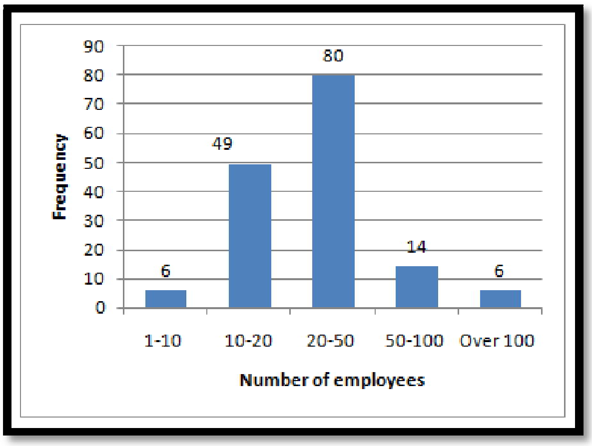

Figure 4: Number of Employees

4.4. Study Variables

The dependent variable in the study was performance of Matatu SACCOs, while the independent variable was strategic implementation.

4.4.1. Strategic Implementation

Strategic implementation which was measured by indicators on an ordinal scale of 5. The items were analysed and presented in table 3.

	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree	Mode
short term plans and target allocation of enough resources to implement the strategy	2%	8%	2%	61%	27%	4
Effective communication	0%	8%	15%	42%	34%	4
Resources to attract employees	0%	9%	25%	50%	16%	4
Have competitive products	1%	7%	19%	54%	20%	4

Table 3: Strategic Implementation

A big percentage (88%) of the study respondents agreed that SACCOs had short term plans which was a clear manifestation that Matatu SACCOs in Kenya are aware of the need to formulate short term plans in their overall strategy in order to meet the needs of their customers. Again, the study noted that sufficient resources are required for an organization to successfully implement a strategy. It is important that in the strategy implementation process, managers must ensure that the organization has fully access to the required resources such as materials, manpower, money, technology and other management systems (Higgins, 2005). The performance in the Matatu SACCOs could therefore be attributed to developing of strategic plans and availing the much needed resources. However, a few (12%) of the study respondents failed to develop short terms plans and allocate resources could probably explain why there was a decline in growth in this sector.

For strategy to be well implemented, effective communication that ensures that all members of the organization are aware of the plan, its importance and how they will be affected should be put in place. This was demonstrated by an overwhelming majority (92%) of the study respondents who agreed that there is effective communication during strategy implementation in Matatu SACCOs in Kenya.

4.4.2. Performance of Matatu SACCOs

Performance of the Matatu SACCOs in Kenya was the dependent variable of the study. The variable was measured by various indicators considering capital adequacy, asset quality and liquidity of the SACCOs. The items under capital adequacy of the SACCOs were measured analysed and presented in table 4.

	Strongly Disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mode
Capital adequacy is a challenge	1%	3%	8%	60%	28%	4
Retained earnings improve			17%	49%	34%	4
Have enough funds to recruit	1%	6%	33%	49%	11%	4
Member savings have improved			29%	58%	13%	4
Sufficient funds for withdrawals	1%	6%	19%	57%	16%	4

Table 4: Capital Adequacy

Majority of the respondents agreed that retained earnings help improve their SACCO wealth ,capital adequacy was a challenge, Matatu SACCOs had no enough financial resources to recruit employees, membership savings had improved and there was sufficient funds for withdrawals. For effective implementation of strategy, there should be enough capital sufficient for members withdrawal and enough financial resources for recruitment of qualified employees for strategy implementation. This was demonstrated by an overwhelming majority (80%) of the study respondents who agreed that there is lack of enough financial resources for recruitment of qualified employees for effective strategy implementation in Matatu SACCOs in Kenya.

	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%	Mode
Loan defaults control	10%	7%	76%	6%	1%	3
Gross income of Sacco	1%	3%	5%	9%	83%	5
Share capital of Sacco	8%	33%		56%	3%	5
Rate of dividend	2%	40%	52%	6%	0%	3
Loan issued	3%	8%	36%	53%	0%	4

Table 5: Asset Quality

Majority of the respondents agreed that loan defaults affected strategy implementation because it affected capital for the Matatu SACCOs. In addition, share capital, rate of dividends and loans issued affected performance. Failure to repay loans negatively affected performance due to lack of funds (KIFI SACCO, 2011. This was demonstrated by majority (76%) of study respondents that loan defaults lead to lack of enough financial resources which is critical for strategy implementation.

	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%	Mode
Cash at bank	1%	10%	46%	14%	28%	3
Cash at hand	8%	14%	26%	9%	43%	5
Assets owned	1%	12%	75%	11%	0%	3
Amount of money in savings	1%	15%	72%	12%	0%	3
Trading on securities	58%	39%	3%	1%	0%	1

Table 6: Liquidity

Majority of the respondents believed that cash at bank, cash at hand, assets owned, amount of money in savings and trading in securities in their SACCOs affected performance and strategy implementation. Amount of money in savings, assets owned and trading in securities generates revenues to Matatu SACCOs which in turn leads to recruitment of qualified employees and availability of financial resources for effective strategy implementation.

4.5. Inferential Analysis

The inferential analysis included bivariate analyses between each independent variable and the dependent variable performance and a resulting multivariate analysis that considered the combined influence of the strategic implementation on performance of the Matatu SACCOs.

4.5.1. Strategic Implementation and Performance

The coefficient of determination (R squared) of 0.5988 shows that 59.8% of performance can be explained by strategy implementation. The adjusted R-square of 0.595indicates that strategy implementation in exclusion of the constant variable explained the change in performance by 59.5%, the remaining percentage can be explained by other factors excluded from the model. R of 0.704 shows that there is positive correlation between performance and strategy implementation. The standard error of estimate (0.71244) shows the average deviation of the independent variable from the line of best fit. These results are shown in Table 7

R	R Square	Adjusted R Square	Std. Error of the Estimate
.704[a]	0.5988	0.595	0.71244

Table 7: Model Summary Strategic Implementation and Performance

The result of Analysis of Variance (ANOVA) for regression coefficient as shown in Table 8 revealed (F=292.533, p value = 0.000). The goodness of fit of this model implies that it can be used to make predictions. Since the p-value is less than 0.05 it means that there exists a significant relationship between strategy implementation and performance of Matatu SACCOs in Kenya.

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	117.963	1	117.963	292.533	.000
Residual	79.037	196	0.403		
Total	197.000	197			

Table 8: ANOVA table for Strategic Implementation and Performance

The study hypothesized that strategy implementation has no significant influence on performance of Matatu SACCOs in Kenya. The study findings indicated that there was a positive significant relationship between strategy implementation and performance of Matatu SACCOs (β=0.704 and p value=0.000). Therefore, a unit increase in use of strategy implementation index led to an increase in Matatu SACCOs performance index by 0.704. Since the p-value was less than 0.05 as shown in Table 9, the null hypothesis was rejected and the alternative hypothesis accepted. It can be concluded that strategy implementation influences performance of Matatu SACCOs in Kenya. This finding is in line with a study byOloo (2012) which concluded that allocation of enough funds and timely distribution of resources greatly enhance the implementation of strategies in the Matatu SACCO.

	B	Std. Error	T	Sig.
(Constant)	8.2E-18	0.05722	0.00	~~0.00~~
Strategic Implementation	0.704	0.041	17.104	0.000

Table 9: Coefficients table for Strategic Implementation and Performance

5. Summary, Conclusions and Recommendations

The study was designed to address research question concerning influence of strategy implementation on performance of Matatu SACCOs in Kenya. The study targeted a population of Matatu SACCOs from which a sample of Matatu SACCOs was extracted to be studied. Analyses were done for the objective and the variable and inferential analyses used as the basis of drawing conclusions on the objective.

The study also sought to determine the influence of strategic implementation on the performance of Matatu SACCOs in Kenya. The bivariate analysis of the objective showed that strategic implementation had a 0.704 influence on performance of Matatu SACCOs in Kenya. This level of influence was considered significant at 95% level of confidence. The coefficient of determination R^2 was 0.5988. This implied that 59.88% of the variation in performance was explained by the variation of the variable strategic implementation in the model.

The results are consistent with previous research. For instance, Njeha and Mwangi (2010) found out that effective implementation of an ERP system in commercial banks had a positive impact on performance. Superior performance was achieved through support by the top management which provided the required resources and ensured proper communication was done to all members in the organization on strategy implementation process. The findings of this study are also congruent with the resource based view theory proponents who underpinned that the internal resources of a firm are its core strength for developing environmental opportunities. The internal resources in Matatu SACCOs could be the owned assets that include management capabilities, experience and skills; and information abilities, which help in neutralizing any internal and external threats to competition and resource management respectively. The internal resources are not homogeneous for all organizations explaining why differences exist in performance of organizations in the same industry. From the foregoing, its clear that for Matatu SACCOs to deliver sustainable competitive advantage they should manage their resources in a manner that their competitors cannot replicate.

The study outcomes were further mirrored by social cognitive theory which elucidated that goal setting depend on how people and individuals manage their thoughts and actions in order to reach particular outcomes. In this case, managing employees in the Matatu SACCOs is a key step in determining how successful a strategy would be implemented. On the other hand, Bandura (2004) argued goal setting is another core concept in the social cognitive theory framework where goals reflect cognitive representations of future desired outcomes. This finding is also in tandem with Konzo (2012) study in Tanzania which outlined that strategic plan implementation was a determinant of any successful organization.

5.1. Contribution to Knowledge

This study contributes to the body of knowledge by answering key question on how strategic implementation influences performance of Matatu SACCOs in Kenya. It contributes to Matatu SACCOs by exploring in recruitment of qualified employees with skills on strategy implementation and provide adequate resources for formulation and implementation of strategy and make them effective and efficient in their operations. Adopt use of cashless mode of payment to reduce wastage on revenue collection. The study seeks to contribute to Matatu SACCOs by providing empirically based evidence to managers and shareholders in the sector to boost profitability. However, this study has been mainly done on banks and SACCOs, it will enrich empirical literature in Matatu SACCOs for further research.

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