

**STRATEGIC LEADERSHIP AND ORGANISATIONAL  
PERFORMANCE OF SACCOS IN KENYA**

**JACKLINE NAYIANOI LENKUME**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF  
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## DECLARATION

### Declaration by the Student

This research project is my original work and has not been presented to any other institution or study body without my consent or that of University of Nairobi.

Signed.....

Date.....

JACKLINE NAYIANOI LENKUME

REG. NO. D61/5951/2017

### Declaration by the Supervisor

This proposal has been submitted for examination with my approval as a University Supervisor.

Signed.....

Date.....

**PROF.AOSA**

## **DEDICATION**

This research is dedicated to my parents and siblings. You supported me during the time of sacrifice to complete this research project. I appreciate for the much needed moral, emotional and spiritual support you have always given me. May the Almighty Lord bless you.

## **ACKNOWLEDGEMENTS**

This research project is a result of support from several sources; first I would like to give praise and honour to the Almighty God for giving me sufficient grace and power to write this project. I also confer my thanks to the University of Nairobi for shaping my knowledge of Strategic Management. I would also like to thank my supervisor Prof. Aosa whose comments and advice were very useful towards successful completion of this research work.

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## **ABSTRACT**

A rapidly changing world has created a society craving for speed and action. Future leaders, therefore, face incredible pressures to deliver immediate results, to do more with less and to manage an ever-increasing personal workload. Managers should become more involved in guiding their subordinates and have to formulate and implement effective reward and recognition previous studies found out that the effectiveness of leaders' communication has a significantly strong relationship to employee's engagement and intent to stay and Intellectual stimulation allows leaders to increase their followers' efforts at innovation by questioning assumptions, reframing known problems, and applying new frameworks and perspectives to old and established situations and challenges consequently, the need for a study that seeks to further link strategic leadership and organizational performance in the context of SACCOs in Kenya. The study was anchored on the theories of Transformational leadership and the contingency theory of leadership. This study was undertaken using a cross sectional survey design and data was collected through questionnaires. The target population was the 380 Sacco managers in Kajiado county in Kenya. A sample size of 38 respondents was determined and drawn using simple random sampling technique. Data analysis was done using descriptive statistics (percentages, means and standard deviation) and inferential statistics. The findings show that strategic leadership influences the organizational performance of Saccos in Kenya. The study recommends that SACCOs in Kenya should practice strategic leadership so as to improve their organizational performance by engaging employees in decision making, using strategic communication and ensuring that set goals are implemented to achieve the vision of the organization.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

In reference to Breene (2008), growing a working and well-organized organization performance can turn into a vital capability or even an exceptional competency. Core capabilities are the measures which are major organization activities that permit companies to get an enhanced average amount of achievement over extended period of time. Organization performance aspect results to an improved indebted of the system and the plan of mutual standards. In reference to Breene (2008), mounting an operative and efficient organization performance can turn into an essential capability or even a unique competency. An essential competency is any role, which an organization does sound at performing. Core competencies are the procedures which are primary organization actions that allow firms to get a better average amount of accomplishment over long period of time.

Previous studies have fallen short of demonstrating how the variables of employee engagement and strategic leadership interact to achieve a strong linkage in influencing optimal firm performance but instead focused on the measures of performance in relation to individual variables. This is the gap that needs to be addressed by exploring the theoretical conceptual relationship between these variables as well as giving a serious assessment of major aspects defining meanings of the variables in this study.

A proportion of SACCOs have closed the shop over the past decade and finally liquidated it. SACCOs face various obstacles that prevent their full potential from being exploited (Muchibo, 2005). With numerous energies and money being funnelled to Sacco's strategic planning, most of the Sacco's strategic documents collect dust on the shelf and risk imminent collapse. There has been no inquiry into the degree to which SACCOS applies strategic leadership and hence the need for the present study.

### **1.1.1 Strategic leadership**

Davis (2004) describes strategic leaders with strategically focused organizational skills; converts policy into action; aligns individuals and organizations; recognizes successful strategic points of involvement; builds strategic skills. A strategic leader shows disappointment with the present; ability to absorb; ability to adapt; wisdom.

Strategic leadership is described as exercising established skills and abilities and encouraging others to prepare for new leadership models in new formats. Specifically, leaders should think critically about where changes are needed and why to achieve effective academic leadership within the company. New leaders, for instance, should have three basic skills: problem-solving, decision-making, and creative / logical thinking (Barron, 1995).

Strategic leadership offers strategies that are essential to remaining competitive and important as companies agree on their mission and best business practices. It has become essential for sustainable development to be capable of learning and develop. The organization risks becoming outdated if it fails to adapt to changing technology, environmental issues, and economic factors.

Remaining effective involves a different mindset about managing capital and providing services. Strategic leadership balances a targeted analytical viewpoint (as reported by the Park Li Group) with the human sphere of strategy making.

### **1.1.2 Organizational Performance.**

According to Lupton (1970), the efficiency rate and the happiness and determination levels of its members are high in an efficient organization, while retention rates, costs, labor unrest are low or nonexistent. According to Katz and Kahn (1978), however, an organization's efficiency (output-to-input ratio) and efficiency were parallel, both essential components of overall organizational performance that can be obtained by optimizing total returns of all types. In summary: the three aspects of organizational success are productivity, effectiveness and importance. Management of organizational

performance includes three highly innovative phases, including: quality planning, performance assessment, and improved performance.

One of the unmistakable methods used in measuring performance is the structured scorecard method (Kaplan and Norton, 1992). This fuses measures of financial and non-monetary attributes that show the efficiency of the organization's behavior. This reflects on a company's internal and external success levels. Usually, this approach is used to identify authoritative key goals and achieve certain goals (Huang and Li, 2009; Kaplan and Norton, 1996).

There have been numerous factors that inspire dedication. Ongori (2012) believes that the degree to which workers are dedicated and loyal to their company is largely dependent on job satisfaction, training of employees and compensation. Camilleri (2010) studied some of the major factors that contribute to making employees dedicated to an organization using regression method and variability analysis, and found that the education level, personality and position are important determinants of the level of employee engagement of an individual. The results also showed that the degree and role of education are significantly stronger for employee engagement's continuity and normative dimensions, whereas personality is significantly stronger for continuity and active dimensions.

### **1.1.3 Overview of SACCOs in Kenya**

With over 22,000 registered cooperative societies, Kenya's cooperative movement is ranked among the best in Africa, with the SACCO sub-sector forming an estimated 5,000 co-operatives. Sacco savings and deposits are estimated at more than Sh732 billion, approximately 30 percent of national savings. The movement had an asset base of more than Sh1 trillion and a loan portfolio of more than Sh700 billion at the end of 2017. According to the state department of official co-operation reports, 2017.

Many SACCOs are managed by a professional management team that reports quarterly or according to SACCO's bylaws to a committee elected by members. Most SACCOs in Kenya have limited membership to industry or the working sector. Stima SACCO, for example, is employees in the power generation and distribution sector, while Magereza SACCO is made up of employees of Prison Services.

## **1.2 Research problem**

McFarland & Kleiner (2008:1) conclude the rapidly changing culture created by the changing world. Therefore, future leaders face incredible pressure to obtain immediate results, to do less and to cope with an ever growing number of personal activities. The quality of leadership engagement is strongly linked to the dedication of the workers, and the desire to remain with Shuck and Rose (2013) is superior to the management, which establishes and implements an efficient payment and acknowledgement scheme. Intellectual stimulation helps leaders to further evolve by testing theory, reframing common topics, and applying new paradigms and insights to ancient and modern circumstances and challenges (Bass & Riggio, 2006). (1998). Therefore, SACCOS in Kenya is restricted to the need for a study to improve the relationships between strategic leadership and corporate performance analysis. In the last ten years, a majority of the SACCOs have been closed and liquidated. SACCOs face many problems that hinder the development of their full potential (Muchibo 2005). He shared his concerns about the SACCO leadership and added that because they are voluntary, members can select anyone they want and who may not have the ability to operate a SACCO. Given Sacco's strategic planning efforts and resources, many of Sacco's strategic documents accumulate or are in imminent failure.

International studies have been conducted with respect to meanings. Schaufeli & Salanova (2012) has explored the link between change management and employee engagement with emotional motivation and the organizational distance through the use of a sample of 520 nurses working at a major public hospital in Singapore. Our studies have demonstrated the positive relationship between transformation leadership and employee

involvement. Africa explored the relationship between strategic leadership and business strategies and the connection between strategic leadership and corporate performance (Serfontein 2010). The study focused on exploring the clear and positive connection between South-African strategic leadership, operational excellence and corporate performance. The management implications of the model outlined in this study are the implementation of high performance strategy leadership strategies to improve business organizations ' strategic orientation and operational excellence.

In Kenya-based Nairobi Securities Exchange, local company Waweru (2016) carried out a study on the impact of strategic direction on corporate strategies adopted by the investment companies. The study showed that companies often have to face challenges like poor performance, loss of market share and poor organizational capital management to accuse strategic leadership. The research has not identified specific elements of strategic leadership that lead to high performance, but focussed on actions and choices required to implement a strategic plan to achieve the goals of the organization. This study failed to understand the impact of strategic leadership on performance in Kenya's small and medium-sized enterprises. In order to secure short-term success and long-term sustainable development, good strategic leadership was needed in decision making of the firm. This research was not done within the scope of SACCOS in Kenya and therefore strategic leadership and organizational performance must be related empirically and therefore the analysis needs to be undertaken to deal with these discrepancies, by answering the questions of how strategic leadership affects corporate performance.



### **1.3 Research objective**

The research objective of the study is to determine the influence of strategic leadership on organizational performance of SACCOs in Kenya.

### **1.4 Value of the Study**

The findings of the study will contribute to the frontier of knowledge by bridging the literature and existing theories on the role of strategic leadership on organisational performance of SACCOS in Kenya. The findings of this study will complement available data in guiding towards effectively linking performance of SACCOs in Kenya with strategic leadership and contribute to policy formulation and development in the SACCO industry in Kenya by enabling policy makers to benefit in understanding how institutional forces in the Kenyan context affect organisation performance. The study will enlighten leaders of the SACCOs in Kenya to make appropriate decisions in meeting their set goals and objectives thus high performance in these institutions.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The theoretical basis and empirical analysis of strategic leadership and organizational efficiency literature are presented in this chapter. In addition, this chapter highlights research gaps.

#### **2.2 Theoretical foundation**

The study will be anchored on two theories; Contingency Theory of leadership and Transformational Leadership Theory.

##### **2.2.1 Contingency Theory of leadership**

The Concept of Strategic Leadership is anchored on the Contingency Theory of leadership. Fiedler (1967) argued that the effectiveness of a leader depends on the interaction of the style and features of the leader identified as the leader's ties, the arrangement of tasks and the leadership strength. Situation around a company will build a management's specific style of leadership. The way a director wants to fix a problem depends on the factors affecting the situation (Bolden, 2003).

While the contingency method is intended to apply to all facets of management and not just organization and management, contingency solutions beyond organizational theory and leadership theory have been little further established. Unfulfilled with the usefulness of Fiedler's Leadership Contingency Theory led to the development of theory of leadership based on features. Different aspects of the situation are found to influence the performance of different types of leadership. The degree to which the executive relies, the extent to which the executive is organized and the hierarchical authority of its manager constitutes the primary determinants of the management situation, Fiedler suggests.

### **2.2.2 Transformational Leadership Theory**

Based on empirical evidence, Bass (1985) updated the original framework of transition leadership. Over time, four elements or components of transformative leadership have been identified. Such components include influence on idealization, motivation, intellectual stimulation and personal concern. The first two are often combined by researchers as a charm (Bass & Riggio, 2006). To order for their followers to achieve desired organizational results, the transformation leader displays each of these four elements to varying degrees (Bass & Riggio, 2006). Idealized control involves two distinct facets of the following relationship. The leaders whom supporters want to emulate first, are given those attributes to the leader. Furthermore, leaders influence followers by their actions. The motivational inspiration demands that followers be motivated and driven through the common goal and task of these followers. Passion and determination (Bass & Riggio, 2006) are key characteristics of motivation.

### **2.3 Strategic leadership in organizations**

Rowe (2001) described strategic leadership as being the possibility for other people to make decisions on a daily basis that will increase the long-term viability of the company while preserving its short-term financial security. Strategic leadership means that we think, work and influence others in ways that facilitate the continuing success of the organization. A good understanding of the complicated relationship of the company with its world is a foundation for strategic thought. This needs a broad perspective, including the right people, with knowledge and observations, problems to be answered and dialog encouraged. Strategic thinkers then define relations, trends and key issues.

The definition of tactical planning is rooted in the principle of Fielder management contingencies. Fiedler (1967) concluded from that viewpoint that the successful performance of a leader depends on the connection between the manager's style and the situation's characteristics as the relationship between the manager, the nature of the role and the leadership position. Situations involving an organization will set various leadership criteria. In a situation, the strategy a manager wants to pursue depends on the factors that impact the situation (Bolden, 2003).

Tims (2011), together with 42 experts from two different employers, examined how management style influences the day-to-day work of followers in the Netherlands. The study showed that the dynamic leadership and self-effectiveness of workers engagement and commitment and motivation and commitment are in significant positive everyday relationships.

Shuck and Rose (2013) have shown that the efficacy of interaction between leaders and the engagement of employees and stay intentions are significantly high. Our work has generally shown the relationship between all levels of leadership and message delivered to workers at this level and our ability to remain. The research also explored the relationship between the engagement of workers and the continuity of various important management styles. Less regular one-on - one communication specifically aimed at connecting employee roles and behaviors with wider business goals.

#### **2.4 Empirical Studies and Research Gaps**

Hay (2012) analyzed their managers in 330 businesses in 50 countries and found that many employees leave because they are frustrated with their supervision director. Regular fluctuations in leadership can impact on the self-image and work experience of employees (i.e. employee participation) (Tims & Bakker & Xanthopoulou 2011). Leadership is an important historical record of many subsequent causes, including employee engagement, leading to positive outcomes of organizational success (Xu & Thomas 2011). Moss (2008) investigated how transformational leadership facilitates the security of 160 employees in the public and private sector. The research assessed the transforming style of the immediate superiors of the participant and, by regression analysis, evaluated their own self-esteem, attachment style, fair world values, regulatory emphasis and function. When leaders show emotional support and value the engagement of followers, followers are linked happily and believe in a fair world from potential losses to potential benefits.

The relationship between contact and job productivity has been studied by various subjects. Khan (2010) has investigated the effect of the contact on employee work quality in a study of 153 employees of oil and gas companies in Pakistan. The findings showed that interaction is constructive with respect to employee performance. The quality of the

job therefore dictated the contact variable. Therefore, Khan (2010) recommends that executives focus on communication backgrounds, as well as all factors that promote employee engagement, increase employee performance and increase organizational productivity.

Koech and Namusonge (2012) performed an impact assessment on leadership style organizational efficiency. The study was carried out in the US Bank, Mombasa, Kenya. Laissez faire management, transactional leadership and change were one of the most important variables. The study showed that laissez faire leadership is not significantly correlated with corporate success. Based on the report findings, management recommended that managers abandon laissez faire by increasing their role in leading their employees.

Meijaard and Mosselman (2005) studied the effect of Thai electronics companies on productivity by providing a competitive environment as a leader in corporate training and strategic management. The results of the research indicate that the connection between corporate training and policy leadership is significant. A significant positive relationship is strategic management with a competitive advantage. The competitive climate has a negative impact on the development of the organization's training plan and the benefit of leadership.

Shuck and Rose (2013) have shown that interaction efficiency between managers is much closer to employee engagement and purpose. In particular, their research has revealed that every leadership and message conveyed at this level relates to the engagement and purpose of employees. The research also looked at the relationship between employee engagement and the ability to maintain specific essential leadership styles. One-on - one contact, more specifically to align employee roles and behavior with broader organization objectives.

Schaufeli and Salanova (2012) explored the relationship between transformative leadership and employee engagement through a study of 520 staff nurses at the major public hospital in Singapore. Our findings highlight the positive relationship between transition management and dedication to employees.

Various conceptual differences have been established in literature between strategic leadership relations, employee engagement and performance. The description and context variations are. The conceptual discrepancies concern the correlation of the concepts studied, and the empirical connections between strategic planning and organizational performance.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses the research design, the population of the study, the sampling techniques, the data collection techniques that will be used in the study, the pilot testing instruments, reliability tests, validity tests and data analysis techniques and presentation methods are also discussed.

#### **3.2 Research Design**

A cross-sectional sample model will be adopted. The testing variables are considered appropriate because they are measured spontaneously without intervention or control. This is considered appropriate. As deemed most fitting, concise analyzes consisting of frequency graphs, core pattern diagrams, and dispersion were used (Bryman & Bell, 2011). The entire population or subset of them is selected for this model and data is collected from these individuals to answer questions about research (Olsen & George, 2004).

The author chooses cross-sectional survey layout because the knowledge about the subject is what happens only once. Cross-sectional research methods are appropriate as information collected reflects activities in an organization at a time like this (Bryman, 2004).

#### **3.3 Population of the study**

The target population for this study will be Saccos within Kajiado County. The County has 380 Saccos as at December 2018 according to official reports by the county commissioner of co operatives. The population size will be 380.

#### **3.4 Sample Design**

A survey is a way to choose a part of the population that represents the whole population accurately (Chandra, 2004). In the case of every member of the population, the researcher shall use probability sampling using simple random sampling. In compliance with guidelines of Mugenda and Mugenda(2003), the author has selected a 10% random

population sample that supports a sample of 10% in which the samples are large (and above minimum 30 samples). Therefore, study size N is 380, 10% of 380 is 38. Sample size (n) is 38. The study population is 38. The interviewees were directors of Sacco.

### **3.5 Data Collection**

A formal questionnaire containing both open and closed finished questions was the primary technique for data collection. The interviewees were SACCO directors in Kenya. The surveys were subsequently deleted and selected by the respondents.

The query is the preferred tool for data collection. According to Robson (2002), in a short period, large amounts of data can be collected with a large amount of confidentiality, which encourages transparency on behalf of participants, especially with sensitive issues such as governance. Secondary data from the annual reports of SASRA, which include relevant information regarding SACCOs, will be obtained.

### **3.6 Data analysis**

The results of the study will be compiled, coded and inserted into a computer system used by the Social Sciences Statistical System (SPSS v.24). A master codebook aimed at ensuring consistent coding of all questionnaires. Data will thus be modified before review for completeness and accuracy.

It allows the researchers to organize information in an efficient and meaningful manner. This is how descriptive statistics help. The author must classify the variables using percentages, frequency distributions, graphs, diagrams. You can draw conclusions ("presumptions") from these data by using inferential statistics. You collect data from surveys and generalize data about a population with inferential statistics.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Whereby: **Y = ORGANISATION PERFORMANCE;**

X1 = Employee engagement

X2= Strategic communication;



X3= Implementation of goal set

$\epsilon$  = Error Term.

## CHAPTER FOUR DATA ANALYSIS, RESULTS AND DISCUSSION

### 4.1 Introduction

### 4.2 Response Rate

38 Sacco managers were the intended sample size. Those questionnaires completed and returned were 33 respondents who answered with an 86 percent response rate.

**Table 4.1: Response rate**

Questionnaires	Frequency	Percent (%)
Response	33	86%
Non-response	5	14%
<b>Total</b>	<b>38</b>	<b>100.00%</b>

*Source: Author, 2019*

### 4.3 Reliability Test Results

A greater value indicates that the produced scale is more accurate. The coefficient of reliability of 0.7 was indicated by Cooper & Schindler (2008). The study included questionnaires from 7 people selected for the pilot study. Given that the alpha coefficients were all above 0.7, the conclusion was that the instruments had and were suitable for the study, an acceptable reliability coefficient.

**Table 4.2: Reliability Results**

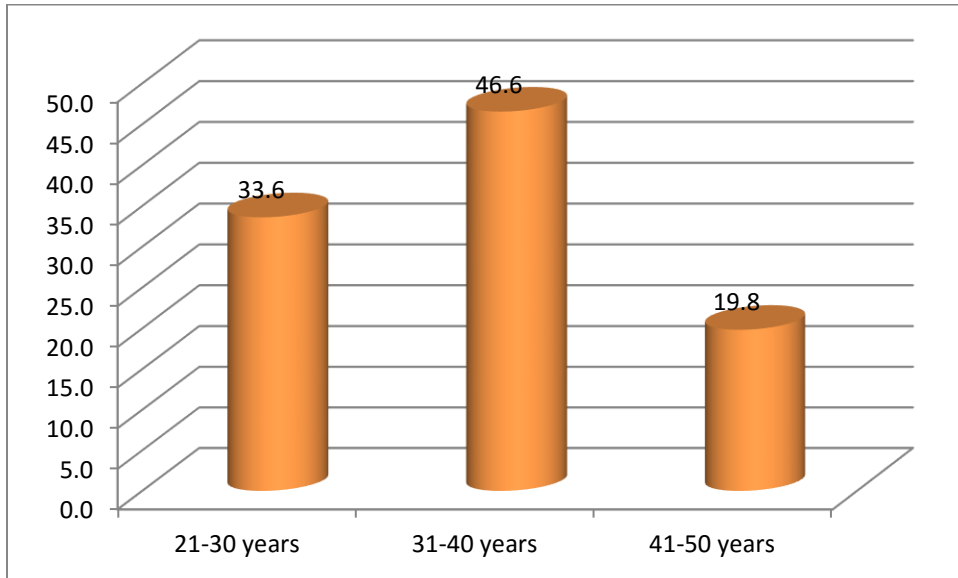
Variable	Cronbach's Alpha	Items
Employee Engagement	.71	4
Goal setting and implementation	.73	3
Strategic Communication	.75	2

*Source: Author, 2019*

## 4.3 Respondents Demographics

### 4.3.1 Age Bracket

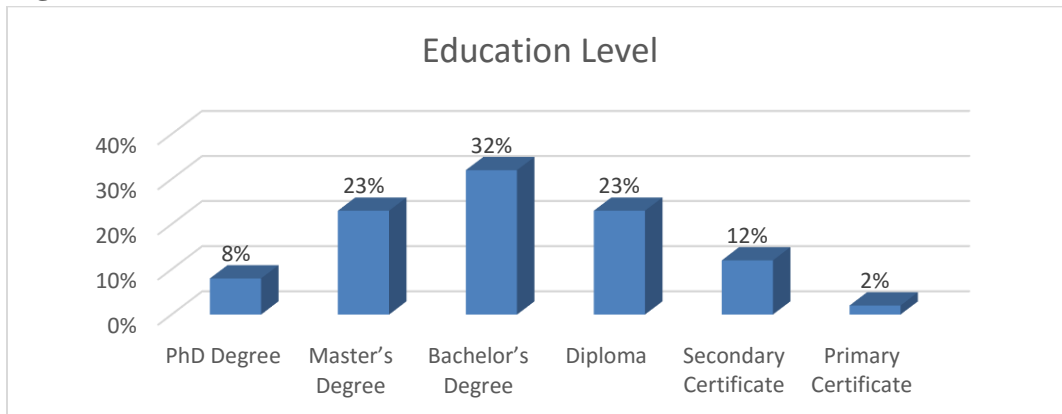
Figure 4.1 Age Bracket



The results show that 34% of respondents were between the ages of 21 and 30 years; 47% around 31 and 40 years; 20% between the ages of 41 and 50 years. Consequently, the results indicate that most respondents between 31 and 40 years of age.

### 4.3.2 Level of Education

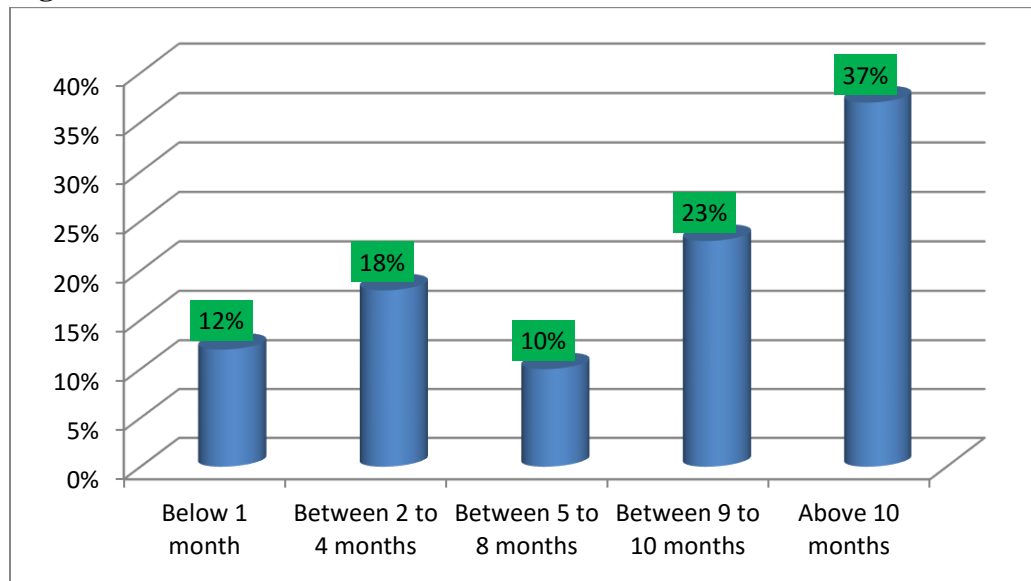
Figure 4.2 Level of Education



The results from figure 4.4 indicate that majority had 32% had bachelor's degree.

#### 4.3.4 Duration of Work

**Figure 4.3 Duration of Work**



The results from figure 4.2 above show that majority 37% had worked for above 10 months.

#### 4.4S Strategic leadership and organizational performance

The in preceding section entails findings and analysis in regard to the specific objectives.

##### 4.4.1 Strategic Communication

**Table 4.3 Strategic Communication**

Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	St. Dev.
Organisational agreement is reached through corporate communication	20%	45%	16%	20%	0%	4.253	.874
Communication provide a basis for decision making	60%	29%	10%	0%	1%	4.045	.541
Our leaders constantly motivate and inspire us	20%	41%	26%	8%	6%	3.985	.461
Employees are motivated to meet the targets set in their individual work	26%	47%	20%	4%	4%	3.487	.823
Communication assists in faster execution of decisions in an organisation	31%	45%	12%	12%	0%	4.254	.451

Communication enhances problem solving	31%	35%	22%	8%	4%	4.124	.652
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The study above shows that 65% agreed, 16% were neutral while 20% disagreed that organizational agreement is reached through corporate communication. Further, 89% agreed, 10% were neutral while 4% disagreed that Communication provide a basis for decision making. On the other hand, 61% agreed, 26% were neutral while 14% disagreed that Our leaders constantly motivate and inspire us. Moreover, 73% agreed, 20% were neutral, 8% disagreed that Employees are motivated to meet the targets set in their individual work plans/performance contracts. Nevertheless, 76% agreed, 12% were neutral while 12% disagreed that communication assists in faster execution of decisions in an organization. Further, 66% agreed, 22% were neutral, while 12% disagreed that communication enhances problem solving.

#### 4.4.2 Employee Engagement

**Table 4.3 Employee Engagement**

Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	St. Dev.
There is open interaction employees and their leaders	47%	29%	20%	4%	0%	4.354	.641
Employees are able to express issues without fear of intimidation	49%	39%	12%	0%	0%	3.841	.218
Employees show up, and are present in every sense of the word.	29%	45%	18%	8%	0%	3.734	.524
Employees willingness to 'go the extra mile	55%	29%	18%	0%	0%	4.165	.244
Employees have the desire to work to make things better	33%	51%	12%	0%	4%	4.225	.464

The study above indicates that 76% agreed, 16% were neutral, 8% disagreed that There is open interaction employees and their leaders. The study further indicated that 76%

agreed, 12% were neutral while 12% disagreed that employees are able to express issues without fear of intimidation. Further, 74% agreed, 8% were neutral, 18% disagreed that the employees show up, and are present in every sense of the word. Moreover, 66% agreed, 18% were neutral while 16% disagreed that employee's willingness to 'go the extra mile. Finally, 84% agreed, 12% were neutral, 4% disagreed that employees have the desire to work to make things better.

#### 4.4.3 Implementation of goal setting

**Table 4.4 Implementation of goal setting**

Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	St. Dev.
Leadership provide employee with adequate resources to support goal implementation.	26%	47%	28%	0%	0%	3.968	.396
Leaders make quick follow-ups give feedback on performances.	34%	51%	16%	0%	0%	3.862	.321
Leaders provide necessary support and advice that leads to our success.	38%	30%	33%	0%	0%	3.545	.368
Our leaders are quick to solve problem and offer solution	22%	49%	29%	0%	0%	4.20	.541
Leaders ensure goal implementation.	32%	59%	10%	0%	0%	4.21	.674
We have centralized decision structure that allows quick decisions to be made.	28%	43%	29%	0%	0%	4.65	.652

The study above shows that 73% agreed, 28% were neutral, 6% disagreed that Leadership provide employee with adequate resources to support goal implementation.

#### 4.4.4 Firm Performance

**Table 4.5 Firm Performance**

Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	St. Dev.
The SACCO's revenue has increased.	28%	43%	10%	16%	4%	4.251	.542

The SACCO's capital base has increased.	24%	37%	28%	8%	4%	4.411	.545
The SACCO's investment options and growth have increased.	16%	55%	18%	8%	4%	4.354	.572
The SACCOS membership has grown	20%	29%	26%	18%	8%	4.621	.687
The SACCO operational efficiency has improved	8%	29%	47%	12%	4%	4.354	.345
The SACCO pays attractive dividends to members compared to other SACCOS.	12%	51%	29%	8%	0%	4.215	.641
The SACCO does frequent product reviews and re-engineering to meet members needs	20%	45%	22%	10%	4%	4.221	.218
The SACCO has low turnover of members and staff as their needs are met.	24%	43%	16%	8%	10%	4.357	.524

The study above reveals that 71% agreed, 10% were neutral while 20% disagreed The SACCO's revenue has increased. On the other hand, 61% agreed, 28% were neutral, 12% disagreed that The SACCO's capital base has increased. Further, 71% agreed, 18% were neutral while 12% disagreed that The SACCO's investment options and growth have increased. Nevertheless, 49% agreed, 26% were neutral while 26% disagreed The SACCOS membership has grown. Finally, 37% agreed, 47% were neutral while 16% disagreed that The SACCO operational efficiency has improved. The study above shows that 63% of the respondents agreed, 29% were neutral while 8% disagreed that The SACCO pays attractive dividends to members compared to other SACCOS. On the other hand, 65% agreed, 22% were neutral, 14% disagreed that The SACCO does frequent product reviews and re-engineering to meet member's needs. Further, the study revealed that 67% agreed, 16% were neutral, 18% disagreed that The SACCO has low turnover of members and staff as their needs are met.

#### 4.5 strategic leadership and organizational performance

The study sought to establish the the influence of strategic leadership on organizational performance of sacco in Kenya. The regression model was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Whereby Y represent the organizational performance of sacco in Kenya,  $X_1$  is Employee Engagement,  $X_2$  is goal setting and implementation and  $X_3$  is strategic communication.

**Table 4.6: Model's Goodness of Fit Statistics**

	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>	<b>Durbin-Watson</b>
	.654 <sup>a</sup>	.442	.403	.1643	1.341

a. Predictors: (Constant), Employee Engagement, goal setting and implementation and strategic communication

**Table 4.7: Analysis of Variance (ANOVA)**

	<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	2.132	3	.231	13.457	.035 <sup>a</sup>
	Residual	8.431	125	.046		
	Total	12.234	143			

a. Predictors: (Constant), Employee Engagement, goal setting and implementation and strategic communication

b. Dependent Variable: Organizational performance of SACCOs in Kenya



**Table 4.8: Regression Coefficients**

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
(Constant)	4.321	.425		8.545	.045
Employee Engagement	.621	.154	.656	5.574	.031
Goal setting and implementation	.562	.874	.241	2.486	.039
Strategic communication	.368	.441	.282	1.031	.038

a. Dependent Variable: organizational performance of saccos in Kenya

The following regression result was obtained:

$$Y = 4.321 + 0.621X_1 + 0.562X_2 + 0.368X_3 + 0.532X_4 \quad P=0.038^a$$

From the model, when other factors (Employee Engagement, goal setting and implementation and strategic communication) are at zero, the organizational performance of saccos in Kenya will be 4.321. Holding other factors constant, a unit increase in Employee Engagement would lead to 0.621 (p=.031) increase in organizational performance of saccos in Kenya.

## **CHAPTER FIVE**

### **SUMMARY ,CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The preceding entails the discussion, conclude and recommendations from the research findings.

#### **5.2 Summary of Findings**

The above study shows that 21% of respondents had secondary schooling, 28% had a diploma, while 51% had a university degree. In order to answer the questionnaire more accurately, both respondents were well educated. The results show that strategic interaction affects SACCOs ' performance in Kenya. The argument that interaction is the basis for decision-making is backed by 86%. The results of the study indicate that the dedication of employees influences SACCOs ' performance in Kenya. 75 percent are supported by the fact that workers would ask concerns without fear of harassment. The study shows that the quality of SACCOs in Kenya is guided by intuition. 68% of respondents said that leadership provides workers with adequate resources to support the achievement of their objectives.

#### **5.3 Conclusion**

The findings below could be that the quality of SACCOs in Kenya is affected by strategic communication. Employment quality emerged as a social determinant. In order to increase employee performance and thereby improve organizational productive activity, managers should pay particular attention to communication history and all of the factors that promote employee engagement.

It has also been concluded that staff participation has an impact on the performance of SACCOs in Kenya. No fear of coercion, workers should communicate problems. The

dedication of workers has a direct impact on the performance of companies. It means that the more committed employees are, the better performance and a positive effect on accomplishments such as efficiency, competitiveness, staff morale, health and loyalty to customers are shown.

#### **5.4 Recommendations**

Executives in Kenya's SACCOs should be active in the following strategic leadership high-performance practices: emphasis on evaluating the organizational Strategic Leadership checked in this report. This will ensure their organizations' strategic efficiency and results. The main task for strategic leaders as they are categorized into financial capital, human capital, social capital as well as corporate culture is to handle the corporate asset portfolio efficiently, too. This feature will boost your organizations' competitive advantage over your rivals. The SACCOs in Kenya need to assess and adjust strategic management activities. This has been shown in the assessment of organizational management.

#### **5.5 Limitations of the Study**

This study focused on SACCOs in Kenya and excluded other firms in Kenya. Therefore, the findings may not be representative of other financial institutions such as banks. Efforts to apply these results in other organizations, mostly large firms should be done with caution since large firms are significantly different.

#### **5.6 Suggestion for Further Research**

This study dealt with the effect of strategic leadership on the performance of SACCOs in Kenya as they hold an important role in development of the country. Further studies are

recommended to establish the effect of strategic leadership on the performance of banks in Kenya. These organizations are also key in ensuring economic development in Kenya.

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## APPENDIX QUESTIONNAIRE

**Part a: DEMOGRAPHIC INFORMATION OF THE RESPONDENTS** please  
*tick/mark in the boxes provided as appropriate*

1. Names (Optional)-----  
2. Age (In Years) of respondent.

1.	Above 50	
2.	41 – 50	
3.	31 – 40	
4.	21 – 30	
5.	Under 21	

3. Highest level of education

1.	PhD Degree	
2.	Master’s Degree	
3.	Bachelor’s Degree	
4.	Diploma	
5.	Secondary Certificate	
6.	Primary Certificate	

4. Length of Service with this SACCO

1.	Above 20 Years	
2.	16 – 20 Years	

3.	11 – 15 Years	
4.	6 – 10 Years	
5.	5 Years and Below	

**Part B: Strategic Communication**

**1.0 Part B: Strategic Communication**

Based on the leadership structures in your SACCO, please indicate the extent to which your SACCO uses the following practices by ticking the appropriate response.

<b>Item</b>	<b>To a great extent</b>	<b>To some extent</b>	<b>Not sure</b>	<b>To a small extent</b>	<b>Not all</b>
	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Organisational agreement is reached through corporate communication					
Communication provide a basis for decision making					
Our leaders constantly motivate and inspire us					
Employees are motivated to meet the targets set in their individual work plans/performance contracts					
Communication assists in faster execution of decisions in an organisation					

Communication enhances problem solving					
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### 2.0 Part C: Employee Engagement

Based on the Employee Engagement in your organization, please indicate the extent to which your organization uses the following practices by ticking the appropriate response.

Item	To a great extent	To some extent	Not sure	To a small extent	Not all
	5	4	3	2	1
There is open interaction employees and their leaders					
Employees are able to express issues without fear of intimidation					
Employees show up, and are present in every sense of the word.					
Employees willingness to 'go the extra mile					
Employees have the desire to work to make things better					

### 3.0 Part E: Implementation of goal setting

Please indicate to what extent you agree with the following questions regarding your firm's performance over the last three years on a scale of 1-5

Statement	To a great extent	To some extent	Not sure	To a small extent	Not all
	5	4	3	2	1

Leadership provide employee with adequate resources to support goal implementation.					
Leaders make quick follow-ups give feedback on performances.					
Leaders provide necessary support and advice that leads to our success.					
Our leaders are quick to solve problem and offer solution					
Leaders ensure goal implementation.					
We have centralised decision structure that allows quick decisions to be made.					

#### 4.0. Section F: Firm Performance

Please indicate to what extent you agree with the following questions regarding your SACCO's performance over the last three years on a scale of 1-5

<b>Statement</b>	<b>To a great extent</b>	<b>To some extent</b>	<b>Not sure</b>	<b>To a small extent</b>	<b>Not all</b>
	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
The SACCO's revenue has increased.					
The SACCO's capital base has increased.					
The SACCO's investment options and growth have increased.					
The SACCOS membership has grown					
The SACCO operational efficiency has improved					
The SACCO pays attractive dividends to members compared to other SACCOS.					

The SACCO does frequent product reviews and re-engineering to meet members needs					
The SACCO has low turnover of members and staff					