

**CHANGE MANAGEMENT PRACTICES AND COMPETITIVE
ADVANTAGE OF DEPOSIT-TAKING SAVINGS AND CREDIT
COOPERATIVES IN NAIROBI CITY COUNTY, KENYA**

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DECLARATION

I, the undersigned, declare that this is my original work and has not been presented to any institution or university other than the University of Nairobi for examination.

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This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This research project is dedicated to my father Boniface and my mother Naomi whose unrelenting support gave me reason to press on and also to my son Arnold who persevered the long hours spent away from him as I went through the study process. I love you all

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ABBREVIATIONS AND ACRONYMS

ADKAR	Awareness, Desire, Knowledge, Ability and Reinforcement
CA	Competitive Advantage
DT	Deposit Taking
KUSCCO	Kenya Union of Savings and Credit Co-operatives
NDT	Non-Deposit Taking
RBV	Resource Based View
SACCO	Savings and Credit Cooperative
SASRA	Sacco Societies Regulatory Authority
SPSS	Statistical Package for Social Science
VIF	Variation Inflation Factors

ABSTRACT

Deposit Taking SACCOs have a wide contribution to the finance sector of an economy. The deposit taking SACCOs are emerging in large numbers from organizations and economic firms, that have varying objectives, but key in the objectives is to ascertain that the members attain the desired benefits from the products offered by the DT SACCOs and build themselves. The SACCOs have continually opened doors to members of general public who would share in their vision as well. It therefore implies that every DT SACCO should focus on having a competitive edge that would help them draw membership from different sectors of the economy. It is from such a background that this study sought to determine change management practices and competitive advantage for deposit taking SACCOs in Nairobi County Kenya. The study undertook a descriptive research design, where primary data was collected from all the 42 Deposit Taking SACCOs in Nairobi County. The data was collected by use of closed ended questionnaires that targeted top level employees of the SACCOs who were deemed to have wide and deep knowledge on operations of the DT Sacco. The target was one top level employee from each DT Sacco. Data was collected on communication, participation and involvement, Training, Stakeholder involvement, Leadership and Competitive advantage. The study had a 90% response rate where from the 42 questionnaires administered, 38 of them were adequately filled for analysis. The descriptive statistics indicated that most of the DT SACCOs in Nairobi County put average efforts towards the variables. The result was slightly below average competitive advantage for the SACCOs. The Pearson Correlations for the independent variables on the dependent variable indicated that there was statistically significant and positive correlation. The regression analysis model had a coefficient of determination of 77.2% that indicated a strong predictive model. The study also showed that there existed a statistically significant and positive effect of change management practices on competitive advantage of Deposit Taking SACCOs in Nairobi County. The regression coefficients indicated that the independent variable that had greatest effect on competitive advantage was effective leadership, followed by employee training, then participation and involvement of employee, then effective communication and lastly stakeholder involvement.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Changes are inevitable in all forms of business and therefore organizations should be prepared to handle them and manage them. According to Tudor (2014) changes happen in an organization whether we like it or not, but the decision and the approach to manage these changes must be strategic and well thought. Balogun and Hailey (2008) note that organizations change is required to adapt progressively with the change in the business dynamics so as to remain a float with the competition in the business industry. According to Schilling and Steensma (2001), the forces for change are informed by strategic decisions of the organizations. In most cases the change is driven by the need to develop more integrated systems of working and increasing effectiveness, impact and efficiency in the organization as a way of increasing productivity and increased performance (Rugman & Hodgetts, 2001).

This study was focused on two theories, dynamic capability and resource-based view theories. Dynamic capabilities theory states a company is enabled to achieve a specific outcome by learned activities and process. As per Teece and Pisano (1994), dynamic theory explains the changing nature of the environment of the market. It also insists on the major contribution of strategy in re-configuring and integrating external and internal functional competencies, resources and skills in shifting environments. Resource based view was founded by Wernerfelt in 1984. The resource based theory is anchored on organizations having strategic resources for which once correctly utilized shall realize sustainable competitive advantages to their rivals. The theory assumes that deliberate

managerial efforts are undertaken by a firm which is steered towards gaining a sustainable competitive advantage.

According to Nyasha and Odhiambo (2015), this is the main reason as to why the Kenyan financial sector is usually referred as bank-based. The sector is also a crucial participant in the country's Vision 2030 which is a determinant of the country's economic development levels by 2030. The Kenyan Savings and Credit Cooperatives (SACCOs) subsector is legally and based on practice categorized into two major types; mostly differentiated by the type of savings and deposits that they get from their members. The first type consists of the deposit-taking SACCOs (DT-SACCOs), and the other segment comprises of the non-deposit-taking SACCOs (non-DT-SACCOs). Other financial institutions have been giving SACCOs stiff competition and more so the ones that have adopted innovative strategies such as the ease of access to credit facilities through the mobile loans, MPESA, Mshwari and KCB-MPESA that allows people to save and access credit.

1.1.1 Concept of Change and Change Management

Mullins and Christy (2010) define change management as the procedure, techniques and tools of managing the employee variation side to attain the needed organizational objective. It encompasses the tools, in the organization, which can be applied in assisting people in making successful individual change over sending up in the acceptance and realization of change.

The management initiates a change process in an entity by varying processes, systems, organizational structure or job roles (Diefenbach, 2009). The procedure of inducing and motivating other people to begin a change process which leads to the realization of the

preferred state of the future is called change leadership. Individuals who are involved in managing the planning, coordinating and implementing the activities in the change process are referred to as change managers (Harigopal, 2001).

The change process may be faced with some challenges. Key among them is employee resistance, resistance from junior managers, time constraints and inadequate resources (Zhu, 2012). Furnham (2012) suggests practices that change managers must consider during the change process so as to overcome these challenges. One of them is composing crucial messages which ought to be passed on in the course of the process of change.

Employees ought to be educated on why change is necessary in the firm, before the precise details of the solution are completed. All these actions aim at ensuring a successful transition to a new state from an old state (Steward, 2002).

1.1.2 Competitive Advantage

Competitive advantage alludes to the methodology applied in order to accomplish and ideally, to continue an edge over one's rivals (Porter, 1987). Doorman sees competitive advantage as the target of methodology, contending that unrivaled presentation will naturally result from competitive advantage. Competitive advantage can be gotten from various sources and that technique controls the wellsprings of bit of leeway under the company's control so as to create competitive advantage. Furthermore, competitive advantage can likewise radiate from developing system or factors past the company's control.

These powers and factors, be they natural, hierarchical or individual, might decide competitive advantage. These components and powers, utilizing the firm as the unit of investigation, can be inward, working basically inside the association's limit, or outer, affecting fundamentally outside the association's limit. Likewise, these parameters could be either fortunate, emerging and vanishing without the cognizant control of the firm (for example karma) or conscious, subject to deliberate key moves in rivalry, collaboration or inventive and imaginative administrative activities in dealing with the hierarchical structure, process, culture, innovation and individuals (Stewart. 1997).

At the point when a firm has accomplished a competitive advantage and effectively raised the hindrances counteracting impersonation by contenders, it in this manner "opposes disintegration by contender conduct" and accomplishes supportable competitive advantage (Porter. 1987). Counteracting impersonation however doesn't keep going forever. In this way, the association's capacity to postpone this consequence is fundamental so as to get the maximum profit by any competitive advantage. Accomplishing continued and beneficial development is never an easy task without having at least one strong and differentiated core business on which to build. Building this solid and separated center would require access to some type of competitive advantage. The wellsprings of competitive advantage are as various as there are exercises in the firm.

1.1.3 Deposit-Taking Savings and Credit Cooperatives in Nairobi County, Kenya

As per reports and data by KUSCCO, Lumbwa Cooperative Society which was started back in 1908 became the first Co-operative Society started by the European farmers to enjoy the advantages of economies of scale on agricultural productions' activities. The

government took great steps and this led to network expansion, capital base growth, and increased membership and there was a general positive improvement in SACCO Society movement thus the government considered SACCOs as the pillars of national economy (Gardeklint, 2009). From then, the Kenyan government has recognized that cooperatives possess a great strength and that the SACCO movement while achieving members' desires contributes in developing the economy of the country.

The ministry in charge of cooperatives, in 2010, shows the number of registered SACCOS is 5,000 and the members adding up to over 7 million and attaining savings of above Kshs. 200 billion (Ndung'u, 2010). They carry out a top financial intermediation tasks, especially linking net savers and net borrowers, credit, savings as well as personal member investment chances.

A sound SACCO regulatory mechanism has been instituted in Kenya with considerate control of the sector but still balancing client's protection and financial customer transaction transparency effectively. SASRA was instituted in 2008 with the main aim of licensing and supervising Kenyan DT SACCOs. Nevertheless, NDTs are directed by the commissioner of Cooperatives. CBK database reveals that regulation of the NDTs SACCOs is ongoing. As at now, there are 42 DT SACCOs in Nairobi which forms the current study's population.

1.2 Research Problem

Strategic change is concerned with organizational transformation (Burnes, 2009). It aims at enabling an organization to survive environmental turbulence. Change must be considered both in the long and the immediate term to enable the organization deal with

current and potential weaknesses and threats to the business while taking advantage of strengths and opportunities presented (Johnson & Scholes, 2003).

Individuals and organizations alike must embrace strategic change management practices accurately and efficiently not only for survival but also for productivity.

The latest report by SASRA (2018) reported that SACCO's total assets growth rate reduced to 12.1% from 12.4% in 2017 which was also a decline from 14.8% in 2016, gross loan diminished to 10.9% from 11.3% in 2017 which was also a decline from the 15.3% reported in 2016. Total deposits also reduced to 11.6% from 12% in 2017 which was also a decline from 14.8% in 2016. In addition, the loan loss allowance which indicates the non-performing loan portfolio increased to 10.9 billion from 10.7 billion in 2017 which was also an increase from 8.6 billion reported in 2016. These indicate a reduced sustainable competitive advantage among SACCOs. The current study therefore tries to address the problem of competitive advantage among SACCOs through establishing the role that strategic change management practices plays in attaining competitive advantage.

Numerous researches done by researchers investigate on the contribution of strategic change management practices on competitive advantage. In Japan, Liao (2015) opined corporate restructuring, performance and competitiveness, focused on 107 manufacturing firms. The study revealed that change management practices that enabled the firms to have strategic advantage included changes in technology, people and culture, strategy and structure, and products and services. On the other hand, Henderson (2011) focused on the development of competitive advantage through sustainable event management practices. The findings from the study showed that strategic change implementation mostly as a

consequence of the influence of external changes, or as a foresight of those changes, determined the event management firms' competitiveness. The study contradicts the findings of Fedor and Herold (2004) which asserted that there's a need to inculcate multi levels of change, proper change management, change impact not forgetting the individual differences into our models of how change implementers respond to change. The study employed the use of both quantitative and qualitative methods of data analysis. Similarly, Jaana (2006) studied on the factors that influence successful management of change in IT outsourcing from the transferred employees' perspective. Conducted between Alfa and Beta companies in Finland, and by use of qualitative analysis, the research results showed that there were key factors of success from the transferred employees' perspective, which were:

Clarity of direction and targets, visible, aligned and committed leadership, open and free participation coupled with real power to make decisions, effective targeted communication and cultural understanding.

Locally, Nasimiyu (2013) did a study in Telkom Kenya Limited and discovered the importance of changing their strategy because of shift in the aggressive environment; they had inadequate financial and managerial strengthening. Competitive advantage is attainable by an organization if an organization can change and align itself to the earth and also manage the changes adequately. Further, Gakuya (2015) studied on "the strategic leadership and change management practices at chase bank Kenya limited". Through content analysis, the findings showed that strategic leadership was viewed to be visionary and the source of formulating the strategies that resulted in chase bank having a competitive advantage when compared to the other firms. Martin (2016) studied on "the

influence of strategic change management practices on the performance of Kenya national highways authority in Nairobi, Kenya”. After content analysis, the study reached a conclusion that there was a constructive effect between the two variables and highlighted some of the change related challenges such as; Uncertainty, employees’ resistance, strategic drift and pressures for change.

This current study employed descriptive cross sectional survey research design and primary data acquired by use of a questionnaire method in establishing influence of strategic change management practices on competitive advantage of DT SACCOs in Nairobi County, Kenya. This study addressed gaps demonstrated along conceptual, contextual and methodological front. This study therefore addressed the following research question. What is the effect of strategic change management practices on competitive advantage of deposit-taking SACCOs in Nairobi County, Kenya?

1.3 Research Objective

The objective of the study was to establish the influence of strategic change management practices on competitive advantage of deposit-taking SACCOs in Nairobi County, Kenya.

1.4 Value of the Study

The study contributed to the theory of dynamic capability theory that explains the ability of an organization in reconfiguring, building and integrating external and internal proficiency in order to address the speedily mutating environment. It also contributed to resource-based theory by highlighting the organizational resources which lead to creation of the valuable factor that enables the business organization to keep on growing transactions as well as attracting new investments. The results of the research are of great

importance to the future researchers, since it can be a point of reference. The findings might also be significant to scholars and researchers, in identifying the research gaps on the related topics of the study as well as reviewing of the empirical literature to institute further scope of study.

Findings will be useful to policy making bodies for benchmarking development of policies related to DT SACCOs in the economy. Policy makers will benefit because they will be enlightened through understanding the relationship between strategic change management practices and competitive advantage of DT SACCOs in Nairobi City County.

Additionally, the study will shed more light on strategic change management practices and competitive advantage of deposit-taking SACCOs in Nairobi County as a means for improving performance. Such empirical evidence could likely be used for policy formulation and refinement. The study will benefit the management and staffs of the selected organizations by making them appreciate strategic change management and how it can enable them refocus their energies towards infiltrating the concept in their performance measurement indicators.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section entails theories and empirical review of literature on strategic change management practices, competitive advantage and their relationship. It contains discussions on theories, empirical literature and the research gaps as well as conceptual framework depicting the relationship between the variables of the study.

2.2 Theoretical Foundation

In reviewing literature, the elaborate details of what other scholars have done are depicted. The current study findings will be explained and interpreted based on this review. It will also help in overcoming the limitations of the previous studies. Different theories such as, dynamic capability theory and resource-based theory are discussed.

2.2.1 Dynamic Capability Theory

Leonard-Barton (1992) defines dynamic capability as the capability of a company to undergo reconfiguration, building and integration of external and internal proficiency in order to address the speedily mutating environment. Observations made by Teece and Shuen (1997) hold that the theory of dynamic capability concentrates primly on the firm's capacity to aptly reconfigure, integrate and adapt its external as well as internal proficiency and resources corresponding them to essentials of a mutating environment.

The idea of dynamic capability is multifaceted as put across by Erickson (2013) because the components of the hypothesis exist in a business environment that is dynamic hence

bringing threats and opportunities with it. Dynamic capability firms identify and take up opportunities of sustainable development so as to obtain a CA as well as better performance through activities of true change on both capabilities and resources. According to Lopez (2005) the theory of dynamic capability enables organizations to compete by adjusting to changes in their exterior environment.

Development of capability depends on time and doesn't often bring about performance results immediately. Organizations should hence carry out exhaustive capacity assessments to ascertain that deliverables of the development of capability are acclimatized with outcomes as time goes by (Wang & Ahmed, 2007).

Dynamic capabilities are created from a framework that is composed of these three attributes: path dependencies, organizational positions and processes (Teece et al., 1997). Processes view how tasks are performed, therefore: routines and practice patterns. They establish how capabilities could be created within the organizations for capitalization of the existing opportunities by analysing the external as well as internal capabilities. A resource endowment for example technology, associations with customers and suppliers and intellectual property defines an organization's position (Teece et al., 1997). The evolutionary theory shows the capabilities' evolutionary path in which the evolution of past capabilities cause the emergence of distinctive capabilities (Ambrosini & Bowman, 2009). Thus, path dependencies concentrate on improving firms' strategic options by ensuring the current capabilities are modified.

A constant review of the competencies and firm's capabilities by managers should be carried out when formulating strategies to ensure analogy of resources and capabilities to

the predetermined outcomes and the changing occurrences of the environment (Thompson et al., 2005). By developing efficient and effective approaches, dynamic capability should be looked at not separately but ought to involve synchronized evaluation of the environmental changes that are external, strengths and weaknesses and setting of market for the products so as to assist the institution direct its injections to capability development (Wang & Ahmed, 2007).

2.2.2 Resource Based View Theory

Developed as an addition to the perspective of industrial organization (IO), the resource-based hypothesis has Bain (1968) and Porter (1985) as some of its chief promoters. Focusing on the design paradigm of performance of conduct, the IO perspective puts the contributors to an organization's performance without the organization, within its design. Contrary to this view, internal sources of sustained competitive advantage (SCA) are explicitly sought for by the resource based hypothesis which aims at substantiating why companies in the one industry often differ in results. Hence, the RBV does not disregard the IO perspective, but on the contrary supports it (Barney, 2002; Peteraf 2003).

Wernerfelt (1984) argues that while there is direct relation between how a company performs and the performance of its own offerings in the market, organizational performance is also impacted indirectly by the resources that are utilized in the production process. Therefore for organizations to achieve above average performance and returns they have to identify, know and acquire these resources that are core to the development of the products that are demanded by the customers. A firm resource has to be valuable, scarce and hard and costly to copy for the organization to achieve sustained

competitive edge (Barney 1991). Two assumptions govern RBV. One, it assumes that organizations that operate in an industry that are viewed as being in the same strategic circle may differentiate themselves through the resources they possess. Two, it assumes that these differences may last way into the future because these resources cannot be transferred from one company to another because they are not portable (Barney, 1985).

As per the resource-based hypothesis the basic causes that carters for the competitive advantage in strategic management are majorly linked to the aspects of their injections and skills which are costly and important to duplicate (Mullins, 1999). Assuming that strategic capitals are unevenly shared across organizations and that the disparities are eventually stable, Barney (1992) assesses the relationship between resources and competitive advantage sustained. If the hypothesis is applied it is meant to boost competitive advantage by utilizing unique capabilities and resources maximally.

The hypothesis is capable of promoting the uniqueness of resources to create a platform for improvement that is sustainable. The theory's critique holds that the RBV fails to have managerial implications that are substantial or 'validity that is operational' (Priem & Butler, 2001). Seemingly it suggests to managers the need for developing and obtaining non-substitutable, inimitable, rare and valuable (VRIN) capitals and cultivate articulate organization, without depicting how this should be accomplished (Connor, 2002; Miller, 2003).

2.3 Strategic Change Management Practices

In implementation of strategic change, there exists a set of practices that an organization should adopt. It is important to create a feeling of urgency of change so as to get the needed cooperation from managers and employees. (Veasey, 2011). Another important

practice in strategic change management is forming leadership coalitions (Lawler & Worley, 2012). Notable changes are often times linked to a specific individual who is well known and respected by all employees. (Kotter, 2010). There ought to be a good combination of competent supervisors to regulate the transition process and powerful leaders to propel the process ahead, this is decisive if the leadership coalition is to succeed. Communicating vision and strategy is critical in every strategic change initiative (Kotter, 2010). When there is a common understanding among all individuals in a firm about their course and goals, true power of a vision is manifested. (Chapbell, 2015).

In implementation of strategic changes, Balogun and Johnson (2015) observed that highlighting constraints for implementation is critical. There are numerous change programs which don't succeed in the implementation stage because of problems which arise unexpectedly (Kotter, 2010). Even though planning and regulation has to be done on implementation, the two (planning of implementation and the actual implementation) can't be split from each other whatsoever. A change process is naturally dynamic. Thus the dynamism calls for a corresponding adaptation in planning. The task here is to see to it that the changes made correspond to company's culture and daily checks should be carried out so as to ensure that the vision remains valid.

Development of the vision of the firm might be made necessary by environmental factors. (Lawler & Worley, 2012). Another best practice in strategic change management is creating infrastructure to support adoption (Lawler & Worley, 2012). The firm should seek to alter organizational norms, behaviors and culture. The process takes considerable time and effort.

It's critical to train all the stakeholders in order to familiarize them with the change and how it applies to their tasks. (Kotter, 2010). With continued training, the stake holders comprehend how they should change their behavior and how the firm will benefit and the competence and skills they may require making the change permanent. Lastly is the practice of monitoring and evaluation (Paton & McCalman, 2013). Evaluating and monitoring should go on even after implementing the change. This ensures that the organization doesn't go back to its former behavior.

2.4 Empirical Studies and Knowledge Gaps

A study carried out by Liao (2015) on corporate restructuring, performance and competitiveness, focused on 107 manufacturing firms in Japan, the study revealed that change management practices that enabled the firms to have strategic advantage included changes in technology, personnel and culture, strategy coupled with structure, as well as products and services. Another study by Henderson (2011) focused on the development of competitive advantage through sustainable event management practices. The research was a questionnaire survey to managers of event management firms in Leeds, UK. The findings from the study showed that strategic change implementation mostly as a consequence of the influences of external changes, or as an anticipation of such changes, determined the event management firms' competitiveness.

In a study in Rwanda, Kamugisha (2013) examined the influence change management to an organization. The study focused on the National University of Rwanda and revealed that change practices at the university had revolutionized the institution and made it well placed in attaining its objectives and be competitive in the management of faculties and

modules. Moruri and Okibo (2015) in a case study of Kisii Bottlers in Kisii County undertook a study that focused on how coordination of change management strategies influenced performance of organizations in the bottling sector. From the findings, it was revealed that although the aggressive strategies differ and may be complex in different beverage organizations, the principles of these strategies and best change management practices should be applicable in the organization so as to promote effective organization performance during change management.

Kang'ethe (2013) studied on change management in dairy industry utilizing a cross-sectional review and discovered that because of financial changes in the nation, firms in the dairy business made significant changes in their change management so as to get by in the turbulent environment. This finding is bolstered by Njau (2000) who noticed that there is need to change when environmental conditions change. Strategic change is key to advanced business organizations as a way of staying aware of developing market demands and as a way to stay aggressive. Be that as it may, actualizing strategic change is a twofold edged sword since it concurrently produces the desired benefit in performance and similarly produces a sudden performance misfortune (Goolsby & Arnould 2010).

Nasimiyu (2013) did a study in telkom Kenya Limited and discovered that they needed to change their strategy because of a shift in the aggressive environment. Competitive advantage is attainable if an organization can change and align itself to the earth and also manage the changes adequately. Planning for change, executing it and managing change implementation in a turbulent environment is the scenario that many organizations are facing in their operations today. Transforming an organization or department into a more creative and innovative one includes strategic change. Organizational strategic change

endeavours ought to be geared to enhance the competitive advantage of organizations and the general population in those organizations. The impact of strategic basic leadership activities by management has been found to impact firm performance. This study addressed the gaps demonstrated along conceptual, contextual and methodological front.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section discusses the research design, population and sample to be chosen in this study. Data collection and analysis including techniques of presentation are highlighted in this chapter.

3.2 Research Design

Khan (2008) described research design as a method that is procedurally acquired by the researcher and that which enables the researcher to be able to answer questions accurately, validly, objectively, and economically. According to Wanyama and Olweny (2013), a research design aims at improving the ability of the researcher in conceptualizing an operational plan in order to be able to embark on the various techniques available and required tasks for the study completion while ensuring that the procedures used are sufficient enough to acquire valid, objective and precise responses to the research questions.

Descriptive cross sectional research design was used to address this research problem. A descriptive study aims at unravelling the what, where and how of a phenomenon (Cooper & Schindler, 2008). The appropriateness of this design is that it permitted the researcher to utilize both quantitative and qualitative data so as to determine the relationship between strategic change management practices and competitive advantage of DT SACCOs in Nairobi County.

Descriptive cross-sectional design was applied by the researcher in gathering data, summarizing, presenting and interpreting it in order to obtain more clarification on issues. The researcher chose descriptive survey research design because the interest of the study was primarily on existing state of affairs in the field rather than manipulating variables. According to Cooper and Schindler (2008), cross-sectional study approaches are done once and such studies signify a summary at a particular time frame.

3.3 Population of the Study

According to Burns and Burns (2008), a population is a term used in reference to individuals, groups, object or events that exhibit similar traits. Khan (2008) defines population as the technical term for the list of the elements where the sample is drawn from.

As per Cooper and Schindler (2008), target population entails a total group of persons who have common noticeable features. The more precisely a populace of attention is defined, the better the capability to explain character intended to be carried out. Therefore, a population should be representative. Target population must therefore be carefully chosen to avoid any bias and should match a given specification, which the researcher is studying.

For this study, now that the population is relatively small, a census study was done targeting the entire population of 42 deposit-taking Nairobi County SACCOs (as at 31st December 2018). The study therefore explored the connection between strategic change management practices and competitive advantage of the DT SACCOs in Nairobi County. The deposit-taking SACCOs are shown in Appendix I.

3.4 Data Collection

The study employed the use of structured questionnaires to gather primary data. The targeted respondents in this study were senior level managers of the DT SACCOs in Nairobi County, Kenya or their representatives. This is because they are involved in the organizations' management and have a broad understanding of its affairs.

One senior level manager or his /her representative from each organization was chosen upon which a questionnaire was administered. The structured questionnaire contained closed ended questions with structured responses which brought out more tangible recommendations. The ratings on various attributes were then tested using the closed ended questions enhancing the reduction of related responses so as to attain responses that are more varied.

3.5 Data Analysis

The data generated by questionnaires was checked to ensure completeness and then coded. The coded data was then keyed into SPSS and analysis done by use of descriptive and inferential statistics. Descriptive analysis involving computation of mean, frequency distribution, standard deviation and percentages for independent variables was carried out to determine frequencies and percentage distributions. The multiple linear regressions model was applied as shown below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

In which: Y = Competitive Advantage

β_0 is the model's constant

β_1 to β_5 are the regression coefficients

X_1 = Communication

X_2 = Participation and Involvement

X_3 = Training

X_4 = Stakeholder involvement

X_5 = Leadership

ε = error term

CHAPTER FOUR: DATA ANALYSIS, RESULTS, AND DISCUSSION

4.1 Introduction

The chapter tabulates and presents results for analysis of collected data. It shows the response rate, the description of variables across the DT SACCOs, the correlation of independent variables to the dependent variables, and the regression analysis of the model. The chapter then presents a summary of findings and interpretation of the study.

4.2 Response Rate

Questionnaires were sent and delivered to the 42 deposit taking SACCOs in Nairobi County. They were all collected although questionnaires from 4 deposit taking SACCOs were found to be incomplete and inconsistent and therefore unsuitable for undertaking analysis. The study therefore used a total of 38 questionnaires out of a possible of 42 questionnaires, which presented a 90.5% response rate. According to Mugenda and Mugenda (2003) an over 80% response rate is very good for undertaking analysis.

Table 4.1: Table showing the Response Rate

Description	Total	Percentage
DT SACCOs in Nairobi County	42	100%
Questionnaires adequately filled for analysis	38	90.5%

Source: Author, (2019)

4.2.1: Respondents Distribution by the Education Level Attained

Most of the respondents have attained tertiary level of education. None of the respondents interviewed had attained a lower education level than college as illustrated in table 4.2. 73.6% of the respondents had attained University degrees followed by 26.3% of the respondents who had attained college level education.

Table 4.2: Table of Respondents by the Education Level Attained

Education Level	Frequency	Percentage
Primary	0	0%
Secondary	0	0%
College	10	26.3%
University	28	73.6%

Source: Author, (2019)

4.2.2: Respondents Distribution by the Number of Years Worked in the SACCOs

The biggest percentage of the respondents at 36.84% has been working in the given SACCOs for a period between 4 and 7 years. These are then followed by those who have been working at the SACCOS for over 8 years at 26.32%. This group is followed closely by those who have been working for a period between 1 and 3 years at 23.68% then those who have been working for more than 10 years at 10.53% and lastly those who have worked at the SACCOs for less than 1 year.

Table 4.3: Table of the Number of Years Worked in the SACCOs

Number of Years	Frequency	Percentage
Less than 1 year	1	2.63%
1-3 years	9	23.68%
4-7 years	14	36.84%
Over 8 years	10	26.32%
More than 10 years	4	10.53%

Source: Author, (2019)

4.3 Descriptive Statistics

Descriptive statistics showcases the variables in form of mean, standard deviation, maximum and minimum values.

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	
Y = Competitive Advantage	38	11	45	30.55	9.357	
X1 = Communication	38	5	15	10.24	2.716	
X2 = Participation and Involvement	38	5	20	11.32	4.114	
X3 = Training	38	4	18	11.29	3.820	
X4 = Stakeholder Involvement	38	5	17	11.37	2.990	
X5 = Leadership	38	5	18	10.89	3.335	
Valid N (listwise)	38					

The change management practices were defined through effective communication, participation and involvement of employees, employee training, involvement of all stakeholders and effective leadership. These variables were used to determine their influence on competitive advantage of a Deposit taking Sacco.

4.3.1 Effective Communication

Effective communication in a Sacco was determined through 4 predetermined questions. The questions were rated from 1 to 5 with a rating of 1 indicating very effective communication while a rating of 5 indicated poor communication in the Sacco. The scores for each Sacco were added together. The most effective Sacco was therefore expected to have a total score of 4 while the least effective in communication was expected to have a score of 20. The mean score for communication was 10.24 and standard deviation of 2.7. This indicated that most of the SACCOs had average rating on communication. The frequency table 4.4 provides more insight on rating for the SACCOs on communication variable.

Table 4.4: Communication Frequency Table

	Frequency	Percent	Valid Percent	Cumulative Percent
	5	2	5.3	5.3
	6	2	5.3	10.5
	7	4	10.5	21.1
	8	3	7.9	28.9
	9	2	5.3	34.2
Valid	10	6	15.8	50.0
	11	5	13.2	63.2
	12	5	13.2	76.3
	13	5	13.2	89.5
	14	3	7.9	97.4
	15	1	2.6	100.0
	Total	38	100.0	100.0

Source: Author, (2019)

The table indicates that from the 38 SACCOs, 2 SACCOs indicated a score of 5, which was the best score that indicated that they had the best communication strategy to their employees. The worst Sacco had a rating of 15. The rating with most SACCOs was a rating of 10 with a total of 6 SACCOs that indicated average effective communication.

4.3.2 Participation and Involvement

Similarly, the level of involvement and participation was determined by a set of four questions with a likert scale of 1-5. 5 indicating least likely and 1 most likely. Table 4.5 shows the frequency distribution for the variable.

Table 4.5: Participation and Involvement Frequency Table

	Frequency	Percent	Valid Percent	Cumulative Percent
5	3	7.9	7.9	7.9
6	3	7.9	7.9	15.8
7	2	5.3	5.3	21.1
8	3	7.9	7.9	28.9
9	2	5.3	5.3	34.2
10	5	13.2	13.2	47.4
11	3	7.9	7.9	55.3
12	2	5.3	5.3	60.5
13	2	5.3	5.3	65.8
14	4	10.5	10.5	76.3
15	1	2.6	2.6	78.9
16	3	7.9	7.9	86.8
17	3	7.9	7.9	94.7
18	1	2.6	2.6	97.4
20	1	2.6	2.6	100.0
Total	38	100.0	100.0	

Source: Author, (2019)

The variable indicates that one Sacco had the poorest form of participation and involvement with a rating of 20 while 3 SACCOs showed the best of participation and involvement with a score of only 5. The popular score was 10 with a total of 5 SACCOs. The mean score for all the SACCOs was 11.32 with a standard deviation of 4.11.

4.3.3 Training

This variable represents the level of training undertaken by the Sacco on its employees. A Sacco that invested highly on training its employees was best rated with an aggregate score of 5 while the worst was rated with an aggregate score of 20. The average score for all the SACCOs studied was 11.29 with a standard deviation of 3.8. The frequency distribution table 4.6 shows how the SACCOs were rated based on the Training undertaken.

Table 4.6: Training Frequency Table

	Frequency	Percent	Valid Percent	Cumulative Percent
4	2	5.3	5.3	5.3
5	1	2.6	2.6	7.9
6	1	2.6	2.6	10.5
7	3	7.9	7.9	18.4
8	2	5.3	5.3	23.7
9	4	10.5	10.5	34.2
10	4	10.5	10.5	44.7
11	3	7.9	7.9	52.6
Valid 12	3	7.9	7.9	60.5
13	2	5.3	5.3	65.8
14	3	7.9	7.9	73.7
15	4	10.5	10.5	84.2
16	3	7.9	7.9	92.1
17	2	5.3	5.3	97.4
18	1	2.6	2.6	100.0
Total	38	100.0	100.0	

Source: Author, (2019)

There were two SACCOs that exhibited highest score on their commitment to training. These SACCOs had a score of 4 while the worst Sacco had a score of 18.

4.3.4 Stakeholder Involvement

The mean score for all SACCOs on their ability to involve all the stakeholders on their strategies was 11.37 with a standard deviation of 2.99. The best Sacco had a score of 5 on stakeholder involvement while there were 2 SACCOs that presented worst scores on this variable at a score of 17. The frequency table 4.7 provides more information.

Table 4.7: Stakeholder Involvement

	Frequency	Percent	Valid Percent	Cumulative Percent
5	1	2.6	2.6	2.6
6	2	5.3	5.3	7.9
7	2	5.3	5.3	13.2
8	1	2.6	2.6	15.8
9	5	13.2	13.2	28.9
10	1	2.6	2.6	31.6
11	7	18.4	18.4	50.0
12	4	10.5	10.5	60.5
13	7	18.4	18.4	78.9
14	3	7.9	7.9	86.8
15	2	5.3	5.3	92.1
16	1	2.6	2.6	94.7
17	2	5.3	5.3	100.0
Total	38	100.0	100.0	

Source: Author, (2019).

4.3.5 Leadership

Leadership variable expressed the ability of SACCOs to develop leaders and exhibit quality leadership in implementing and executing policies and strategies. All the 38 studied SACCOs had a mean score of 10.89 with a standard deviation of 3.34. There were three SACCOs that exhibited the best rating on leadership at a score of 5 while one Sacco had the worst rating with a score of 18. Majority of the SACCOs had a rating of 10 that was exhibited by a total of 7 SACCOs as expressed in the frequency table 4.8.

Table 4.8: Leadership Frequency Table

	Frequency	Percent	Valid Percent	Cumulative Percent
5	3	7.9	7.9	7.9
7	3	7.9	7.9	15.8
8	3	7.9	7.9	23.7
9	3	7.9	7.9	31.6
10	7	18.4	18.4	50.0
11	4	10.5	10.5	60.5
12	4	10.5	10.5	71.1
13	3	7.9	7.9	78.9
14	2	5.3	5.3	84.2
15	1	2.6	2.6	86.8
16	3	7.9	7.9	94.7
17	1	2.6	2.6	97.4
18	1	2.6	2.6	100.0
Total	38	100.0	100.0	

Source: Author: (2019).

4.3.6 Competitive Advantage

Competitive advantage of the SACCOs was determined through a set of 10 questions. The SACCO that exhibited the best rating had a score of 1 while the worst exhibited a score of 5 in each question. Therefore the aggregate score for competitive advantage ranged from a best score of 10 to the worst score of 50. The mean for the SACCOs was 30.55 and standard deviation from the mean of 9.36. This indicates that competitively, the SACCOs were performing slightly less than an average performance. The frequency table 4.9 shows that there were 2 SACCOs that had the best performance rating of 11 while 2 SACCOs had the worst rating of a score of 45.

Table 4.9: Competitive Advantage Frequency Table

	Frequency	Percent	Valid Percent	Cumulative Percent
11	2	5.3	5.3	5.3
12	2	5.3	5.3	10.5
18	1	2.6	2.6	13.2
21	1	2.6	2.6	15.8
22	2	5.3	5.3	21.1
24	2	5.3	5.3	26.3
28	3	7.9	7.9	34.2
29	3	7.9	7.9	42.1
30	1	2.6	2.6	44.7
31	1	2.6	2.6	47.4
32	2	5.3	5.3	52.6
33	1	2.6	2.6	55.3
34	2	5.3	5.3	60.5
35	1	2.6	2.6	63.2
36	3	7.9	7.9	71.1
37	1	2.6	2.6	73.7
38	1	2.6	2.6	76.3
39	5	13.2	13.2	89.5
41	1	2.6	2.6	92.1
43	1	2.6	2.6	94.7
45	2	5.3	5.3	100.0
Total	38	100.0	100.0	

Source: Author, (2019).

4.4 Pearson's Correlation

This indicates the correlation between the independent variables and the dependent variable. Correlation ranges from 0 to 1, either positive to indicate positive relationship or negative to indicate negative relationship. A correlation of 0 indicates no correlation. 0-0.2 indicates very weak correlation, 0.21-0.4 weak correlation, 0.41-0.6 indicate moderate correlation, 0.61-0.8 indicates strong correlation while 0.81 – 1 indicate very strong correlation.

Table 4.10: Pearson Correlations

		Y = Competitive Advantage	X1 = Communi- cation	X2 = Participat- ion and Involve- ment	X3 = Training	X4 = Stakehold- er Involve- ment	X5 = Leadershi- p
Y = Competitive Advantage	Pearson Correlation	1					
X1 = Communication	Pearson Correlation	.489**	1				
X2 = Participation and Involvement	Pearson Correlation	.620**	.501**	1			
X3 = Training	Pearson Correlation	.726**	.290	.292	1		
X4 = Stakeholder Involvement	Pearson Correlation	.602**	.482**	.555**	.535**	1	
X5 = Leadership	Pearson Correlation	.760**	.280	.377*	.758**	.451**	1
	N	38	38	38	38	38	38

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Author, (2019)

All the variables have positive correlations with the dependent variable which are all statistically significant. This indicates that the independent variables are essential in determining competitive advantage of a Deposit Taking Sacco in Nairobi County.

4.5 Regression Analysis

A regression model denoted by the multiple regression equation indicated below is used to determine the degree of the relationship between the variables.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

4.5.1 Regression Summary

The regression Summary indicates the strength of the model on its ability to predict changes in dependent variable. The regression output provides statistics that can help in understanding the reliability of the model.

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879 ^a	.772	.736	4.804

a. Predictors: (Constant), X5 = Leadership, X1 =

Communication, X2 = Participation and Involvement, X4

= Stakeholder Involvement, X3 = Training

The coefficient of determination of the model (R squared) is used to show the strength of the model which indicates a model with strong predictive capacity at 77.2%. The changes in dependent variable can be explained by changes in the independent variables accurately to an extent of 77.2%. Other factors not included in the model account for only 22.7% for the changes in competitive advantage of SACCOs in Nairobi County.

4.5.2 Analysis of Variance

In order to determine the significance of the model, ANOVA table is used where a significance of less than 0.05 indicates that the model is significant. The table is also used to determine whether to reject the null hypothesis or not. The null hypothesis of the study indicates that change management practices have no effect on competitive advantage of deposit taking SACCOs in Nairobi County.

Table 4.12: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2500.923	5	500.185	21.674	.000 ^b
Residual	738.471	32	23.077		
Total	3239.395	37			

a. Dependent Variable: Y = Competitive Advantage

b. Predictors: (Constant), X5 = Leadership, X1 = Communication, X2 = Participation and Involvement, X4 = Stakeholder Involvement, X3 = Training

Table 4.12 indicates that the F value of 21.674 is greater than F critical from the F distribution table that indicates a value of 2.53. Any value that exceeds this cut of point is regarded to fall within the 'reject region'. We therefore conclude that the study rejects the null hypothesis and the significance is below 0.05. The study shows there is statistically significant effect of change management practices on competitive advantage of deposit taking SACCOs in Nairobi County.

4.5.3 Regression Co-efficient

The regression coefficient table is used to determine the coefficient for the independent variables of the study.

Table 4.13: Regression Coefficient Table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error				Beta	Lower Bound
(Constant)	-2.759	3.773		-.731	.470	-10.444	4.925
X1 = Communication	.426	.351	.124	1.214	.234	-.289	1.140
X2 = Participation and Involvement	.700	.250	.308	2.794	.009	.190	1.210
X3 = Training	.745	.341	.304	2.183	.036	.050	1.440
X4 = Stakeholder Involvement	.151	.370	.048	.408	.686	-.602	.904
X5 = Leadership	1.002	.375	.357	2.670	.012	.237	1.766

Source: Author, (2019)

The regression model $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$

Is therefore transformed to become

$$Y = -2.759 + 0.426 X_1 + 0.7 X_2 + 0.745 X_3 + 0.151 X_4 + X_5 + 3.773$$

This therefore indicates that if all the factors are held constant and a unit score of communication is increased it would result in an increase in competitive advantage by 0.426, while it would increase by 0.7 for increasing participation and involvement in similar circumstances, 0.745 for Training, 0.151 for Stakeholder involvement and 1 unit for effective leadership.

4.6 Summary and Interpretation

The objective of the study was to determine the impact of change management practices on competitive advantage of DT SACCOs in Nairobi County. Change management practices in deposit taking SACCOs was determined by effective communication to

employees, participation and involvement of employees in strategy formulation, training, all the stakeholder involvement and effective leadership. These factors were determined and their influence on competitive advantage of the Sacco.

The study findings showed that all these five factors of change management practices were average in DT SACCOs in Nairobi County as the mean for the variables was 10 or a value close to 10 with small standard deviation. There were however 2 SACCOs that exhibited good performance on all the change management practices and at the same time there were about three SACCOs that indicated poor performance on their change management practices. Similarly the two SACCOs exhibited high competitive advantage. There were however more SACCOs that had poor performance on their competitiveness. The correlation of these variables with competitiveness indicated significant positive correlations. This shows that the better the SACCOs improved their change management practices, the better they were in their competitive advantage.

The regression model had a strong predictive capacity of 77.2% which therefore showed that 77.2% of the changes in competitive advantage of the SACCOs could be explained by changes in their management practices. The correlation coefficients indicated that the change management practice that had greatest impact on competitive advantage was effective leadership that an increase in one unit of effective leadership improved competitive advantage of the Sacco by a whole unit. The second factor with most influence was Training of employees with an influence of 0.745 on competitiveness of the Sacco. It was followed closely by Participation and involvement of employees on decision making and strategy formulation at 0.7, Effective communication was fourth at 0.426 and lastly other stakeholders' involvement at 0.151. These findings therefore meant

that a Sacco that is in need of improving its competitive advantage would obtain maximum benefit if it concentrated on these change management practices with preference on improving their leadership, then training of employees, Participation and involvement of employees on decision making and strategy formulation, effective communication and lastly involvement of other stakeholders. The study therefore found a positive statistically significant effect of change management practices on competitive advantage of deposit taking SACCOs in Nairobi County.

The findings of the study are consistent with the findings by Lawley and Worley (2012) who emphasized on the importance of effective leadership on enhancing competitiveness. Similarly Kotter (2010) had found effective leadership as well as employees training to be vital in ensuring that a firm obtains a competitive edge in the market. Liao (2015) found that the main factors that enhanced competitiveness in a firm was change in technology, people and culture. The other study that contradicted the findings of this study was Njau (2000) who found out that competitiveness in firms was primarily as a result of changes in strategy together with structure. Nasimiyu (2013) agreed with him on her case study of Telkom Kenya.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study findings are summarized in this chapter as well as the conclusions made and the recommendations thereon. The chapter highlights the limitations encountered in the study as well as areas where future research would focus on.

5.2 Summary

The objective of the study was to determine the effect of change management practices on competitive advantage of DT SACCOs in Nairobi County. Change management practices in deposit taking SACCOs was determined by effective communication to employees, participation and involvement of employees in strategy formulation, training, stakeholder involvement and effective leadership. These factors were determined and their influence on competitive advantage of the SACCOs determined.

The regression model showed a strong predictive capacity of 77.2% which therefore showed that 77.2% of the changes in competitive advantage of the SACCOs could be explained by changes in their management practices. The correlation coefficients indicated that the change management practice that had greatest impact on competitive advantage was effective leadership that an increase in one unit of effective leadership improved competitive advantage of the Sacco by a whole unit. The second factor with most influence was training of employees with an influence of 0.745 on competitiveness of the Sacco. It was followed closely by participation and involvement of employees on decision making and strategy formulation at 0.7, effective communication was fourth at

0.426 and lastly other stakeholders' involvement at 0.151. These findings therefore meant that a Sacco that is in need of improving its competitive advantage would obtain maximum benefit if it concentrated on these change management practices with preference on improving their leadership, then training of employees, participation and involvement of employees on decision making and strategy formulation, effective communication and lastly involvement of other stakeholders. The study therefore found a positive statistically significant effect of change management practices on competitive advantage of deposit taking SACCOs in Nairobi County.

5.3 Conclusion

The major conclusion that arises from the study is that change management practices are vital for deposit taking SACCOs in Nairobi County as they have a positive influence on competitive advantage. Creating a competitive edge is vital for firms and organizations as well as SACCOs as they aspire to improve on their service delivery and to be able to meet the expectations of the members and shareholders. Competitiveness help the Sacco attract high end employees, who give value to the deposit taking Sacco. The retention of such employees is also easier for deposit taking SACCOs with improved competitive advantage.

The study also concludes that in order to increase competitive advantage for deposit taking SACCOs in Kenya, they will need to prioritize their efforts and energy, in order to utilize their limited resources in an exercise that will create the most impact in the Sacco. The Sacco should first focus on improving effective leadership in the Sacco. Effective leadership starts from selection of quality leaders who are experienced and are able to obtain trust of their employees. Quality leaders are also able to influence employees and

help them accept and appreciate changes in the organization. Improving leadership would therefore entail increasing training of leaders to improve their general skills and understanding of their roles and responsibilities.

Deposit Taking SACCOs in Nairobi County should focus on employee training after they have enhanced the capacity of the leaders. Employee training would entail; keeping track of all changes in the Sacco and administering training to meet the changes as well as helping the employees who are struggling in their adaptation to the changes. The other focus should be on participation and involvement of employees on strategy formulation of the Sacco and decision making. This boosts the morale of the employees as they feel useful and appreciated by the organization. Communication should also be encouraged but after dealing with the other factors. Structures that limit effective communication therefore would need to be reorganized and restructured. Lastly all stakeholders should be involved and empowered to appreciate the changes in the organization.

5.4 Recommendations

The recommendations are drawn from the conclusions of the study. The study recommends the promotion of change management practices in deposit taking SACCOs in Nairobi to enhance their competitiveness. The deposit taking SACCOs have various objectives, but key in the objectives is to ensure that members are empowered and are able to obtain products that they would find useful and impactful in their day to day life. This objective is attained if the Sacco is competitive enough where change management practices need to be exercised.

The study recommends that Deposit Taking SACCOs in Nairobi County should focus on improving effective leadership in the SACCOs as it is the most effective in enhancing

competitive advantage. The effective leadership is promoted by selecting quality leaders, training them on leadership skills and enhancing the leaders to be role models to employees in the organizations.

The study also recommends that employee training should be developed. Employee training should be undertaken after enhancing effective leadership in the Sacco. Training would help employees appreciate changes in their work environment and help them acquire adequate skills for implementation of their tasks with professionalism and excellence.

The study also recommends involvement of the employees in strategy formulation. When the management is making key decisions that impact employees, it should involve them in the decision making. This helps them appreciate the need for the change; accept it and work towards ensuring that the change is successful in meeting the SACCOS goals and objectives.

Communication should be emphasized as well in the SACCOS. This means that channels of communication should be encouraged for the employees and top management. When communication is allowed, then the employees are able to express their deep concerns regarding changes in the organizations. They are also able to request for moral or any other support that may help impact their productivity positively. It is therefore essential to ensure that proper communication channels are open to assist both in meeting employee grievances and to also communicate the requirements of the Sacco to the employees in an effective way.

The study also recommends that stakeholders should be involved or their concerns should be addressed when undertaking change policies and other strategies of the SACCOS. It

helps in improving relations with the stakeholders which lead to increased competitive advantage of the Sacco.

5.5 Limitations of the Study

Every effort was exerted to ensure that accuracy of the findings and data collection methods are obtained, for the purpose of making accurate findings that would lead to accurate conclusions and recommendations by the study. The study was undertaken at 5% significance level that implied that the probability of undertaking either type 1 or type 2 error was only 5%. The same standards were applied in the interpretation of the study's findings, its conclusions and recommendations. However, there still exists a number of limitations that limits the accuracy of this study and possible remedy to the limitation.

Primary data was collected in the study. It therefore means that the collected data accuracy was based on the accuracy of the responses made by the respondents. The study addressed this limitation by ensuring that there were many questions that related to a single variable. The questions were repeated around the measures for the variable to ensure that the respondent understands and is clear on the response to the variable. The study also used 38 duly filled questionnaires and therefore the inaccuracies were addressed by having many people address the same set of questions.

The other limitation was on the number of respondents from each deposit taking Sacco. The study only obtained one respondent from each deposit taking Sacco. This has an impact of compromising on the accuracy of the data collected if the respondent picked on in a certain Sacco lacks wide understanding of the operations of the Sacco. This limitation was addressed by ensuring that only members high in the level of management

of SACCOs were allowed to fill the questionnaires as they were deemed to have adequate information and knowledge on operations and practices of the SACCOs.

The study also focused on change management practices and competitive advantage for deposit taking SACCOs in Nairobi County. The context and the region of the study limited the results findings. Factors differ across different populations as well as different regions.

5.6 Suggestions for Further Research

The study undertakes suggestion on areas where future research should focus in regard to change management practices and competitive advantage of deposit taking SACCOs in Nairobi County. The first suggestion made by the study is doing a similar study but in another county, or in another country. The results of such a study would then be compared with the findings of this study and changes in findings noted and explained accordingly.

The study would also suggest a similar study to be undertaken but methodology for collecting data and analysis of data to be undertaken changed. Data might be collected from a number of employees, say 5 random employees from each Sacco. The findings for such a study would then be compared to the result findings of this study. Changes in findings would be explained from the difference in the type of respondents.

A related study may also be undertaken but different in the concept. Each variable could be studied as an independent study. For instance studies could be undertaken on effective leadership and competitive advantage of deposit taking SACCOs in Nairobi County.

Another study could be done on employee training and competitive advantage of deposit taking SACCOs in Nairobi County, as well as the other variables.

A similar study could also be undertaken in another third world country and the results compared to the results of this study. A study in a middle income generating country could also be undertaken and the results compared to the findings of this study.

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APPENDICES

Appendix I: Research Questionnaire

SECTION A: GENERAL INFORMATION

- 1 Gender: Male [] Female []
- 2 Your age bracket (Tick where appropriate)
21 – 30 Years [] 31 - 40 Years []
41 - 50 years [] Over 50 years []
- 3 Kindly indicate the highest level of education that you have attained?
Primary [] Secondary []
College [] University []
- 4 How many years have you worked in this Sacco?
Less than one year [] 1-3 years []
4-7 years [] Over 8 years []
More than 10 years []

SECTION B: Strategic Change Management Practices

Kindly indicate the extent of agreement on the extent to which each of the Strategic change management practices apply to the Sacco. For each statement use the Likert scale which ranges from 5-1 where 5= Not at all; 4 = Little Extent; 3= Moderate Extent; 2= Large Extent and 1= Very Large Extent to rate the extent of agreement.

Communication	Responses				
	1	2	3	4	5
The Sacco embraces vertical and horizontal communication in the process of change management					
The facility offers sufficient communication on change management initiatives					
There exists a clear structure in which need for change is communicated in the organisation					
Communication plays a fundamental role in linking up human and change activities form change relationships					

Participation and involvement	Responses				
	1	2	3	4	5
The Sacco involves all the employees in the change decision making process					
There is sufficient change involvement among the employees					

There is adequate involvement on matters dealing with threats and weaknesses that face the organization					
Employee participation enhances change understanding and boosts commitment to change initiatives					

Training	Responses				
	1	2	3	4	5
The employees are trained when change arises					
The provided trainings contribute to positive change management response					
Training enables the employees to acquire new skills on change to work process					
The firm has instituted policies on employee training on change management					

Stakeholder Involvement	Responses				
	1	2	3	4	5
All the stakeholders are involved when processing change					
The stakeholders are always and timely informed of the changes at hand					
The organization properly understands the change needs of its stakeholders					
Problems or concerns are well communicated to stakeholders at the Sacco.					

Leadership	Responses				
	1	2	3	4	5
The top management exhibits sufficient change leadership skills					
Changes at the firm usually come with leadership trainings					
The firm management has formulated standard operating procedures on change management operations					
Leadership plays a critical role in eliminating resistance to change					

SECTION C: COMPETITIVE ADVANTAGE

1. Using a Likert scale of **1-Very low, 2-Low extent, 3- Moderate extent, 4- Large extent, 5= Very large extent.**, please indicate with a tick the extent to which strategic change management practices influence competitive advantage.

Competitive Advantage	1	2	3	4	5
The Sacco rewards customers for their loyalty					
The Sacco uses recent technologies to increase customer service delivery.					
The Sacco has improved its profitability					
The Sacco has increased its market share					
The Sacco has expanded its regional operations					
The Sacco has established a brand for itself in the financial market					
The Sacco has introduced a range of new products					
The Sacco quickly adapts to changing trends and market demands					
The Sacco invests in research and development.					
The Sacco promotes regular training and capacity building of its personnel.					

THANK YOU SO MUCH FOR YOUR TIME

Appendix II: Deposit Taking SACCOs in Nairobi City County, Kenya

NO.	NAME OF SOCIETY	POSTAL ADDRESS
1	AFYA SACCO SOCIETY LTD	P.O.BOX 11607 – 00400, NAIROBI.
2	AIRPORTS SACCO SOCIETY LTD	P.O. BOX 19001 – 00501, NAIROBI
3	ARDHI SACCO SOCIETY LTD	P.O. BOX 28782 – 00200, NAIROBI.
4	ASILI SACCO SOCIETY LTD	P.O.BOX 49064 – 00100, NAIROBI.
5	CHAI SACCO SOCIETY LTD	P.O.BOX 278 – 00200, NAIROBI.
6	CHUNA SACCO SOCIETY LTD	P.O.BOX 30197 – 00100, NAIROBI.
7	COMOCO SACCO SOCIETY LTD	P.O. BOX 30135 – 00100, NAIROBI
8	ELIMU SACCO SOCIETY LTD	P.O BOX 10073 – 00100, NAIROBI.
9	FUNDILIMA SACCO SOCIETY LTD	P.O.BOX 62000 – 00200, NAIROBI.
10	HARAMBEE SACCO SOCIETY LTD	P.O.BOX 47815 – 00100, NAIROBI.
11	HAZINA SACCO SOCIETY LTD	P.O.BOX 59877 – 00200, NAIROBI.
12	JAMII SACCO SOCIETY LTD	P.O.BOX 57929 – 00200, NAIROBI.
13	KENPIPE SACCO SOCIETY LTD	P.O.BOX 314 – 00507, NAIROBI.
14	KENVERSITY SACCO SOCIETY LTD	P.O.BOX 10263 – 00100, NAIROBI.
15	KENYA BANKERS SACCO SOCIETY LTD	P.O.BOX 73236 – 00200, NAIROBI.
16	KENYA POLICE SACCO SOCIETY LTD	P.O.BOX 51042 – 00200, NAIROBI.
17	KINGDOM SACCO SOCIETY LTD	P.O.BOX 8017 – 00300, NAIROBI.
18	MAGEREZA SACCO SOCIETY LTD	P.O.BOX 53131 – 00200, NAIROBI.
19	MAISHA BORA SACCO SOCIETY LTD	P.O.BOX 72713 – 00200, NAIROBI.
20	METROPOLITAN NATIONAL SACCO SOCIETY LTD	P.O.BOX 5684 – 00100, NAIROBI.
21	MWALIMU NATIONAL SACCO SOCIETY LTD	P.O.BOX 62641 – 00200, NAIROBI.
22	MWITO SACCO SOCIETY LTD	P.O.BOX 56763 – 00200, NAIROBI.
23	NACICO SACCO SOCIETY LTD	P.O.BOX 34525 – 00100, NAIROBI.
24	NAFAKA SACCO SOCIETY LTD	P.O.BOX 30586 – 00100, NAIROBI.
25	NATION SACCO SOCIETY LTD	P.O.BOX 22022 – 00400, NAIROBI.
26	NSSF SACCO SOCIETY LTD	P.O.BOX 43338 – 00100, NAROBI.

27. NYATI SACCO SOCIETY LTD P.O. BOX 7601 – 00200, NAIROBI.
28. SAFARICOM SACCO SOCIETY LTD P.O.BOX 66827 – 00800, NAIROBI.
29. SHERIA SACCO SOCIETY LTD P.O.BOX 34390 – 00100, NAIROBI.
30. SHIRIKA SACCO SOCIETY LTD P.O BOX 43429 – 00100, NAIROBI.
31. SHOPPERS SACCO SOCIETY LTD P.O. BOX 16 – 00507, NAIROBI.
32. STIMA SACCO SOCIETY LTD P.O.BOX 75629 – 00200, NAIROBI.
33. TAQWA SACCO SOCIETY LTD P.O. BOX 10180 – 00100, NAIROBI.
34. TEMBO SACCO SOCIETY LTD P.O.BOX 91 – 00618, RUARAKA
NAIROBI.
35. UFANISI SACCO SOCIETY LTD P.O. BOX 2973 – 00200, NAIROBI.
UKRISTO NA UFANISI WA
36. ANGLICANA SACCO SOCIETY LTD P.O BOX 872 – 00605, NAIROBI.
37. UKULIMA SACO SOCIETY LTD P.O.BOX 44071 – 00100, NAIROBI.
38. UNAITAS SACCO SOCIETY LTD P.O.BOX 38721– 00100, NAIROBI.
39. UNITED NATIONS SACCO SOCIETY LTD P.O.BOX 30552 – 00100, NAIROBI.
40. WANA – ANGA SACCO SOCIETY LTD P.O.BOX 34680 – 00100, NAIROBI.
41. WANANDEGE SACCO SOCIETY LTD P.O.BOX 19074 – 00501, NAIROBI.
42. WAUMINI SACCO SOCIETY LTD P.O.BOX 66121 – 00800, NAIROBI.