STRATEGIC CHANGE MANAGEMENT PRACTICES ADOPTED BY SAVING AND CREDIT CO-OPERATIVE SOCIETIES IN PUBLIC SECTOR IN KENYA

BY:

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DECLARATION

This research project is my original work and has not been submitted for a degree in any other university or institution of higher learning.

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D61/61430/2010

Signature: _____   _____

                                                                              Date

The research project has been submitted for presentation with my approval as the student's supervisor.

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ACKNOWLEDGEMENTS

DEDICATION

This project is dedicated to my parents who have taught me that even the largest task can be accomplished if it is done one step at a time and Kui and Yoge who have supported me all the way since the beginning of my studies.

Also, this project is dedicated to my friends who have been a great source of motivation and inspiration. Finally, this project is dedicated to all those who believe in the richness of learning.

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LIST OF ABBREVIATIONS/ACROMNYS

SACCOS   - Savings and Credit Cooperative Societies

WOCCU   - World Council of Credit Unions

ABSTRACT

It can be argued that the successful management of change is crucial to any organization in order to survive and succeed in the present highly competitive and continuously evolving business environment. The objective of this study is to determine the strategic change management practices adopted by savings and credit cooperative societies in public sector within the Kenya context. The design of this research was cross sectional research study aimed at establishing strategic change management practices adopted by savings and credit cooperative societies in public sector in Kenya. The study adopted simple random sampling technique and this research collected primary data using questionnaires. Data analysis was conducted using descriptive statistics. The study established that workforce demographics, improved customer savings and deposit, installing hi- tech computers, political environment and economic change are factors that contributed to change in the savings and credit cooperative societies. Other factors that contributed to change include outsourcing non core business activities, improving quality of customer care and adopting board of governors. Practices adopted by the savings and credit cooperative societies include environmental strategic management practices, organizational change practices, strategic alliance practices, technological changes and financial strategic practices and organizational leadership practices. The study recommends that the savings and credit cooperative societies should embrace restructuring and corporate governance practices in all sectors of the organization to improve on their service delivery and profitability. Savings and credit cooperative societies should come up with polices and recommend procedures to enable adoption of polices on governance and restructuring practices.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic change management is the change within an organization necessary to reach their strategic goals and objectives. It is incumbent on leadership to communicate the company's strategic goals and objectives in order create willingness to change among those concerned for them to accept the new arrangements. In essence organizations would want everyone to buy in to the change; however, the important issue is to win over critical mass of individuals or groups whose active commitment is necessary to provide the energy for change to occur (Grant, 2005).

Organizations deal with change on a day-to-day basis as do people. Change is inherent in contemporary organizations and its management is not only critical to organizational success and survival but is also at the crux of the field of organization development (OD). Strategic change management has been classified in many different ways. Most theorists classify strategic change management according to the type or the rate of change required and this is often referred to as the substance of change. Burnes (1996) proposes a broad definition for the amount of strategic change management which he argues may be either incremental or transformational. Bate maintains that incremental change occurs when an organization makes a relatively minor change to its technology, processes or structure whereas transformational change occurs when radical changes programmes are implemented. Bate also argues that modern organizations are subject to continual

environmental change and consequently they must constantly change to realign themselves (Burnes, 1996).

Along with important changes taking place in the social fabric within which organizations operate are vital forces impacting organizations within the context of their business operations (Thompson and Strickland, 1999). These include forces outside the organization that emanate from the external environment as well as forces within the organization itself that we classify as the internal environment (Stacey, 2003). Because the performance of firms is dependent on the fit between firms and their external environment the appearance of novel opportunities and threats in the external environment, then change in external environment require firms to adapt to the external environment (Ansoff and McDonell, 2000).

As a result, firms would change their strategy in response to the environmental changes. The state of firms will also affect the occurrence of strategic change. For example, firms tend to adopt new strategies in the face of financial distress for the purpose of breaking the critical situations. Additionally, organizations would possess structural inertia that they tend to keep their previous structure and strategy (Dent and Barry, 2004).

Financial institutions such as banks, microfinance institutions and Saving Credit Cooperative Societies (SACCOs) in Kenya are operating in a competitive and ever changing environment. Management in Saving Credit and Cooperative Society has adopted strategies, set financial and operating standards to improve the competitiveness of Sacco's societies (KUSCCO, 2012). This has influenced adoption and implementation of strategic change management due to volatile markets influencing SACCO's to

implement major corporate changes such as diversification in new products, adopt focus strategy in offering their products to specific groups in the markets and differentiation of financial products to meet the demand of the customers.

1.1.1 Concept of Strategic Change

Strategic change is concerned with organizational transformation and deals with broad long-term organization wide issues (Burnes, 2009). It will be aligned to the purpose and mission of the organization, its corporate philosophy on such things as growth, quality management and innovation, values concerning people, the customers' needs served and the technologies employed. It occurs within the context of external competitive, economic and social environment, the company's internal resources, capabilities, culture, structure and systems (Dawson, 1994).

Li (2005) view Strategic change management as a process that assesses the business and the industries in which the company is involved, assesses its competitors and sets goals and strategies to meet all existing and potential competitors and then reassesses each strategy annually or quarterly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment or a new social, financial, or political environment (Chapman, 2005).

Hence management of strategic change is seen as how to create conditions that makes proactive change as a natural way of life (Greenwood, 2005). Strategic change is the movement of a company away from its present state towards some desired future state to increase its competitive advantage (Hill and Jones, 2001).

1.1.2 Strategic Change Management Practices

Strategic change management practices is defined as a set of managerial decisions and actions undertaken for organization to cope with changes in environmental aspects such as environmental scanning, strategy formulation, strategy implementation, and evaluation and control.

It is designed to set a firm's courses of action, identifying the strategies it will use to compete in the market-place and how it will organize its internal activities (Hill and Jones, 2001). In an environment of accelerating change, increasing competition, and effects of the worldwide information revolution, organizations are constantly managing programs and resources to accommodate changing needs. Change by its very nature tends to be uncomfortable, disruptive and even painful. Managers in various institutions have to manage this stress and uncertainty to be effective organizations. They have to counter their dynamic environment and competently convert threats and weaknesses from their internal and external environments into opportunities and strengths (Johnson and Scholes, 2003). Ansoff and McDonnell (2000) defined strategic change management as a shift in the product and services mix produced by the organization to the markets which it is offered. The key objective of strategic change management therefore is to enhance the competitiveness of the organization and continuous adaption of the organization to various environmental turbulence levels. Strategic Change management in organization is usually required when changes occur to the environment in which an organization operates (Burnes, 2009).

1.1.3 Saving and Credit Co-operative Societies in Public Sector

A Saving and Credit Co-operative Society (SACCO) is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise. The members have equal rights to take part democratically in the management and administration of the company of which they share the duties and the advantages proportionally with the transactions of each member regardless of their deposit amount or the number of shares they own.

All active members form the general body which elects the Board of Directors who appoint its paid employees to run the cooperative. The primary cooperatives strategies include inculcation of saving habit, finding better ways and means to establish small and micro enterprises so as to create employment and income for the members (Tummala and Burchett, 1999).

The fundamental objective of a SACCO in public sector is to maximize the benefit which the members who are civil service in different sector can obtain from their commercial transactions with the cooperative. They try to obtain maximum individual benefit through particular commercial transactions which they carry out. Thus SACCOs in public sector promote mutual aid in the economic and social welfare of its members in civil service by granting loans to cover their economic needs, supporting the spirit of initiative in agricultural or industrial work and careful use of the saving produced locally. It is a financial institution under the cooperative form which operates in the financial system as a legal entity in which individuals save their money and borrow loans in order to invest in various activities (WOCCU, 2011).

In Kenya, the Ministry of Cooperative Development and Marketing oversees SACCOs activities but this will move to the SACCO Regulatory Authority (SASRA) established by the new law. Currently SACCOs are poorly monitored. There is no annual or frequent examination of SACCOs by the regulatory body. Moreover, there is no comprehensive set of standards by which SACCOs should comply with. Prior to 1997, the government supported SACCOs` movements through direct assistance and subsidized services. This ceased when the new SACCO Act and Sessional Paper number 6 of 1997 on credit unions in a liberalized economy became effective. This involved revision of the cooperative societies Act Cap 490, which was to be operational in 1997. Some functions such as approval of the budgets, capital expenditure and allowances, auditing, accounting and management systems were transferred from the Ministry of Cooperatives to SACCOs and they are now free enterprises, expected to compete with other private commercial entities in the market (Bwoma, 2003).

There are all 4233 SACCOs registered under the societies Act in Kenya (Manyara, 2003) with 124 SACCOs in public sector civil servants in various civil service because they offer a diverse range of products which include personal and business loans, mortgages, savings, money transfers, payment services and insurance. Some of SACCOs in public sector include Afya SACCO in public health sector, Harambee SACCO whose members are drawn from the ministry of the office of the president and other state corporations, Ukulima SACCO for ministry of agriculture employees, and Mwalimu SACCO to teachers and they have catered for the needs of their members.

1.2 Research Problem

Today's business environment produces change in the workplace more suddenly and frequently than ever before. Mergers, acquisitions, new technology, restructuring and downsizing are all factors that contribute to a growing climate of uncertainty. Jobs, health, even marriages can be placed at risk, jeopardizing productivity and profitability. People have deep attachments to their organization, work group, and way of working. The ability to adapt to changing work conditions is key for individual and organizational survival. Change will be ever present and learning to manage and lead change includes not only understanding human factors but also skill to manage and lead change effectively. In order to remain competitive in the long term, enterprises are compelled to undertake strategic change management with increasing speed, efficiency and success (Chapman, 2005).

For SACCOs, the nature of the boards posses many challenges, specifically because of their institutional structure. A strand of literature identifies that governance remains the prime weakness of SACCOs (Cornforth, 2004). SACCOs have also been facing management challenges. Due to liberalization process SACCOs partially rescinded when co-operatives proved themselves ill prepared for the new era and the withdrawal of government regulatory powers in 1997. The results were largely negative with corruption and mismanagement all too common, including failure to hold elections, illicit payments and theft so much so that the government intervened in 2004 with a new Act which reintroduced state regulation through the office of the Commissioner for Co-operative Development (Manyara, 2003). Many co-operatives simply inherited area structures based on existing government systems without changing them. These may be appropriate

for public administration but they frequently do not meet the requirements of enterprise development. Additionally, many co-operatives had problems in meeting the financial costs of member participation. This is particularly apparent at the regional and national levels where effective consultation and communication with members demands too many resources.

Recent studies on strategic change management practices have been done locally. For instance, Bwibo (2000) carried out a study on strategic change management practices within non-governmental organizations in Kenya and found that Strategic management starts with introduction of new strategic processes in management to an overall change in business operations. Ongaro (2004) focused on Kenyatta National Hospital and found vision, mission and corporate value alignment were critical in management of the hospital in seeking effective health service delivery. While Onguso (2008) did a comparative study of the practices on National Water Conservation and Pipeline Corporation and found that strategic formulation, implementation and strategic evaluation influence performance of the company. Further, Gekonge (1999) focused on the companies listed on the Nairobi Stock Exchange and found that strategic change management helps the management of the company to recognize the power of human dynamics in a change process, recruiting qualified staff; it also acts as a map for guiding action and helping achieving objective of the company.

This study therefore sought to bridge the gap that exists by investigating strategic change management practices adopted by SACCOs in public sector by answering the question: What are the strategic change management practices adopted by SACCOs in public sector in Kenya

1.3 Objectives of the Study

To determine the strategic change management practices adopted by SACCOs in public sector within the Kenyan context

1.4 Value of the Study

The findings of this study is important to the management of the SACCOs in public sector as it helped them understand the importance of management of change as they seek to increase penetration in the market. The study also provided an insight to the SACCOs players in understanding the challenges they were likely to face when adopting strategic change management practices to enhance financial service delivery to the market.

The study was significant to the government as it offered an insight to the various challenges faced by SACCOs who adopt strategic change management and can borrow the same practices and apply the same especially during this time when the market is very competitive. Findings of the study are also important to scholars and other researchers who may be interested in understanding the strategic change management in the credit unions and SACCOs. To other organizations, this study brought up the best change management practices which can be borrowed and applied to other sectors of the economy by those facing similar challenges and opportunities arising from changes in strategy.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter outlines the literature and authorities on strategic change management. Issues on strategic change management have been critically reviewed focusing on concept of strategy and strategic change management practices.

2.2 Theoretical Foundation

A number of renowned practitioners have contributed models on change management. The action research model advocates for a systematic collection of data and then selection of a change action based on what the analyzed data indicates. It aims at providing a scientific methodology for managing planned change. The process of action research consists of five steps which are diagnosis, analysis, feedback, action and evaluation (Lewin, 1998).

The same approach seems to be supported by Dawson (1996) through the process/contextual perspective. It states that to understand the process of change, organizations need to consider the past, present and future context in which the organization functions, including external and internal factors. The substance of the change itself and its significance and timescale including the transition process, tasks, activities, decisions, timing, sequencing, political activity, both within and external to the organization and the interactions between these factors.

Dawson (1996) identifies five specific aspects of the internal context which are human resources, administrative structures, technology, product or service, and the organization's history and culture. He also identifies four key features of the substance of change which are the scale, its 'defining characteristics', its perceived centrality, and the timeframe of change initiatives (Grant, 2005). The substance of change influences the scale of disruption to existing structures and jobs. The transition process may be slow and incremental, or rapid. In addition, managers can draw upon evidence from the context and substance of change to marshal support and to legitimate their own proposals through organizational political action. It's therefore the interaction between context, substance and political forces which shape the process of organizational change (Ansoff and McDonell, 2000).

Lewin (2001) also developed the three - step model, which states that successful change in organizations should follow the steps of freezing the status quo, movement to a new state and refreezing the new change to make it permanent. The status quo can be considered to be an equilibrium state. To move from this equilibrium, there is need to overcome the pressure of both individual resistance and group conformity - unfreezing is necessary. It can be achieved in one of three ways where the driving forces, which direct behavior away from the status quo can be increased, the restraining forces, which hinder movement from existing equilibrium can be decreased or a combination of first two approaches (Robbins, 2003).

However, Huczynski and Buchanan (2003) state that refreezing no longer seems to be an option given constant transformation which is now the norm. Permanent thaw is perhaps a more appropriate metaphor. Many organizations now face a 'high velocity' environment

(Jeff, 2007). They continue to say that turbulent and rapidly changing external conditions are translated into a complex, multi-faceted, fluid and interlinked streams of initiatives affecting work and organization design, resource allocation, and system procedures in continuous attempts to improve performance. The environment for most organizations is likely to remain volatile, or become even more turbulent (Greenwood, 2005). Current trends do not lead to predictions of continuity and stability in the near future.

2.3 The Concept of Strategy

A strategy to an organization is, amongst other things, a plan of how the organization can achieve its goals and objectives; it is a 'commitment of present resources to future expectations' (Thompson and Martin, 2005). The aim of strategic management is to decide on organizational goals, the means of achieving those goals, and ensuring that the organization is sustainably positioned in order to pursue these goals. Furthermore, the strategies developed provide a base for managerial decision making (Robbins and Richard, 2003). Strategy is elementarily defined as a long term plan of action designed to achieve a particular goal (Dent and Barry 2004).

The concept, however, is not originally made for business. Rather, the business industry borrowed it from the military to help organizations in bridging the gap between policy and tactics (Robbins, 2003). Strategy is an essential part of any effective business plan. By using an effective competitive strategy, a company finds its industry niche and learns about its customers (Porter, 2004). Porter (1985) asserts there are three basic business strategies namely, differentiation, cost leadership, and focus and a company performs best by choosing one strategy on which to concentrate (Shattock, 2003).

Porter purports companies must be competitive to become an industry leader (Stacey, 2003) to be successful both nationally and abroad, and these strategies for gaining competitive advantage apply to all industries in most nations. While various types of organizational strategies have been identified over the years (Porter, 1980), Porter's generic strategies remain the most commonly supported and identified in key strategic management textbooks. Porter's generic strategies can yield competitive advantage (Wilson, 2002).

2.4 Change Management

Change management is a systematic approach to dealing with change, both from the perspective of an organization and on the individual level (Wilson, 2002). A somewhat ambiguous term, change management has at least three different aspects, including: adapting to change, controlling change, and effecting change. A proactive approach to dealing with change is at the core of all the three aspects (Nickols, 2006).

For an organization, change management means defining and implementing procedures and/or technologies to deal with changes in the business environment and to profit from changing opportunities (Deem and Brehony, 2005). The key benefits of change management include; helping one to recognize the power of human dynamics in a change process, acting as a map for guiding action and helping stay on course rather than getting caught up in the complexity and tumult of change and thirdly, it can help you develop a relationship you need to maximize effectiveness of a change effort (Kotter, 2005).

Organizational change management is a careful planning, organization and execution of an alteration from the norm to the unknown which will require thinking and doing things

differently (Mintzberg, *et al* 2003). The entire process has to involve people from the beginning to the end by making the stakeholders buy into the change process and own the process itself. Change must be managed because it is disruptive and alters the equilibrium of operations. It results in a paradigm shift and causes variations in the status quo. It is vital to carefully manage change for the good of the people affected and the organization. Good change management yields good results (Mullins, 1999).

Managing Change is critical to the change process. Change needs to be managed in order to derive maximum benefits from new opportunities and to avoid reactive situations. The faster the speed of change the more difficult and stressful it is to manage. The transition phase is the point at which the problems of introduction change occur and can include resistance to change, low stability, high levels of stress, misdirected energy, conflict, and loss of momentum, (Burnes, 1996). There has been broad consensus that increasing environmental instability and uncertainty are forcing companies to change continuously (Burnes, 2009). However, change itself is a risky, and often haphazard and improvised process reaching unsatisfactory results in many companies, sometimes even leaving them worse off than before (Katzenbach and Smith, 1993).

2.5 The Concept of Strategic management

Strategic management is defined as that set of managerial decisions and actions that determines the long-run performance of a corporation, and includes aspects such as environmental scanning, strategy formulation, strategy implementation, and evaluation and control. It is important for every organization or firms, as it determines its success in the market, in its formulation and implementation of projects (McAuley, Duberly and Cohen, 2000).

Under this umbrella concept are other concepts related to the management of an organization, including the concept of mission. Strategic management is a source of significant benefits for businesses operating in a competitive environment (Wilson, 2002). Strategic management can assist firms make effective decisions and strategies by staying alert to the threats and opportunities in an uncertain and dynamic environment. In addition to assisting firms to make effective decisions as well as effective strategies, strategic management can help improve their performance.

As an open system, a business organization will survive and succeed by acquiring and maintaining its resources. Businesses are embedded in an external environment which consists of other organizations (Wilson, 2002). They depend on those other organizations for the many resources they themselves require. The business organizations are linked to the external environments by federations, associations, customer-supplier relationships, competitive relationships, and a social-legal apparatus defining and controlling the nature and limits of these relationships. Business organizations, therefore, must transact with these elements in order to acquire the needed resources, and this is true for public, private, small, large, bureaucratic or organic organizations (Modahl, 2000).

2.5 Approaches to Managing Strategic Change

A number of renowned practitioners have contributed models on change management. The action research model advocates for a systematic collection of data and then selection of a change action based on what the analyzed data indicates. It aims at providing a scientific methodology for managing planned change. The process of action

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However, Huczynski and Buchanan (2003) state that refreezing no longer seems to be an option given constant transformation which is now the norm. Permanent thaw is perhaps a more appropriate metaphor. Many organizations now face a 'high velocity' environment (Jeff, 2007). They continue to say that turbulent and rapidly changing external conditions are translated into a complex, multi-faceted, fluid and interlinked streams of initiatives affecting work and organization design, resource allocation, and system procedures in continuous attempts to improve performance. The environment for most organizations is likely to remain volatile, or become even more turbulent (Greenwood, 2005). Current trends do not lead to predictions of continuity and stability in the near future.

Burnes (2009), summarize their model in 4 broad stages. The Exploration Phase which involves awareness of need for change and searching for solutions, planning phase which involve understanding the problem, collecting information, setting change goals, designing action plans, action phase involving arrangements for managing change, feedback processes and integration phase involving consolidating and stabilizing change, reinforcing new behaviors .This model was an expansion of Lewin three- step model and did not factor the volatility and dynamism of organizations environment.

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Kotter (1996) came up with the eight-stage change process whose initial step is establishing a sense of urgency crucial in gaining needed cooperation. The second step is creating the guiding coalition since a strong guiding coalition is always needed. The coalition must have the right composition, level of trust and shared objective. Building such a team is always an essential part of the early stages of any effort to restructure, reengineer, or retool a set of strategies. Four key characteristics seem to be essential to effective guiding coalitions these are position power, expertise, credibility and leadership. The third step is developing a vision and strategy. In a change process, a good vision serves in clarifying the general direction for change, it motivates people to take action in the right direction and it helps coordinate the actions of different people (Hardy, 1995).

The fourth step is communicating the change vision since the real power of a vision is unleashed only when most of those involved in an enterprise or activity have a common understanding of its goals and direction (Nickols, 2006). The fifth step is empowering broad-based action to empower a broad base of people to take action by removing as many barriers to the implementation of the change vision as possible at this point in the process. Generating short terms wins is the sixth step, this is necessary as major change usually take a lot of time. There is need to have convincing evidence that all the effort is paying off especially to non believers who require even higher standards of proof. Seventh step is consolidating gains and producing more change since the first major performance improvement will probably come well before the halfway point, the guiding coalition should use the credibility afforded by the short term win to push forward faster, tackling even more or bigger projects. The final step according to Kotter (1996), is culture changes only after successfully altering people's actions, after the new behavior

produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement (Hill and Jones, 2001).

2.6 Strategic Change Management practices in Organizations

Most organizational managers today would agree that change has become a constant phenomenon which must be attended to and managed properly if an organization is to survive (Li, 2005). Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics, and the political environment all have a significant effect on the processes, products and services produced. The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations which are unprepared or unable to respond (Burnes, 2009).

According to Porter (2004), organizations must be able to respond rapidly to external changes if they are to survive, and that the necessary internal restructuring is likely to be strategic or 'mould breaking'. The mould that needs to be broken is the rigid, autocratic, bureaucratic approach to organization and management. The new organizational framework required appears to be one that emphasizes flexibility, creativity and participation (Stacey, 2003). Flexibility has further been emphasized as essential in dealing with many uncertainties in the environment. He observes that successful organizations actively create flexibility. This requires active horizon scanning, creating resource buffers, developing and positioning champions, and shortening decision lines (Grant, 2005).

Companies need to be innovative to ensure their existence. Kanter (2006) states that established companies can afford falling into the classic traps that stifle innovation by widening the search for new ideas, loosening overly tight controls and rigid structures, forging better connections between innovators and mainstream operations, and cultivating communication and collaboration skills (Modahl, 2000). Innovations involve ideas that create the future. But the quest for innovations is doomed unless the managers who seek it take time to learn from the past. Getting the balance right between the highest returns from current activities and exploring requires organizational flexibility and a great deal of attention to relationships (Chapman, 2005).

The structural (Re-engineering) approach is one commonly used approach in implementing the Total Quality Management. It deals initially and directly with the systems barriers. Using this approach, senior management forms steering committees, which then designate a design team made of a diagonal slice of the company (Burnes, 2009). This design team then assesses the company's culture, systems and environment and develops recommendations for the steering committee. Such recommendations can include self-directed work teams, profit-based pay, pay for knowledge and reorganizing the company away from the "functional stovepipes" of manufacturing, engineering, sales and service towards a more product, customer or geographically based orientation. This approach is also referred to as organizational design and the "socio-technical" approaches (Robbins, 2003).

Companies which use this approach to launch strategic change usually enjoy the capability of dealing with major issues up-front rather than avoiding them. They are also able to change aspects of the company that have a substantial effect on productivity as

well as demonstrating the seriousness of the top management in strategic change. These require a lot of courage to launch and tackle issues head on which lacks in allot of managers (Robbins, 2003).

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that were followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. In this section the researcher identifies the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections include; research design, target population, sampling, data collection and finally data analysis.

3.2 Research Design

The design of this research was a cross sectional research. This descriptive survey study aimed at establishing strategic change management practices adopted by savings and credit cooperative societies in public sector in Kenya. Descriptive study is concerned with finding out the what, where and how of a phenomenon. The research design and methodology entailed collecting data useful in analysis and coming up with relevant recommendations and conclusions.

Mugenda and Mugenda (2003) noted that a survey research attempts to collect data from members of a population and describes existing phenomena by asking individuals about their perception, attitudes, behaviour or values. Surveys enable collection of data from a sizeable population in a highly economical way. The data obtained is standardized, to allow easy comparison. Moreover, it explores the existing status of two or more variables at a given point in time.

3.3 Target Population

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well defined or set of people, services, elements, events, group of things or households that are being investigated. The target population comprised of 124 savings and credit cooperative societies operating in public sector in Kenya.

3.4 Sampling

Sampling is that part of statistical practice concerned with the selection of an unbiased or random subset of individual observations within a population of individuals intended to yield some knowledge about the population of concern, especially for the purposes of making fair generalization of results back to the population from which they were chosen (Babbie, 1998).

The study adopted simple random sampling technique to select a sample of 30% out of population of 124 SACCOs operating in the public sector in Kenya. A sample population of 37 SACCO respondents was targeted for the study as a representative of the whole population.

3.5 Data Collection

This research collected primary data using questionnaires. The questionnaires included both open and closed ended in line with the objectives of the study. A five point likert scale was used for closed ended questions. The questionnaires contained three sections each. The first section sought to establish the respondents' demographic data while the second section highlighted the factors that necessitated change in the SACCOs and the

third section identified strategic change management practices that have been adopted in the SACCOs.

Management staff and other senior staff of the selected SACCOs were selected as the respondents as they were best suited to offer information concerning strategic change management practices adopted in their SACCOs.

3.6 Data Analysis

After fieldwork, the questionnaires were coded for purposes of transcribing the findings into the computer. The coded data was then processed using the Statistical Package for Social Sciences. Data analysis was done using descriptive statistics where Quantitative data was analyzed using mean and standard deviation. According to Denscombe (1998) descriptive analysis involves a process of transforming a mass of raw data into means, tables, and figures with frequency distribution and percentages, which are a vital part of making sense of the data.

The data was presented in the form of tables and figures according to the research questions, and was analyzed. Qualitative data analysis was performed through segregation of field notes according to content, according to similarities and organization of data and according to study themes from which conclusions were drawn.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presented an analysis of the data found on strategic change management practices adopted by saving and credit cooperative societies in public sector in Kenya. The data targeted a sample of 37 respondents. Out of this sample, 34 filled in and returned the questionnaires making a response rate of 91.9%. This response rate was good conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 70% and over is excellent.

4.2 Demographic Information of Respondents

This section presented the findings on background of respondents. It discusses the findings of the respondents in regards to respondents working experience and working period in their current position. This is important in collecting information on strategic management practices adopted by SACCOs in public sector due to their experience.

4.2.1 Respondent's current position

The respondents were requested to indicate their current position in the SACCO. This was to ensure respondents who were the right people to information on strategic management practices adopted by the SACCOs in public sector. The findings are indicated in table 4.1.

Table 4.1: Respondent's current position

current position	Frequency	Percentages
Board of Directors	6	17
Managers	12	30
Senior Officers	19	53
Total	37	100

From the findings, majority 53% of the respondents indicated that they were senoir officers, 30% were managers of the SACCOs while 17% of the respondents were board of directors of the SACCOs. Therefore, most of the resopodents who are in office were senior in the organization and offered valid information concerning strategic change management practices adopted in the SACCOs.

4.2.2 Work Experience

The study sought to know the period in which the respondents had been working their SACCOs and the findings are indicated in table 4.2

Table 4.2: Work experience

Work experience	Frequency	Percentages
Less than 3 years	2	5
4-6 years	14	38
7-10 years	12	33
11-15 years	9	22
Above 15 years	1	2
Total	37	100

From the findings, most 38% of the respondents had been working in the SACCOs for 4-6 years, 33% of the respondents said 7-10 years, 22% of the respondents had worked for 11-15 years. The study further found that 5% of the respondents had been working in the

SACCOs for less than 3 years while 2% indicated above 15 years. Therefore most of the respondents had worked in the organization long enough and were in a position of offering valid information in regards to strategic management practices adopted by SACCOs in public sector.

4.2.3 Working period in the current position

The study sought to know the period of time the management staff in the SACCOs had been working in their current position. This would indicate the experience and knowledge gained in regards to strategic management practices adopted in their respective SACCOs.

From the findings, most of the respondents had worked in their current position for 3-7 years. This clearly indicates that majority of the respondents had worked in their current position for more than three years and therefore had an experience on the strategic change management practices adopted in the SACCOs.

4.3 Strategic change

The objective of the study was to establish strategic change management practices adopted by SACCOs in public sector in Kenya. The study sought to establish the extent to which the given aspects necessitated change in the SACCO. Using a scale of 1-5 where 1 was No extent, 2 a low extent, 3 moderate extent, 4 great extent and 5 a very great extent a five point likert scale was used to interpret the respondent's extent accorded to scale.

Those factors which were not considered at all were awarded 1.4 and below while those which were considered to a very great extent were awarded 4.5 to 5. Within the

continuum 1.5 to 2.4 was considered for low extent, 2.5 to 3.4 for moderate extent and 3.5 to 4.4 for great extent. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents. The likert analysis was used for both table 4.3 and table 4.4.

4.3.1 Factors that necessitated strategic change management

The study sought to establish the extent to which the given aspects necessitated change in the SACCO. The Table 4.3 indicates the respondent's response.

Table 4.3: Extent to which the following aspects necessitated change in SACCO

Statement on aspects that necessitated change in your SACCO	Mean	Standard deviation
Advancement of technology	4.13	0.76
Changes in form of governance	3.54	1.48
Improve quality of SACCO customer care	4.38	1.12
Increase in number of SACCOs in the Market	3.36	0.59
Outsource non-core business activities such as cleaning and security	4.47	0.73
Improve Customer saving and deposits	4.75	0.80
Enhance risk management in SACCOs	3.42	0.97
Installing Hi Tech computers	4.64	0.87
Adoption of Board of governors	4.19	0.57
SASRA regulations	3.23	0.99
Competition in the market	2.80	1.19

Political environment	4.58	0.69
Globalization	3.75	0.87
Workforce demographics	4.80	0.74
Social values	3.80	1.06
Economic changes	4.55	0.65

The findings illustrated that majority of the respondents had indicated that workforce demographics, improved customer saving and deposits and installing Hi Tech computers necessitated change in the SACCO to a very great extent as indicated by a mean of 4.80, 4.75, and 4.68 respectively. In addition, political environment and economic changes necessitated change in the SACCO to a very great extent as indicated by a mean of 4.58 and 4.55 respectively. The study further found that the outsourcing non-core business activities such as cleaning and security, improving quality of SACCO customer care and adoption of board of governors necessitated change in the SACCO to a great extent as indicated by mean of 4.47, 4.38 and 4.19 respectively. Furthermore, the respondents also indicated that advancement of technology and changes in form of governance necessitated change in the SACCO to a great extent as indicated by mean of 4.13 and 3.54.

However, the respondents were sure on the fact that enhancing risk management in SACCOs and SASRA regulations necessitated changes in the SACCO as indicated by a score 3.42 and 3.25. Additionally, increase in number of SACCOs in the market and competition did not have a huge impact to necessitate change in the SACCO as indicated by a mean of 3.36 and 2.80 respectively. This was in line with Li (2005), who found that

changes in technology, the market place, information systems, the global economy, social values, workforce demographics, and the political environment all have a significant effect on the processes, products and services produced. In conclusion, workforce demographics, improved customer savings and deposit, installing hi- tech computers, political environment and economic changes are some factors that contributed to change in SACCOs operating in public sector in Kenya. Additionally, some other factors that contributed to change in SACCOs included outsourcing non core business activities, improving quality of SACCO customer care and adopting board of governors.

Enhancing risk management in SACCOs, SASRA regulations, increase in number of SACCOs in market and competition drew a moderate reaction meaning the respondents were not sure whether these factors caused SACCOs to adopt new strategic management practices.

4.4 Strategic Change management Practices

The study also sought the extent to which SACCOs in public sector adopted strategic management practices. The practices were divided into 7 areas such as environmental change, organizational change, strategic alliance practices, technological changes, financial strategic practices, organizational leadership and structural changes. The findings are presented below.

4.4.1 Environmental change practices adopted

The respondents were requested to indicate the extent to which environmental strategic change management practices had been adopted in the SACCOs as indicated in table 4.5

Table 4.5: Environmental strategic change management practices adopted

Statement on strategic change management practices	Mean	Std. deviat
Environmental scanning	4.78	0.64
Gathering of information on competitors	4.88	0.64
The SACCOs becoming innovative to ensure existence in the market	4.19	0.41
Formulate vision and mission that guide the function of the SACCO	4.83	0.69

From the findings, majority of the respondents indicated that the SACCOs in public sector were gathering information on competitors so that they could develop strategies basing on the competitive intelligence to a very great extent as indicated by a mean of 4.88. Formulating vision and mission that guide the function of the SACCOs was adopted to a very great extent as indicated by a mean of 4.83 as well as environmental scanning as a strategic change as indicated by a mean of 4.78.

Becoming more innovative to ensure existence in the market by developing competitive financial product and services was also adopted to a great extent as indicated by a mean of 4.19. This clearly indicated that SACCOs in the public sector had adopted environmental strategic management practices such as competitive intelligence practices to collect information about the competitors to develop correct strategies, carry out environmental financial scanning and being innovative to develop new competitive financial products.

4.4.2 Organizational change

The respondents were requested to indicate the extent to which the SACCO's in the public sector had adopted the organization change in strategic management of change. Table 4.6 illustrates the findings

Table 4.6: Organizational change

Statement	Mean	Standard deviation
Encourage employees empowerment programmes	4.05	0.33
Developing new programmes in line with global trends	4.91	0.87
Decentralization processing unit of to enhance financial service delivery	4.74	0.63
Employment of competent human resources	3.96	0.39

On the organization change strategies adopted by SACCOs in public sector, the study found that SACCOs were developing new programmes in line with global trends to a very great extent as indicated by a mean of 4.91 in order to become more competitive and relevant and also adopting decentralization processing unit to enhance financial service delivery to a very great extent as indicated by a mean of 4.74. The study further found that SACCOs in public sector encouraged employee's empowerment programmes to a great extent as indicated by a mean of 4.05 and that SACCOs were employing competent human resources to a great extent as indicated by a mean of 3.96.

This clearly indicated that SACCOs in the public sector were developing new programmes in line with global trends in order to maintain and attract new members and

also decentralizing their services to have more reach to its members who might be far flung areas. Furthermore, they also encouraged empowerment programmes for their employees in enhance their skills and to become more productive and also employed staff who well versed with human resources management to carter for employees welfare.

These strategies ensured that the organizations aimed at reaching their objectives. Most organizational managers today would agree that change has become a constant phenomenon which must be attended to and managed properly if an organization is to survive (Li, 2005). Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics and the political environment all have a significant effect on the processes, products and services produced. The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organizations which are unprepared or unable to respond (Burnes, 2009).

4.4.3 Strategic Alliance Practices

The respondents were requested to indicate the extent to which the SACCO's in the public sector had adopted strategic alliance in strategic management of change. Table 4.7 illustrates the findings

Table 4.7: Strategic alliance practices

Statement	Mean	Sta deviation
Encouraging effective networks and alliances	4.93	0.71

On the extent to which SACCOs adopted strategic alliance, the study found that SACCOs in public sector adopted strategic alliances to a very great extent as indicated by a mean

of 4.93. This implied that SACCOs in public sector were forming alliances with other firms such as Mobile telecommunication companies that is, Safaricom or Airtel to offer Electronic money transfer and other mobile services improving quality of financial service delivery to its members hence becoming more competitive in the market in which they operate in. They also partnered with commercial banks to offer new products such personal loans to its members.

4.4.4 Technological changes

The respondents were requested to indicate the extent to which the SACCO's in the public sector had adopted Technological changes in strategic management of change. Table 4.8 illustrates the findings

Table 4.8: Technological changes

Statement	Mean	Standard deviation
Adaptation of ICT/technology to enhance service delivery	4.68	0.55
Enhance technology adoption in development of new product	4.63	0.59

From the findings, SACCOs adapted of ICT/technology to enhance service delivery to a very great extent as indicated by a mean of 4.68 and enhancing technology adoption in development of new product to a very great extent as indicated by a mean of 4.63. The study therefore clearly indicated that SACCOs in public sector adopted technology as strategic change practice and this helped them to become more effective and efficient in service delivery to its members.

Kanter (2006) stated that established companies can afford falling into the classic traps that stifle innovation by widening the search for new ideas, loosening overly tight controls and rigid structures, forging better connections between innovators and mainstream operations, and cultivating communication and collaboration skills hence use of technology in developing of new products. Hence, SACCOs in the public adopted technology in development of new products to be able to competitive in the environment they operated.

4.4.5 Financial strategic practices

The respondents were requested to indicate the extent to which the SACCO's in the public sector had adopted financial strategic practices in strategic management of change. Table 4.9 illustrates the findings

Table 4.9: Financial strategic practices

Statement	Mean	Standard deviation
Adopt effective resource allocation processes in SACCOs	4.56	0.67
Change in financial policies due to change in government regulations	4.41	0.39
Enhance capital adequacy	4.87	0.72
Adopting risk based auditing	4.77	0.59
Increase minimum capital requirement	4.91	0.78
Devolvement of new Financial products	4.45	0.54

On the extent to which financial strategic change practices had been adopted in the SACCOs in the public sector, increase in minimum capital requirement was adopted to a very great extent as indicated by a mean of 4.91, enhancing capital adequacy was adopted to a very great extent as indicated by a mean of 4.87, adoption of risk based audit was also adopted to a very great extent as indicated by a mean of 4.77 as well as effective resource allocation processes in SACCOs as indicated by a mean of 4.56. Other financial strategic changes implemented to a great extent were devolvement of new financial products as indicated by a mean of 4.45 and change in financial policies due to change in government regulations as indicated by a mean of 4.41.

In conclusion, SACCOs in public sector increased their minimum capital requirement to be able to have more money to lend to its members as loans as well as capital adequacy. Risk based auditing was adopted as this was the industry best practice in organizations today and this enabled them to best manage risks occurring in the environment in which they operated in. They also managed their resources well in order to achieve their goals and become more profitable. Lastly, they had to change their financial polices to confirm with government regulations and devolvement of new financial products was adopted to a great extent.

4.4.6 Organizational leadership

The respondents were requested to indicate the extent to which the SACCO's in the public sector had adopted organizational leadership practices in strategic management of change. Table 4.10 illustrates the findings

Table 4.10: Organizational leadership

Statement on Organizational leadership	Mean	Standard deviation
Enhance Leadership in SACCOs	3.75	0.45
Implementing Boards of governance	3.16	0.11
Evaluation and controlling of strategy on SACCO performance	4.79	0.64

From the findings, evaluation and controlling of strategies in SACCOs had been adopted to a very great extent as indicated by a mean of 4.79 and that there had been enhancement of Leadership in SACCOs to a great extent as indicated by a mean of 3.75. However the study also found that the respondents were not sure weather implementation of Boards of governance practices had any impact as a practice as indicated by a score of 3.16.

This clearly indicated that SACCOs in public sectors had embraced evaluation and controlling strategies to be able compete effectively in the market in which they operated as well as enhancing leadership as a strategic management practices. However, SACCOs had not effectively adopted board of governance in strategic management change practices in running their day to day operations

4.4.7 Structural changes

The respondents were requested to indicate the extent to which the SACCO's in the public sector had adopted structural changes practices in strategic management of change.

Table 4.11 illustrates the findings.

Table 4.11 Structural changes practices

Statement	Mean	Standard deviation
SACCO restructuring	2.90	0.09

On whether the SACCOs in the public sector had adopted structural change, the respondents indicated that restructuring was lowly embraced in the SACCOs as indicted by a score of 2.90. This implied that SACCOs in public sector had not embraced restructuring in their activities and hence were not benefiting with benefits that comes with it. The structural (Re-engineering) approach is one commonly used approach in implementing the Total Quality Management. It deals initially and directly with the systems barriers. Using this approach, senior management forms steering committees, which then designate a design team made of a diagonal slice of the company (Burnes, 2009). This design team then assesses the company's culture, systems and environment and develops recommendations for the steering committee.

Such recommendations can include self-directed work teams, profit-based pay, pay for knowledge and reorganizing the company away from the "functional stovepipes" of manufacturing, engineering, sales and service towards a more product, customer or geographically based orientation. This approach is also referred to as organizational design and the "socio-technical" approaches (Robbins, 2003) hence SACCOs in the public sector need to focus more on implementing this changes to reap the benefits.

4.5 Benefits of strategic change management practices in the organization

The study sought to know the benefits of strategic change management practices in the organization. From the findings, 90% of the respondents indicated that strategic change impacts on the human resources structure of the organization and this often means a restructuring of the workforce or changes in working practices. The study found that organization benefits with the improved workplace characteristics, teamwork and satisfaction and benefits to clients such as enhanced service quality.

The study further found that the employees participate in the change management and see that it is successfully carried out, which in turn means minimal disruption to the organization. This was supported by Kotter (2005) who stated that the key benefits of change management include; helping one to recognize the power of human dynamics in a change process, acting as a map for guiding action and helping stay on course rather than getting caught up in the complexity and tumult of change and thirdly, it can help to develop a relationship to maximize effectiveness of a change effort.

CHAPTER FIVE:

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter provides the summary of the findings from chapter four, conclusions and recommendations of the study based on the objectives of the study which was to determine the strategic change management practices adopted by SACCOs in public sector in Kenya.

5.2 Summary

Information for the study was collected from respondents who were senior in the organization and offered valid information concerning strategic change management practices adopted in their organizations. Furthermore, the respondents had worked in the organization long enough and were in a position of offering valid information in regards to strategic management practices adopted in their respective organizations. In addition, majority of the respondents had worked for more than three years in their current position and therefore had valuable experience in the practices adopted in their organizations.

On the factors necessitating change in SACCOs, the study concluded that workforce demographics, improved customer savings and deposit, installing hi- tech computers, political environment and economic changes are some factors that contributed to change in SACCOs operating in public sector in Kenya. Additionally, other factors that contributed to change in SACCOs included outsourcing non core business activities, improving quality of SACCO customer care and adopting board of governors.

Enhancing risk management in SACCOs, SASRA regulations, increase in number of SACCOs in market and competition drew a moderate reaction meaning the respondents were not sure whether these factors caused SACCOs to adopt new strategic management practices. In regard to the practices adopted by SACCOs operating in public sector in Kenya, the study concluded that that SACCOs in the public sector had adopted environmental strategic practices, organizational change practices, strategic alliance practices, technological change practices, financial strategic practices and organizational leadership practices.

However, SACCOs had not effectively adopted governance in running their day to day operations and this has had an effect on their performance. Furthermore, restructuring practice was lowly embraced in the SACCOs. This implied that SACCOs in public sector had not embraced restructuring their day to day activities thus affecting their performance as a whole.

5.3 Conclusion

Public sector organizations in Kenya are under pressure to increase efficiency while delivering improved and integrated services. The change in global networks, information technology, business structures, business practices and workforce arrangements has been increasingly challenging the SACCOs in public sector in Kenya to attain high-performance and to retain a leading edge. Strategic change management practices are critical to every organization that aspires to high performance and this enables the SACCOs in public sector to remains a vehicle for delivering development for the country within a framework crafted to realize economic and allocate efficiency, equity, justice, fairness, security, competitiveness and contestability.

Successful strategic change management practices yield cost saving, efficiency in service delivery, increase in business volume, increased lending with high performing loans, healthy competition and increase in profits. However, the study revealed that governance and restructuring practices was lowly embraced as strategic practices in the SACCOs operating in public sector in Kenya .This was affecting their performance and also making many of the organizations face stiff competition from commercial banks in which they were operating in the same environment. Management needs to address these issues to realize the benefits that they can accrue if implemented in their organizations.

5.4 Recommendation

The study recommends that SACCOs in public sector and any other organization in Kenya need to embrace effective networks and alliances, develop new programmes in line with global trends, gather information on competitors, do environmental scanning to maximize on opportunities and minimize risk and adapt ICT/technology. This would enable the firms to enhance service delivery to its members and customers. The study recommends that SACCOs in public sector should embrace restructuring practices and this should include adoption of a narrow organization structure with departments focusing on each market segment for effective management of its customers, repackaging their products to suit their clients and also changing their mission and vision to suit their current policies.

 Adoption of hi tech technology, developing effective marketing strategies and offering better training to marketing staff enables effective marketing of products of the company in more strategic approach. The study also recommends that management of SACCOs in

public sector in Kenya should be committed to fostering teamwork and to providing an environment that value, empowers and respects individuals. The Government should provide an enabling environment for growth and development of SACCOs in public sector.

5.5 Area for further research

This study determined the strategic change management practices adopted by SACCOs in public sector within the Kenya context. The study recommends that a further study should be carried out to investigate the factors hindering the strategic change management practices adopted by SACCOs in public sector within the Kenya context.

The study recommends that a further study should be carried out to investigate impact of strategic change management practices on performance of SACCOs in public sector within the Kenya context. This would lead to establishing the role that strategic change management plays in organizational performance.

5.6 Implication on policy, theory and practices

The SACCOs in public sector and any other organization in Kenya should embrace effective networks and alliances, develop new programmes in line with global trends, gather information on competitors, do environmental scanning to maximize on opportunities and minimize risk and adapt ICT/technology to effectively manage the ever changing environment. In addition SACCOs in public sector should embrace restructuring practices and this should include adoption of a narrow organization structure with departments focusing on each market segment for effective management of

its customers, repackaging their products to suit their clients and also changing their mission and vision to suit their current policies.

The government should enhance policy development for the management of strategic change challenges faced by SACCOs who adopt strategic change management and can borrow the same practices and apply the same especially during this time when the market is very competitive. The SACCO in public sector should embrace corporate governance in sectors of the organization starting from the board of directors to the operational level of the organization. SACCOs should come up with polices and recommend procedures to enable adoption of polices on governance established. The board of directors should develop polices to enhance effective management of change in SACCOs.

Findings of the study contribute to the existing theories for researchers and scholars to enhance their understanding the strategic change management in credit unions and SACCOs

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APPENDICES

Appendix I: Letter of Introduction

August, 2013

Dear Respondents,

RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT

I am a student at the University of Nairobi pursuing a Masters of Business Administration program.

Pursuant to the pre-requisite course work, I am conducting a research project on **STRATEGIC CHANGE MANAGEMENT PRACTICES ADOPTED BY SACCOS IN PUBLIC SECTOR**. The focus of my research will be SACCOs in public sector and this will involve use of questionnaire to be administered to members of your management team.

The information that will be provided will be used for academic purpose only. Your assistance is highly valued. Thank you in advance.

Yours faithfully,

Peter Kimotho.
Researcher

Appendix II: Questionnaire
PART A: BACKGROUND INFORMATION

Please take a few minutes to complete this questionnaire. Your honest answers will be completely anonymous, but your views, in combination with those of others are extremely important in this research. Kindly answer all questions.

1. Name of your organization ………………………………….

2. Your current position…………………………………………..

2. How long have you worked in this SACCO?

  i.   Less than 3years   [   ]

  ii.   4-6 years   [   ]

  iii.   7-10 yrs   [   ]

  iv.   11-15 yrs   [   ]

  v.   Above 15 years   [   ]

3. Indicate how long (in years) you have worked in your SACCO under your current position

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

PART B: STRATEGIC CHANGE MANAGEMENT ISSUES

4. Indicate the extent to which the following aspects necessitated change in your SACCO
Use a scale of 1-5 where 1= No extent, 2= Less Extent, 3= Moderately Extent, 4=Great
Extent and 5= Very Great Extent

Statement on aspects necessitated change in your SACCO	1	2	3	4	5
Advancement of technology					
Changes in form of governance					
Improve quality of SACCO customer care					
Increase in number of SACCOs in the Market					
Outsource non-core business activities such as cleaning and security					
Improve Customer saving and deposits					
Enhance risk management in SACCOs					
Installing Hi Tech computers					
Adoption of Board of governors					
SASRA regulations					
Competition in the market					
Political environment					
Globalization					
Workforce demographics					
Social values					
Economic changes					

Others …………………………………………………………….

Part C: Strategic Change management Practices

5. Indicate the extent to which the following strategic change management practices has been adopted in your SACCO.

Use a scale of 1-5 where 1= No extent, 2= Less Extent, 3= Moderately Extent, 4=Great Extent and 5= Very Great Extent

Statement on strategic change management practices that have been adopted in your SACCO	1	2	3	4	5
Environmental scanning					
Change in financial policies due to change in government regulations					
Gathering of information on competitors					
The SACCOs becoming innovative to ensure existence in the market					
Encourage employees empowerment programmes					
Encouraging effective networks and alliances					
Adaptation of ICT/technology to enhance service delivery					
Adopt effective resource allocation processes in SACCOs					
Developing new programmes in line with global trends					
Decentralization processing unit of to enhance financial service delivery					
Enhance technology adoption in development of new product					
Enhance Leadership in SACCOs					

Employment of competent human resources					
Formulate vision and mission that guide the function of the SACCO					
Enhance capital adequacy					
Implementing Boards of governance					
Adopting risk based auditing					
SACCO restructuring					
Increase minimum capital requirement					
Evaluation and control of strategy on SACCO performance					
Devolvement of new Financial products					

Any other, kindly specify……………………………………………………………….

……………………………………………………………………………………………..

……………………………………………………………………………………………..

7. In your opinion, are the benefits of strategic change management practices in the organization?

i……………………………………………………………………………………………

ii……………………………………………………………………………………………

iii…………………………………………………………………………………………

iv…………………………………………………………………………………………

THANK YOU FOR YOUR RESPONSE

Appendix: List of SACCOs (Source: SASRA SACCOs Report, 2012)

1. Afya Sacco Society Ltd
2. Airports Sacco Society Ltd
3. Farijisacco Society Ltd
4. Harambee Sacco Society Ltd
5. Hazina Sacco Society Ltd
6. Jamii Sacco Society Ltd
7. Kenpipe Sacco Society Ltd
8. Kenya Police Staff Sacco Society Ltd
9. Mwalimu National Sacco Society Ltd
10. Nation Staff Sacco Society Ltd
11. Safaricom Sacco Society Ltd
12. Sheria Sacco Society Ltd
13. Ukulima Sacco Society Ltd
14. Wana-Anga Sacco Society Ltd
15. Waumini Sacco Society Ltd
16. Naccico-op savings and credit society
17. Stima Sacco
18. Kimisitu Sacco
19. Elimu Sacco
20. Chai Sacco
21. Concode Sacco
22. Nassefu Sacco
23. Mshamba Housing Co-Operative Society
24. Bingwa Sacco
25. Kencom Sacco
26. Sheria Sacco
27. Hazina Sacco
28. TelePost Sacco Society Ltd
29. Maisha Bora Sacco
30. Uokoaji Savings and Credit Society Ltd
31. Kenya Bankers Sacco
32. Macobo Saving & Credit Society Ltd
33. Shujaa Sacco Society
34. Kenpipe Sacco Society
35. Naku Sacco Society
36. Mwito Sacco Society Ltd
37. Kingdom Sacco