

**STRATEGIC CHANGE MANAGEMENT PRACTICES AND
COMPETITIVE ADVANTAGE AMONG DEPOSIT TAKING SACCOS IN
NAIROBI CITY COUNTY, KENYA**

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DECLARATION

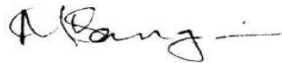
I hereby declare that this research project is my original work and has not been presented in any other institution.

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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 wife Juliet Awuor and My uncle Elly Omondi for their understanding and unconditional support during the study period.

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ABBREVIATIONS AND ACRONYMS

DT	-	Deposit Taking
KUSCCO	-	Kenya Union of Savings & Credit Co-operatives Ltd
SACCO's	-	Savings and credit cooperative society
SASRA	-	Sacco Association Societies Regulatory Authority
SGR	-	Standard Gauge Railway
SPSS	-	Statistical Package for Social Sciences

ABSTRACT

Change is an inevitable continuous process which establishes long-term direction as well as competitive advantage of organizations for ensuring cautious formulation, effective implementation as well as incessant evaluation of strategy in progress. Saccos have embarked on a number of strategic changes in the recent past which have made the Saccos to come up with organization structure that makes it to be competitive. The general purpose of this research was to explore the influence of strategic change management practices on competitive advantage of by Deposit Taking Saccos in Nairobi County. This study was based on two theories, Kotter's 8 Step Model of Change and Resource Based Theory. The target population for this study comprised of 142 deposit taking Saccos in Nairobi. The data was collected from one senior business and innovation manager per Sacco. Analysis was done using descriptive analysis, linear regression and correlation analysis. It was established that resistance to change and training influence change management to a great extent while many Saccos embraced communication change, coaching and feedback practices at moderate extent. The study established a positive association between strategic change management practices and competitive advantage. It was concluded that communication change, coaching and feedback and training were positively related to competitive advantage. The study recommends that leadership of Saccos should be committed to change management process and all employees and stakeholders should be part and parcel of the strategic change process so as reduce resistance to change.

CHAPTER ONE

INTRODUCTION

1.1 Background

For emerging technology World, shifting demographics, changing economies, fluctuating consumer preferences, governments restructuring as well as dynamic competition organizations have no choice but to decide as to which direction to change. Just as living things, organizational change is unconditional. An organization has to constantly align itself with the external environments through responding to external incidents or through realigning the business in which it operates in (De Wit & Meyer 2010). Organizational change seeks better alternatives of utilizing the capabilities and resources so as to enhance the organization's ability of increasing productivity and improve stakeholder returns. Niwagba (2013) asserted that the application of strategic management practices does not significantly influence competitive advantage of a firm.

This research was directed by these theories; Kotter's 8 Step Model of Change and Resource Based Theory. Kotter's 8 Step Model of change model for change was developed up by Kotter (2007) a leadership and change management master. His goal was to establish how organization's leadership needs to make people appreciate that change is necessary for the organization to accomplish its objectives. Resource based view was founded by Wernefelt (1984).Resource-based theory of strategy focuses on firm's possession and use of resources and competencies as a competitive advantage.

Deposit Taking (DT) –SACCOs is amongst the fastest growing faced by stiff competition in Africa (SASRA, 2016). The sector has witnessed a persistent rise in numbers of Deposit Taking (DT) –SACCOs over the years making competition stiff. The customers have equally become more enlightened demanding better services at a lower cost. Other firms such as banks have come in to offer services that were initially a preserve of Deposit Taking (DT) –SACCOs. According to Cooperatives Europe (2018), over 100 Million people are employed by cooperatives and 3 billion people benefit directly from them across the world (Cooperative Europe website, 2018). In Kenya, Deposit Taking (DT) –SACCOs have employed 8,194 people with an additional 3.6 million people benefiting directly as members (SASRA, 2016). Financial cooperatives such as SACCOs offer alternative solutions to the unbanked as well as supplementing financial needs of those in the banking system (Cooperatives Europe website, 2018).

1.1.1 Strategic Change Management Practices

Schein (2009) defined strategic change management practices as the way of constantly reviewing and recreating a company's mission, realigning systems and competences to address the dynamic requirements of both extrinsic and intrinsic environment. Changes are inevitable in today's environment for every organization in order to breakeven and remain competitive. Organizations can't afford to go by strategies that are intuitive the moment they become large, have layers of management, or once their environment changes in a substantial manner (Click and Duening 2005). The types for strategic change management comprise of; organisational leadership, recognition and Rewards, communication, training, organisational resources, stakeholder involvement and organisational culture.

According to Elving and Hansma,(2008), identifies national and regional cultural factors that influence behavior of societies and organizations. The study proposed a cultural dimension's model that describes impact of a society's ethos on the ethics of its members and the relationship between those values and behaviors. Dawson, (2013) in his model aids in understanding of cultures, what to expect from them and appreciation of cultural differences with an aim of uniting people to achieve a common goal of an organization. There are six dimensions of Hofstede's model in which are applicable in organization culture. Edmonds (2011) employees need to be rewarded for their good work done in the firm so that to be effective. Strategic change can also be managed through effective use of communication, participation, and training, adjusting culture and support by the top management Becker (2014).

Gekonge (1999) identified strategic planning as key to initiation of strategic change management practices. Different managers may manage strategic change differently contingent on the perception of strategic change hence variety of strategic change management practices Gekonge (1999) views strategic change as a political process which involves power games and should be managed differently depending on the existing organizational systems. Organizations should have a continuous training on the change and equipping staff with the required expertise to effectively implement the new ways, documentation of the change to provide a point of reference and uniformity in interpretation and risk assessment in the organization (Musau, 2012).

Musau (2012) further asserts that training equips management to have the specific competencies necessary to manage the change; staff training contributes to increased group and individual motivation; it promotes communication between peers; facilitates the change and eliminates confusion on the change since one well understands what is expected of them and sustains staff retention. Another vital practice in strategic change management is stakeholder involvement.

Bryson (2016), states that internal and external stakeholders should be involved since they may have information that cannot be obtained without their input. Participation of stakeholder is important for ensuring effective execution of enterprises based on the analysis.

1.1.2 Competitive Advantage

Competitive advantages are defined as the state that enables a firm or a country to generate services or goods at an affordable price and one that meets the preferences and desires of the customers (Afonina & Chalupsky 2012). Through this, a productive entity can outshine its competitors by making more sales and attaining superior margins. An organization's competitive advantage is linked to many factors that include the customer support, intellectual property, cost structure, distribution network, quality, and brand. According to Meihami, and Meihami (2014), organizations that have a sustainable competitive advantage consistently produce products or services that carry the qualities that match the major buying criteria for most of the consumers in the market. It involves achieving superior performance and economic value over a prolonged period in the market.

Many scholars have concluded that some forms of competitive advantage cannot be easily imitated which enables the firm to reap long-lasting benefits. This perception has aided to growth of the competitive advantage concept from resourced based perspective and the industrial organizations (IO) in the previous year's which led to the advancement of the sustained competitive advantage (SCA). Therefore, competitive advantage is said to constitute two elements: The first is, the above average performance notion, as a relational measure within an industry and the second is the durability notion. Even though an industry's above average performance can be measured

justifiably as the returns in comparison to the average of the industry, the notion of durability is not clear.

Click and Duening (2005) observed that the main indicators of competitive advantage are brought around in terms of costs of physical assets. Porter (1996) stated that competitive advantage essentially focuses on three aspects namely, differentiation advantage, low costs and focus strategy. Porter further highlighted that competitive forces can be addressed based on threat of substitutes, powerful customers, threat of new entrants and rivalry as well as powerful suppliers. Stonehouse and Snowdon (2007) posit that a competitive advantage is categorized into four factors: differentiation, cost leadership, cost focus and differentiation focus. As per Stone house et al. (2007), cost leadership is achieved when an organization is committed to being the lowest cost producer in the sector, while differentiation entails managing customer perceptions by producing products or services that are bigger than the competitors and thus charging premium prices.

1.1.3 Deposit Taking Saccos in Nairobi County

SACCO stands for Savings and Credit Co-operative. Several Saccos are registered in Nairobi. SACCO industry is basically a part of the cooperative sector in Kenya which has created a very strong impact on the life of many Kenyans over the years. Saccos in Nairobi are categorized as financial and non-financial cooperatives. Non-financial cooperatives comprise of livestock, tea, and coffee and dairy among other co-operatives. On the other hand, financial co-operatives comprise of SACCOS investment on housing and other financial generating investments. The SACCO sub-sector is described as an organization providing financial services to the members of its regulatory regime. It is a type of financial organization focused on mobilization of funds and

the provision of affordable credit as its major priority. The two types of Saccos are non-deposit and deposit Saccos the non-deposit Saccos are not regulated while deposit are regulated by Sasra.

During the year ended 2019, a sum of 142 DT Savings and Credit Cooperatives were registered to carry out the activity of banking in Nairobi in congruence with relevant legislation that guides the banking services provided by DT-Sacco's. Total number of deposits taking Sacco's Licensed by SASRA in 2019 was 141 after only one new deposit taking Sacco was licensed to operate during the year that ended in 2019 bringing the total number of deposit taking Sacco's to a total number of 142 Deposit taking Sacco's operating in line with jurisdiction and supervision of Sacco Societies Regulatory Authority (SASRA).The aggregate members of registered DT-SACCOs that are using the financial services of DT SACCOs were 3.6 Million members in 2019, of which approximately 500,000 were reported to have been inactively engaged in operation of DT-SACCOs (SASRA, 2019).

Study by Dauda, Akingbade and Akinlabi. (2010) noted that DT-SACCOs are a precondition for mobilization of savings among the low-income households in Kenya who have limited access to mainstream commercial banks that are rigid in their operation. The DT-SACCOs represent a key component of the financial system and make services available to a majority of low-income households in Kenya especially those living in the rural areas. DT-SACCOs have an extraordinary legitimacy in that their customers are additionally their investors. Their owners therefore should along these lines embrace genuine deposit mobilization, protection policies to cover part depositors and investor's funds, advances, and formation of inside motivations to appealing reserve funds.

1.2 Research Problem

Change is an unavoidable ongoing process that defines long-term course as well as organizational efficiency to ensure diligent formulation, successful execution and continuous review of the ongoing strategy (Yılmaz, 2014). Evidence, nevertheless, indicates that a high number of strategic change initiatives fail to cause major financial impact, where Wiggins (2009) is estimated to lose 15 percent of every dollar utilized in regards strategic change initiatives. Simultaneous changes in several organizational dimensions are required for the successful implementation of organizational change (Davies, 2014). The key issue pertaining strategic change management practices is to create an explanation on why firms in their output to gain -competitive advantage while working in the same business setup that is competitive in nature. An organization should be familiar with internal resources, the expectations and influence of stakeholders, competences and external environment for the strategic change management practices to be successful.

Saccos play a crucial role in helping Kenyans to obtain credit at an accessible rate in Kenya. This contributes significantly in the attainment of Vision 2030. Saccos have embarked on a number of strategic changes in the recent past which have made the Saccos to come up with organization structure that makes it to be competitive (Irungu, 2017). Also accompanying these changes is lack of coordination of services among some key departments. These changes however, have brought Saccos some positive impacts such increase in revenue. As there are several Saccos, this industry has a high degree of competition and they all work to ensure they supply their customers with better goods and services. With changes in regulatory frameworks, change in technology as well as workforce demographics, there is an avenue of research on how organizations in the Saccos address change management. Managers in the industry have undertaken different change management practices some with phenomenal success and others

with outright failure. Saccos as an administrative unit is constantly under pressure to improve on service delivery. This can be used as a strategy for selecting the preferred strategic practices for change management; Saccos have adopted various strategies that will enhance its ability to effectively and efficiently enhance service delivery. Saccos have not truly appreciated the role of strategic choice in the change management process.

In strategic change management practices, numerous surveys have been carried out internationally, Dauda, Akingbade and Akinlabi. (2010) conducted a study on the effect of strategic change management on outcome among few small scale enterprises located in Nigeria specifically Lagos. He conducted a cross sectional survey whereof his research findings demonstrated that organizational profits and even market share were enhanced through the incorporation of strategic change management practices. Niwagba (2013) did a case study on practical application of strategic change management on organizational performance in Kampala Capital City Authority. It was established that a positive and significant association between the performance of the organization and strategic change management practices and also the fact that strategic change management practices did contribute towards organizational performance. Dibrell, Craig, and Neubaum (2014) studied the link between Formal method of strategic planning, versatility in planning and creativity. The study established that strategic planning process has positive relationship with outcomes. The study concludes that managers should attempt to integrate the planning process with reasoned, flexible responses to effectively manage increasingly changing environment.

Locally, Odundo, (2007) carried a case study on change management practices adopted by Kenya Revenue Authority. The study found that KRA had implemented a change program that entailed restructuring of departments in order to centralize a number of key operational areas as well as the need to improve on efficiency. Musau (2012) undertook case study on Change management at Safaricom Ltd with an objective of identifying the approaches taken as well as challenges encountered. The study enumerated the key factors essential for a successful change program as well as the challenges encountered. Mwangi (2013) examined the change management and competitive advantage of huge pharmaceutical firms in Kenya. He concluded that businesses change management can make an organization to have competitive advantage.

From the various studies discussed most studies were done on strategic management practices and performance, few studies were done on the competitive advantage. Therefore this study aimed to assess the association between strategic change management practices and competitive advantage in Deposit Taking Saccos in Nairobi County. This study addressed the following research question, how do strategic change management practices affect competitive advantage in Deposit Taking Saccos in Nairobi County?

1.3 Research Objective

The research's objective was to establish the impact of strategic change management practices on competitive advantage of Deposit Taking Saccos in Nairobi City County.

1.4 Value of Study

Researchers and scholars utilized the study's findings for reference and foundation for conducting more research on strategic management in any other field. Scholars and researchers may also use it to identify further areas of study and related areas by determining topics which require further research and through the review of empirical literature currently existing to determine study gap.

Findings from this current study significantly make a contribution to general knowledge in the field of strategic management. Sacco's administrators gained knowledge on organization structure and strategic change management. It also increase the chances of successful strategic change management among the devolved units and create awareness within the Saccos stakeholders, development partners and the citizens on the effect of a successful strategic change management.

Finally, to the government and policy makers, these include mainly the Sacco Societies Regulatory Authority (SASRA) and to an extent the other regulatory authorities in the financial sector at large. The study would guide the policy formulation process which if based on the wrong premise may be ineffective in achieving policy objectives.

CHAPTER TWO:

LITERATURE REVIEW

2.1 Introduction

Theoretical review has been examined in this section and also strategic change management practices together with their relationship with the competitive advantage. The chapter further outlined both local and global empirical reviews and research gaps.

2.2 Theoretical Foundation

This context reflects researcher's interpretation of theories and models for topics applicable to the research subject and the entire area that the analysis applies to (Kiaritha, 2014). The theories offer a general reason for the existence of problems concerning science as a whole; therefore the researcher should be acquainted with those principles related to his area of analysis (Kombo & Tromp, 2009). This study was based on two theories namely, Kotter's 8 Step Model of Change and Resource Based Theory. The study focused

2.2.1 Kotter's Eight Stage Model of Organizational Change

The eight step model for change was developed up by Kotter (1996), a leadership and change management master. Kotter (2007) in his study established that roughly 70% of all major initiatives for change in businesses fail. This failure is mainly because most organizations fail to do a holistic approach required to make change management a success. In his books he describes a model for understanding and managing change which entails an Eight-Step Process to overcome resistance and become adept at change.

According to Kotter (2011), leaders in organizations must first create a sense of urgency. He proposes that for change to succeed, 75% of a company's leadership is required to back the change. This entails extensive analysis of a business's the external and internal environments using strategic tools of planning. He reiterated that in creating sense of urgency, it is vital for leaders to understand their business environments before deciding whether the state of the organization is ready for change (Moran & Brightman, 2011). Kotter (2011) suggested that 75 percent of the management of an organization should "opt into the change effort for change to be effective.. An organization's leadership needs to make people appreciate that change is necessary for the organization to accomplish its objectives. Secondly, it is expected that leaders should form the Guiding Coalition. This includes putting together a group of persons from several organizational sections and levels to drive the change i.e. change agents. One needs to create a multi-functional team from different levels with sufficient power to lead the change by building the required urgency and momentum on the need for change, and spearheading change implementation.

The third stage is to establish a strategy and vision to lead the effort towards reform. The vision should be clear and easy to grasp and remember to enhance everyone's understanding of why change is necessary. When people can see and understand the intended outcome, then the directives they are given tend to be clearer and making more sense. This vision is vital because it enhances the understanding of the need for change; what and why (Todnem, 2005). Fourthly, communicating the change vision particularly to those who will be affected is important. Leaders must ensure that people understand and accept the vision by demonstrating the kind of behaviour that they want from others and addressing peoples' concerns and anxieties honestly and openly. The fifth step is empowering broad-based action, where initiatives for change are applied through practical activities after planning and talking. At this level, agents for change must ensure helpful

structures are place, inspire and empower employees to take risks in pursuing the change objective. It is at this point where hurdles to obtain the vision must be done away with.

The model relates to this research because for managers in an organization to implement strategic change they need to overcome resistance among various stakeholders with different views. In order to achieve the lowest of thresholds, communication should be multi-channeled quite effectively, incentives and reviews must fit the current vision, and management must aim to demonstrate ties between new methods and better results. More specifically, Kotter (1996) clarified that in the first stage of generating a sense of urgency, most organizations undergoing change stall because it is very challenging to push individuals out of their comfort zones to establish new processes and procedures.

2.2.2 Resource Based View

Introduced by Barney (1991), Resource Based theory focused organizations attention to internal resources, strategically realigning those resources with view of obtaining competitive advantage to its rival firms. According to Barley (2001), strategic resources of the firm for which have the potential to strategically place the organization at a competitive advantage against its rivals must be rare, valuable, imperfectly imitable and not substitutable. The theory suggests that organizations must come up with unique means of having competitive edge. However, the Resource Based Theory plays a significant approach to an effective strategy function. As suggested by the theory, competitive advantage is company's heart focusing on both strategic management and strategic marketing. (Hamel, 2012).

The theory's opponents contend that the theory should not recognize resource variables, that is, an expectation that they occur easily. Barley (1991) argues that the theory fails to address how the

resources acquire key capabilities required or rather developed to enable the organization attain its competitive advantage. Nevertheless, the theory assumes that an organization can be profitable amidst competitive environment.

The relevance of the theory is that competitive advantage may not be dependent on factors such as innovation, economies of scale or natural resources, because these are progressively simple to reproduce. The theory strengthens the idea that the success of an organization depends highly on people as an important asset and that firms should nurture employees within a supportive work environment.

2.3 Strategic Change Management Practices and Competitive Advantage

Kreitner & Kinicki, (2010) gives a discussion on the different strategic change management practices which firms adopt. Such options are Communication Change, Resistance to Change Coaching, Feedback and training.

2.3.1 Communication of Change

Communication has proven to be the most significant tool for business management and social life. As such, one of the most inhibiting forces to organizational effectiveness stands as the failure to communicate. Elving and Hansma, (2008), communication change had a substantial contribution to firm competitive advantage of a firm. Furthermore, in addition to the above, the capabilities and resources of a firm influence how competitive a firm becomes. Further, the research was done in a separate context and therefore outcomes could not be generalized in the current study. Lewis (2010) aimed at establishing how communication change influence competitive advantage of a firm. Communication aids in transmitting information and common understanding from one person to another. Elving and Hansma, (2008), controlled a meeting

research among the board and representatives during the time spent authoritative change. Also, it is imperative that chiefs go about as good examples for the change procedure consistently as that guarantees efficiency (Heracleous, 2002). While pioneers seem cognizant of quick change their firms (Bolden and Gosling, 2013), conveying that change is expressively testing (Lewis, 2010). However, another overview thinks about was done on a European based pharmaceutical business who found a novel self-guided group inside its hierarchical structure. Prior, the business, advancement, and generation offices dealt with all issues unmistakably. Amid a domain of progress for this business in the mid-1980s, its items were considered out-of-date.

2.3.2 Resistance to Change

Boohene & Williams, (2012) resistance to change is perceived as a key prevalent issue facing organizations making it to have a negative effect on competitive advantage. Resistance is described as "a state of mind indicating a lack of willingness or receptivity to improve the way we think and behave" (Makina & Keng'ara, 2018) or "a negative response related to change that involves some kind of power, behavior, and reaction that is intended to discourage or impede the introduction of change" (Oreg, Vakola, & Armenakis, 2011). Employee fear is a dominant aspect of opposition to transition. Piderit (2000) suggests that opposition to change has not yet captured the essence of the individual's response to change.

Most organizations facing resistance to change do not become competitive, according to Burke (2008). However, individuals vary in their interpretation of change; others may perceive improvements with lower resistance (Carnall, 1999). In other words, some corporate members willingly accept and embrace change initiatives, whereas others battle the change to extinction by rejecting its relevance.

Every behavior or actions that suggest readiness to accept or make a desirable improvement tends to be opposition to change in organizations dealing with the effects of change (Mullins, 2005; Schermerhorn, Hunt & Osborn, 2005). In reality, resistance to change is an opposition to losing something that is important or losing the familiar, by shifting to the unfamiliar. Sometimes, people oppose the imposition of transition, which is known as a common fact (Burke, 2008). Still, resistance can be inactive withdrawal or deliberate sabotage (Kreitner & Kinicki, 2010).

Resistance is more commonly related to pessimistic behavior or counter-productive actions. Wanous, Reichers and Austin (2000) investigated these behaviors and found that they involved omission, deceit and deviance at the workplace, as well as negation and skepticism. There are however, strong reasons that suggest that opposition must not be viewed as a totally negative factor, as it can have a significant role to play in corporate efforts to reform.

2.3.3 Training Needs

Cascio (2003) training needs is positively associated to competitive advantage. From a number of various viewpoints, such a process will require looking at training requirements. Those views are: departmental or practical, organizational or jobs and employees. Training managers evaluate the particular skill requirements identified by job requirements and role specifics of the workers in the work area or work unit at this stage. In accordance with a well-organized procedure, training and learning organizations that follow a structured strategy would typically set out to identify a need for training. Similarly, Kaufman (1974) when a firm trains its employees these makes the organization become more competitive in the industry in terms of necessary skills needed for the job market. The training requirements of employees could be determine by the employees' specific performances. Cascio (2003) argues that performance ensures that an individual worker or team

understands what is expected of them and remains focused on their respective activities, thus facilitating good performance. The attainment of actual output with regards to the objectives set results in high organizational performance. Richard et al (2009) suggests that the three aspects of organizational output of performance are; financial performance; the product market performance and shareholder returns.

2.3.4 Coaching and Feedback

Managing is to have responsibility within the company for some aspect of execution. Leading is the influence of leadership, action, and opinion. Coaching is intended to inspire dedication and high efficiency, to stimulate innovation and to model accountability. Varma (2001) sought to ascertain the linkage amongst coaching and competitive advantage. Organizations can have a powerful competitive advantage by establishing a culture built around coaching. Business leaders have traditionally, however, spent far too much time managing, sometime leading and very little time coaching.

Coaching was primarily reserved for executives in the past and there was little emphasis throughout the organization on cascading coaching skills. Nine out of ten employees want coaching and only three out of ten receive it, according to a recent study. And what they usually get is not true coaching, but assessment. Coaching, implemented at an organizational level, can lead to dramatic results and a major financial impact on the bottom line. Lusseir (2009) underscores the importance of employees understanding what is expected of them.

Rowold (2012) adds that new findings indicate that companies are engaging significantly in human capital growth interventions, including coaching to update and inspire workers in order to achieve work success, job fulfillment and job engagement. According to Kets (2015), coaching can also

be performed in communities to build employees who are competitive in the job market. Coaching is often relevant for the reasons that it could offer workers empowerment because of the privilege of being accountable. Coaching will also inspire workers to improve, and it can also strengthen employees' solidarity (Kruzela, 2011).

2.4 Empirical Review and Knowledge Gaps

Tracey, Vonderembse and Lim, (2010) investigated the role of strategic change management on competitive advantage among financial sector firms in Brazil. Through the use of exploratory study design among 121 companies, with canonical correlation the results indicated that strategic change management leads to competitive advantages in the areas of operational efficiency, flexibility, pioneering potential, innovation and managerial capacity. This study provides insights to effect of strategic change management on competitive advantages but failed to explore the advantages in the financial sector firms.

Dawson, (2011) argue that to rise responsibility for choice and change process, and flood promise to it, is fundamental to include the individuals who were influenced by the change to take an interest in perceiving key issues, creating a vital program, the vital basic leadership process or booking of the key change. This prompts more advantageous nature of choices than could have generally been practiced. The change specialist holds control of the change procedure however assigns specific obligations to gatherings or groups. The change go-between could assign specific establishments of the change procedure, for instance, thought age, information gathering, intensive arranging or the improvement of reason for change to extend groups of taskforces. These groups at that point get associated with the change procedure and see their efforts working in becoming change procedure. Its significant in that it not just incorporates staff members of the firm in thought

age yet in addition in the usage of goals. The change specialist intercedes where the procedure loses bearing as the individual still holds control of the general change process (Elving & Hansma 2008).

Carnall, (2014) posits that competitive advantage constitutes a set of characteristic competencies that distinguishes an organization apart from competitors, hence providing them an advantage in the industry. Traditionally, competitive advantage is viewed as making a decision regarding the markets in which a firm would compete, taking deliberate actions to defend its market share using either product or price attributes. Change management choose the strategy that influence competitive advantage.

According to Walker (2004), competitive advantage arises from developing and protecting resources and capabilities. Strategic thinking is propelled by the company's strategic intention to provide the employees and the company with energy and creativity to achieve goals. A strategic goal means a clear perspective on the long-term demand or competitive role that an organization aims to grow over a period of time in the future. Therefore the strategic intent conveys a sense of direction from one point to another depicting change

Bowmanoando (2016) discoveries demonstrate that a change methodology of guidance and correspondence is commenced on the suspicion that if individuals are offered the reason for change, they will see the need for it and subsequently purchase in to it. This might result to firm to be competitive advantage. Useless correspondence amid hierarchical change is passed on to contrarily impact the manner in which an association works and disperses its capacities. As concerns change correspondence inside an organization, one circle is the place of directors or the executives in communicating data with respect to change. Elving and Hansma, (2008), controlled

a meeting research among the board and representatives during the time spent authoritative change. The huge reasoning from this examination was that the achievement of the telecom and adjustment of association change suggestively relied upon open and illuminating aptitudes of chiefs at all stages. Also, it is imperative that chiefs go about as good examples for the change procedure consistently as that guarantees efficiency (Heracleous,2002).

Matokho and Anyieni (2018) also conducted a cross sectional study to establish the impact of strategic change management on financial outcomes of banks in Kenya. The findings of this study reveal that strategic change management leads to a decrease in operational cost while increasing the market share of banks in Kenya. This research is relevant for this research in understanding the competitive advantage offered to banks through strategic change management. However, it fails to analyze the competitive advantages offered by strategic change management. Musau (2012) undertook case study on Change management at Safaricom Ltd with an objective of identifying the approaches taken as well as challenges encountered. The study used the case study design to carry out a detailed and complete review. It enumerated the key factors essential for a successful change program as well as the challenges encountered.

Petouhoff (2006) indicated that while a transition in organizations can cause uncertainty and frustration, all staff and the company as a whole can have a positive effect, given the management takes it properly into account. Managers will be able to assess the progress and development of organized policies on management of change within the organization through an in-depth understanding of change and its positive effects.

Other administration bearing to change methodologies include utilization of capacity to authorize change. Change is connected in conditions where enactors hold a type of intensity. Bowman and

Asch, (2007), saw that control methodologies are used in conditions where the change must be connected quickly and a couple of assets are reachable for projects of instruction or transaction. Power is best utilized when the commitment of those affected isn't basic for usage of the change, or when little obstruction is likely. Change appliers can likewise utilize control techniques and as Bowman and Asch, (2007) propose such a system can be used to motivate others in the organization to feel amped up for change.

Whereas the studies on change management have been undertaken as indicated above, an in-depth study has not been done on strategic change management practices and competitive advantage in Saccos in Nairobi, Kenya and the implications of such practices on the competitive advantage of the firm. This creates a need to implement a study on the Strategic change management practices adopted by Saccos in Nairobi as well as the contributions of these practices to competitive advantage that the firm enjoys

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

The segment showcases in detail methods employed for evaluation for research. A justification of methods selected under each methodology is also provided. The research objective outlined in chapter one guided the research methodology. Research design and tools that was used in collecting data are also described in this chapter.

In addition, this chapter outlines the data collection method. Furthermore, a justification of the data collection method adopted the type of data collected that is either primary or secondary data. Finally, the chapter gives an overview of the data analysis approaches and tools employed for the study. The last segment summarizes data analysis methods and tools which was used in the course of the research.

3.2 Research Design

Descriptive cross-sectional survey was used because it describes data and the varied characteristics of the population and the subject under evaluation. Kombo and Tromp (2006) define research design as structured settings needed for both collecting and analyzing data. Kothari (2004) added that a research designs a research study is economical as well as aligned with the research purpose.

This design was used because large samples are realistic and give statistically significant results even when analyzed using several variables. Surveys are important since they give a good

description of a large population. The design freely responded to the questions of when, who, where and how enabling the respondents to respond freely.

3.3 Population of the Study

According to Zikmund *et al* (2010), population refers to a group, families dwelling in the city or voters from whom one can pick a small number of families, students, electors to inquire or respond to your investigation question. On one hand, Kothari (2004), defines a target population as every member who is either in a real group or a hypothetical group of individuals, items or subjects from where the researcher has the intention of obtaining conclusions that are general in the variables under study. The target population of this research was 142 deposit taking Saccos in Nairobi as per Sasra report (2019). The above study adopted census survey.

3.4 Data Collection

Primary data was used for the research. This was collected via a fully designed survey which had close ended questions. It had three parts; the first section elicited general information while the second part gathered information on strategic change management and third part had information on competitive advantage of deposit taking Saccos. The research used one questionnaire per firm. The questionnaires were distributed through email since the study was conducted during stringent health protocols on social distance as a result of Corona Virus Disease of 2019. The target respondent was one senior business and innovation manager per Sacco since they are well informed about the change management issues being implemented in the Sacco. The questionnaires were sent through Google form.

3.5 Data Analysis

Data gathered via surveys was assessed for correctness and completeness. Questionnaires were edited, classified and tabulated before carrying out descriptive analysis. Descriptive analysis focused on working out measures of central tendency and dispersion measures. The result were presented using tables. To perform multiple linear regressions analysis, the Statistical Package for Social Sciences (SPSS) software will be employed to assess relationship amid these variables.

Operationalization of Study Variables were strategic change management practices included: communication change, participation in change process, direction to change. Competitive advantage was operationalized by use of roles, rules and procedures, standardized behavior, employee need, power and authority.

The linear regression model was utilized as indicated below:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$. Where;

Y=Competitive Advantage

β_1 to β_3 are the regression coefficients

β_0 = Constant Term

X_1 = Communication Change

X_2 = Resistance to Change

X_3 = Coaching and Feedback

X_4 = Training

E=Error term

CHAPTER FOUR:

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

The segment has analysis of data used and deliberates research outcomes on relationship between strategic change management practices and competitive advantage.

4.2 Response Rate

Response rate of the study was 56.3 % as 80 out of 142 questionnaires were completed successfully and returned for data analysis. The results are in line with Mugenda and Mugenda (2013) affirmation showing rates greater than 50% is satisfactory in the analysis. Babbie (2010) also claims that a 60% return rate is decent and a 70% return rate as excellent. Findings were adequate to analyze the data. This is a sufficient response rate and therefore the researcher proceeded with the data analysis.

4.3 General Information

The segment is concerned with the general knowledge pertaining the firm. This information helps in understanding the background of the organization under review. It sought details on the ownership category, period of operation and number of branches across the country.

4.3.1 Ownership Category

Participants were able to give information about the ownership category of the deposit taking SACCOs as shown on Table 4.1

Table 4.1: Ownership Category

Ownership category	Frequency	Percent
Government employees	28	35
Teachers	10	12.5
Private Sector employees	15	18.75
Farmers	7	8.75
Others	20	25
Total	80	100.0

Source: Research Data 2020

The research as shown in Table 4.1 found that ownership category of the deposit taking SACCOs in Nairobi County consists of government employees 35%, others at 25%, private sector employees at 18.75%, teachers at 12.5% and lastly farmers at 8.75%. The category of others includes those SACCOs sourcing members from religious groups, trading organizations and any other institution, also, their membership is open to members of public. The result indicates that all sectors of economy are well represented by the SACCOs.

4.3.2 Period of Operation

Participants were able to give information about the period of operation of the deposit taking SACCOs as shown on Table 4.2

Table4. 2: Period of Operation

Years	Frequency	Percent
Less than 5	9	11.25
6-10	10	12.5
11-15	15	18.75
16-20	17	21.25
Over 20	30	37.5
Total	80	100.0

Source: Research Data 2020

From Table 4.2, the results indicates that most of the SACCOs in the County have been in operation for over than 20 years at 37.5%, 21.25% between 16-20 years, 18.75% between 11-15 years,12.5% between 6-10 years and lastly 11.25% less than 5 years.The result implies that majority of the SACCOs under review have a solid experience in change management.

4.3.3 Number of Sacco Branches

Participants were able to give information about the number of branches of the deposit taking SACCOs as shown on Table 4.3

Table4.3: Number of Sacco Branches

Branches	Frequency	Percent
No branch	30	37.5
1-4	25	31.25
5-10	15	18.75
More than 10	5	6.25
Total	80	100.0

Source: Research Data 2020

As per Table 4.3 indicate that 37.5% have a branchless head office; 31.25% have at least 1-4 branches 18.75 % operates 5-10 branches while only 6.25% have more than 10 branches across the country.

4.4 Strategic Change Management Practices

Strategic change management practices were an independent variable in this study. It was necessary to establish the respondents' views regarding strategic change management practices in their firm. The strategic change management practices were evaluated on a 5-point Likert scale, and it was expected that participants would either consent: "to a very large extent", "large extent", "moderate extent", "little extent", or "Not at all". For each single question, response which denoted the most positive response for these practices was allocated 5 points and then 4, 3, 2, and 1 for the least positive respectively. For purposes of this analysis, the following was adopted a mean score of 4.0<5.0 great extent, 3.0<4.0 moderate extent, 2.0<3.0 little extent and 1.0<2.0 did not agree. In total, 20 statements were used to evaluate strategic change management practices in the Saccos.

4.4.1 Communication Change

The respondents were given five statements on communication change and they were asked to specify their level of agreement. Outcomes are indicated in Table 4.4

Table4.4: Communication Change

Statement	N	Mean	Std. dev
Communication is viewed as central to the quality service delivery success of most all organizations	80	4.18	0.95
Employees have successfully adopted the proposed change or changes and has improved service delivery	80	3.73	1.06
The level of readiness employees feel regarding the change is high and has created quality service delivery	80	3.57	0.99
Supervisors or management are effective in disseminating information concerning change.	80	3.00	1.02
Change is always communicated effectively thus negatively affecting quality service delivery	80	3.40	1.05
Composite mean	80	3.57	1.01

Source: Field Data (2020)

As seen in Table 4.4, the majority agreed that communication is viewed as central to the quality service delivery success of most all organizations with a mean of 4.18 and std deviation of 0.95. It was also indicated that employees have successfully adopted the proposed change or changes and

has improved service delivery as shown by a mean of 3.73 and a std deviation of 1.06 Further, level of readiness employees feel regarding the change is high and has created quality service delivery with a mean of 3.57 and std deviation of 0.99. Change is always communicated effectively thus negatively affecting quality service delivery a mean of 3.40 and std deviation of 1.05. Lastly, supervisors or management are effective in circulating information regarding change as shown by a mean of 3.00 and a std deviation of 1.02. Overall mean was 3.57 which imply that many Saccos embraced communication change practices at moderate extent.

4.4.2 Resistance to Change

The respondents were given five statements on resistance to change and they were requested to show their level of agreement. Outcomes are indicated in Table 4.5

Table 4. 5: Resistance to Change

Statement	N	Mean	Std.dev
Participants who will be impacted by change are often engaged in change procedure thus negatively affecting quality service delivery.	80	4.20	0.89
Employee support implementation of change within the institution	80	3.70	1.08
Employee tend to resist new responsibilities brought about by change in management	80	4.30.	0.92
The management creates opportunities for individual voices to be heard in collaborative change endeavors and has created quality service delivery.	80	4.11	1.10
Organizational structure influence resistance among some employees	80	3.80	0.99
Composite Statistics	80	4.02	0.996

Source: Field Data (2020)

From Table 4.5, employees tend new responsibilities brought about by change in management as showed by a mean of 4.30 and a std deviation of 0.92. Those who will be impacted by change are often entangled in the procedure thus negatively affecting quality service delivery had a mean of 4.20 and a std deviation of 0.89 while management create opportunities for individual voices to be heard in collaborative change endeavors and has created quality service delivery had a mean of 4.11 and a std deviation of 1.10.

Organizational structure influence resistance among some employees as shown by a mean of 3.80 and a std deviation of 0.99. Employee support implementation of change within the institution had the mean of 3.70 and a std deviation of 1.08. Overall mean was 4.02 which implying resistance to change influence change management at great extent.

4.4.3 Coaching and Feedback

The respondents were given five statements on coaching and feedback and they were requested to show their level of agreement. Outcomes are as shown in Table 4.6

Table4.6: Coaching and Feedback

Statement	N	Mean	Std. Dev
Staff training and development leads to improved skills	80	4.11	1.17
The top management is committed to change management practices in the organization by mentoring the junior staff	80	3.73	0.98
The top leadership creates and shares the organizational goals with the employees.	80	3.34	1.19
Employees are ready to adopt organization change when there is proper feedback from managers.	80	3.90	0.89
There is adequate training to enable employees cope with change in the organization.	80	3.23	1.07
Composite Statistics	80	3.66	1.06

Source: Field Data (2020)

As per Table 4.6, staff training and development leads to improved skills as shown by Mean 4.11 and std deviation 0.703).Employees are ready to adopt organization change when there is proper

feedback from managers as shown by a mean of 3.90 and std deviation 0.89. The top management is committed to change management practices in the organization by mentoring the junior staff as shown by a mean of 3.73 and std deviation 0.98. The top leadership creates and share the organizational goals with the employees had a mean of 3.34 and std deviation 1.19. Lastly, there is adequate training to enable employees cope with change in the firm had a mean of 3.23 and std deviation 1.07. The overall mean was 3.66 which imply that many Saccos embraced coaching and feedback practices at moderate extent.

4.4.4 Training Needs

The respondents were given five statements on training and they were requested to show their level of agreement. Outcomes are indicated in Table 4.7

Table 4.7: Training of Employees

Statement	N	Mean	Standard. Deviation

Availability of skilled personnel in the Saccos influences the Sacco strategic change initiative	80	4.11	.504
Leaders encourage collaboration among employees	80	4.54	.505
HR manages the changing process in the firm,	80	4.23	.798
Training is done among employees to advance in new skills	80	4.63	.547
Training of employees makes them more effective.	80	4.26	.611
Composite Statistics	80	4.35	.652

Source: Field Data (2020)

From the Table 4.7, training is done among employees to advance in new skills with a mean 4.63 and std deviation .547. Leaders encourage collaboration among employees having a mean score of 4.54 and std deviation 0.505. Training of employees make them more effective with a mean of 4.26 and std deviation of .611. Further, the HR manages the changing process in the firm with mean of 4.23 and std deviation of 798. Accessibility of skilled personnel in the Saccos influences the Sacco strategic change initiative I with a mean of 4.11 and std deviation 504. The overall mean was 4.35 which imply that many Saccos embraced training practices at great extent.

4.5 Competitive Advantage

Firm competitive advantage was a dependent variable under this study. It was necessary to establish the respondents' views regarding competitive advantage in their organization. The competitive advantage was evaluated on a 5-point Likert scale, and it was expected that participants

would either agree: "to a very large extent", "large extent", "moderate extent", "little extent", or "Not at all". For each single question, the response which denoted the most positive response for these practices was allocated 5 points and then 4, 3, 2, and 1 for the least positive respectively. For purposes of this analysis, the following was adopted a mean score of 4.0<5.0 great extent, 3.0<4.0 moderate extent, 2.0<3.0 little extent and 1.0<2.0 did not agree. 5 statements were used to evaluate competitive advantage among four firms.

Table 4. 8: Competitive Advantage

Competitive Advantage	N	Mean	Standard. Deviation
Change mangment ensures sacco are first in the come up with.new product	80	4.11	.504
Due to change management Saccos offer a competitive price for our products	80	4.54	.505
Change management has improved profitability of the Sacco.	80	4.23	.798
Due change management our products and services are of a high quality	80	4.63	.547
Due to change management our products and services are highly reliable.	80	4.26	.611
Composite Statistics	80	4.35	.652

Source: Field Data (2020)

From the Table 4.8, due to change management, Sacco products and services are of a high quality with a mean 4.63 and std deviation.547. Due to change management Saccos offer a competitive price for Sacco products with a mean score of 4.54 and std deviation 0.505. Due to change management Saccos products and services are highly reliable with a mean of 4.26 and std deviation.611.Furher, change management has improved profitability of the Sacco with a mean of

4.23 and std deviation 798. Change management ensures Saccos are first in the market to introduce new products with a mean of 4.11 and std deviation 504. The overall mean was 4.35 which implies that competitive advantage of Saccos was at great extent.

4.6 Correlation Analysis

Correlation analysis was conducted to assess association amid predictor and response variables. Correlation analysis was conducted to determine association amid predictor and dependent variables. It helped in establishing the association between strategic change management practices and competitive advantage. Pearson Correlation analysis was employed by the study to assess the linkage amid these study variables. Results were as indicated in Table 4.9

Table 4.9: Pearson Product-Moment Correlations Results for Study Variables

		CC	RC	CF	T	CA
CC-Communication Change	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	80				
RC-Resistance to change	Pearson Correlation	.523*	1			
	Sig. (2-tailed)	.05				
	N	80	80			

CF-Coaching and Feedback	Pearson Correlation	.583**	.141*	1		
	Sig. (2-tailed)	.01	.05			
	N	80	80	80		
T-Training	Pearson Correlation	.650**	.324**	.215*	1	
	Sig. (2-tailed)	.01	.01	.05		
	N	80	80	80	80	
CA-Competitive Advantage	Pearson Correlation	.783**	.638**	.466*	.625**	1
	Sig. (2-tailed)	.01	.01	.03	.01	
	N	80	80	80	80	80

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

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

Source: Field Data (2020)

The above Table 4.9, there is positive correlation between communication change and competitive advantage at Pearson’s correlation coefficient of $r=0.783$. Resistance to change and competitive advantage with Pearson’s correlation coefficient of 0.638 and level of significance being 0.01. On the other hand, coaching and feedback had moderately significant positive relationship correlation with competitive advantage at a Pearson’s correlation coefficient of 0.466 and level of significance of 0.05. Finally, training has significant relationship with competitive advantage at a Pearson’s correlation of 0.625 and p-value of 0.05.

4.7 Regression Analysis

Regression analysis was employed in assessing the contribution of strategic change management on competitive advantage of Saccos using coefficient of determination (r^2) as well as predict the relationship between independent and dependent variables using β coefficient. Multiple Linear Regression analysis was conducted to find the proportion in dependent variable (competitive advantage) predicted from four predictor variables (communication Change, Resistance to change, Coaching and Feedback and Training).

4.6.1 Model Summary

Multiple regression analysis was done to highlight effect of predictor variable on dependent variable. Table 4.10 indicates the model summary.

Table 4. 10: Model Summary

Model	R	R²	Adjusted R Square	Std. Error of the Estimate
1	.876 ^a	.767	.684	.419

Predictors: (Constant), Communication change, resistance to change, coaching and feedback and training

Source: Field Data (2020)

As seen in Table 4.10, it can be observed that R was 0.876 and R²=0.767 at 0.005 level of significance. There is a robust association amid strategic change management practices and competitive advantage as shown by R=0.876. The results also indicated that 76.7% of variation in competitive advantage is shown by predictors in the model, while 23.3% variation is unexplained due to other factors that are not in the model.

4.7.2 Goodness of Fit of the Model

On whether the regression model used was fit for the data collated, the researcher performed Analysis of Variance (ANOVA). As shown on Table 4.11

Table4.11: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.090	4	1.618	2.427	.000 ^b
	Residual	2.460	75	.176		
	Total	10.550	79			

Source: Field Data (2020)

As shown in Table 4.11, $F(4,79) = 2.427$ was significant at 95% level of confidence. This postulates the model used could explain the association amid strategic change management practices and competitive advantage. Significance explains the usefulness of regression model at 95% level of confidence in which p-value of the ANOVA is less than alpha ($P < 0.05$) hence it was concluded that strategic change management practices is significant predictor of competitive advantage.

4.7.3 Model Regression Coefficients

The presented in Table 4.12 shows unstandardized coefficients, standardized coefficients, t statistic and significant values

Table4.12: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B (β)	Std. Error	Beta (β)		
1	(Constant)	.179	.756		.236	.817

Coaching and feedback	.149	.239	.165	.623	.543
Training	.247	.159	.272	1.554	.012
Communication change	.239	.125	.305	1.906	.037
Resistance to change	.200	.273	.126	.733	.476
a. Dependent Variable: Competitive advantage					

Source: Field Data (2020)

From Table 4.11, all the variables carried positive predictive power although there was variation in significance level. The results indicate communication change had a positive and noteworthy outcome on competitive advantage ($\beta = 0.305$, $p=0.037$). From above equation it meant that when other variables are controlled, a unit change in the communication change would result to competitive advantage change significantly by 0.305 units in the same direction. However, resistance to change had a positive and insignificant impact on competitive advantage ($\beta = 0.126$, $p=0.476$). From regression equation it implied that when other variables are controlled, a unit change in the resistance to change would result to competitive advantage change insignificantly by 0.126 units in the same direction. Similarly, Coaching and feedback had a positive and insignificant effect on competitive advantage ($\beta = 0.165$, $p=0.543$). From regression equation it implied that when other variables are controlled, a unit change in the coaching and feedback would result to competitive advantage change insignificantly by 0.165 units in the same direction. Lastly, training had a positive and relative effect on competitive advantage ($\beta = 0.272$, $p=0.012$). From regression equation, it means that when other variables are controlled, a unit change in the training would result to competitive advantage change insignificantly by 0.272 units in the same direction.

The Overall regression equation was as follows : -

$$Y = 0.179 + 0.272X_2 + 0.305X_3$$

Where:

Y = Competitive advantage

X₂ = Training

X₃ = Communication change

The overall model show that strategic change management practices influence competitive advantage with a p-value of <0.005 except the coaching and feedback which is at 0.543 as well as resistance to change 0.476 and each variable positively predicated competitive advantage. However, only resistance to change, coaching and feedback were statistically significant.

4.8 Discussion of Findings

It was found out that many Saccos embraced communication change practices at moderate extent. Communication is viewed as central to the quality service delivery success of most all organizations and employees have successfully adopted the proposed change(s) and have improved service delivery in the Saccos. These results confirm those of Klein (2016) who found that strategic change can also be managed through effective use of communication, participation, and training, adjusting culture and support by the top management. Consistent to this finding, is the observation by McAdam and Keogh (2013) who found that to a moderate extent, firms that embraced communication practices to ensure effective implementation of change management.

The study established that resistance to change influence change management at great extent. Due to employee tend new responsibilities brought about by change in management and employees are involved in change process thus positively affecting quality service delivery. The findings agree with Ogbo (2015) employee readiness to change improves performance through enhanced and faster decision making especially in Nigerian service and technical firms. These findings are

consistent to the observations Wanjohi (2014) found that changes in the media industry are motivated by numerous strategic issues, including the need for more integrated work and improving overall business performance.

The study established that many Saccos embraced coaching and feedback practices at moderate extent. This was supported by the following statements that staff training and development leads to improved skills and employees are ready to adopt organization change when there is proper feedback from managers. These findings are consistent to Edmonds (2011) argues that intrinsic and extrinsic rewards are highly motivated by employees. Both sources of motivation are recognized by an efficient reward system. Employee recompenses and credit should be connected to performance to ensure the reward scheme is efficient and completes the wanted outcome. Saccos embraced training practices at great extent. This was supported by the following statements that adequate training to enable employees cope with change in the organization and leaders encourage collaboration among employees. These findings are consistent to Musau (2012) further asserts that training equips management to have the specific competencies necessary to manage the change; staff training contributes to increased group and individual motivation; it promotes communication between peers; facilitates the change and eliminates confusion on the change since one well understands what is expected of them and sustains staff retention.

The study found out a positive association amid strategic change management practices and competitive advantage. The study applied regression analysis in establishing impact of strategic change management practices and competitive advantage among deposit Saccos in Nairobi Kenya. Coefficient of determination was found to be a good fit for the data; $R^2=0.767$, hence a satisfactory predictor. Overall regression model was established as statistically significant as evidenced by p-value 0.000 (<0.05). These findings support a study by Tracey, Vonderembse and Lim, (2010)

investigated the role of strategic change management on competitive advantage among financial sector firms in Brazil. The results indicated that strategic change management leads to competitive advantages in the areas of operational efficiency, flexibility, pioneering potential, innovation and managerial capacity.

CHAPTER FIVE:

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This segment summarizes key findings, inferences and possible solutions. Work is carried out as per the aims of this study.

5.2 Summary of the Finding

The aim of the research was establishing strategic change management practices on competitive advantage of by Deposit Taking Saccos in Nairobi County. It was found out that most of the deposit taking SACCOs in Nairobi County consists of government employees and others which include those SACCOs sourcing members from religious groups, trading organizations and any other institutions, also, and their membership is open to members of public. Most of the Saccos are currently in for over than 20 years.

It was found out that resistance to change and training influence change management at great extent. Managing resistance to change among employees in SACCOs is vital as it ensure that employees support change initiatives. Adequate training is important to employees to enable cope with change in the organization and leaders encourage collaboration among employees.

It was found out that many Saccos embraced communication change, coaching and feedback practices at moderate extent. When staff training and development is done it leads to improved skills and employees are ready to adopt organization change when there is proper feedback from managers. Communication is viewed as central to the quality service delivery success of most all

Saccos and employees have successfully adopted the proposed change or changes and have improved service delivery in the Saccos.

The study established a positive association amid strategic change management practices and competitive advantage. The regression analysis found that the regression model employed in this study was a good predictor. The model was statistically significant as demonstrated by analysis of variance whose p-value was less than 0.05. Training and communication change were statistically significant except coaching and feedback and resistance to change. Coaching and feedback was insignificant implying that the top leadership seldom created and shared the organizational goals with the employees. This normally would result to staff resistance as most of the employees perceive change negatively to their job security.

5.3 Conclusion

This research concludes that communication change and training influence change management significantly. Saccos offer enough training to employees to enable them deal with change in the organization and their leaders encourage collaboration among employees. On the other hand, employee supports implementation of change within the institution therefore, it enhances competitive advantage of Saccos. Communication is viewed as central to the quality service delivery success of most all Saccos and employees have successfully adopted the proposed change or changes and have improved service delivery in the Saccos.

The study can also conclude the existence of a positive correlation between strategic change management practices and competitive advantage. The adopted regression equation was significant for training as well as coaching and feedback. This postulated that improvement in training as well as coaching and feedback during change management would result to significant

improve in competitive advantage. The model was found to be a reliable predictor and fit for the data as evidenced by the coefficient of determination.

5.4 Recommendations

This research proposes that the leadership of Saccos should be committed to change management process. The top leadership should allocate and provide more resources, both financial and human resources, to support change management. Resources are key to successful change management. Besides provision of resources, leadership should also enhance team work and create a culture that would support the company's change management process.

Change management practices are instrumental in organizational growth. Organizations should not shy away from engaging external consultants who bring the best practices standards and tool-kits on board to ensure staff and cultural competency go hand in hand with the integrated change management programs executed. Methodologies such as the Lean Six Sigma can be employed by government and private sector players to increase the level of efficiency and reduce wastage.

The success of change management at Saccos is solely contingent on organization competency, change agents and commitments by all stakeholders. Because of the importance of the leadership of the organization to the adaptive process, it is vital to continuously support and enhance those traits required to promote change orientation and growth. Avenues to measure the impact to Member States and other stakeholders should equally be enhanced as this provides a more integrated view of the change management ecosystem, which assures that the impact of the Saccos , shall be felt even more.

5.5 Limitations of the study

One of the challenges was that, the target respondents for this study were managers. Majority of them were quite busy and had tight schedule due to work pressure and could not therefore have adequate time to answer the questionnaires at the time the researcher presented the questionnaire to them. To ensure that they adequately answered the questionnaire, the validity of the instrument was examined to ensure they are simple, concise and addressing study objective before sending the same via email.

This research study was limited only to the Deposit Taking Saccos in Nairobi as it could also have covered all the Saccos. This research was limited only to Deposit Taking Saccos since this research could also have extended to other business industries like tourism, agriculture, mining, and farming among other sectors in Kenya.

Another limitation of this study is that it only focused on management of strategic change. However, there are other factors that are very instrumental in the management of strategic change. These factors include but not limited to communication change, resistance to change, coaching and feedback and training.

5.6 Implications for Policy and Practice

The findings from this research present a number of issues that have implications for policy and the practice of strategic change management as well as competitive advantage. Sacco's management should take the courageous step to adopt unique and relevant strategic change management practices. They must also ensure that all employees are sufficiently skilled in the application of strategic change management practices via regular on-site training. In order to get new ideas into it, Saccos also could invest in business seminars and conferences. New, better and

more meaningful strategic management in an organization would transcend all categories of workers and thereby reduce the resistance to change.

Sacco management should continually monitor and identify the impacts of the changes on competitive advantage and develop policy and plan to realign the employees to support the long term changes efforts at the Saccos. Is critical to not just monitor progress of the change efforts but also monitor how the changes are affecting the competitive advantage. This would enable the Sacco to have effective responses that will ensure that employees are not pushed too much to breaking point by changing at a faster pace than employees can cope. Lastly, the study key stakeholders in financial sector such as government to provide avenues to Saccos to enable them access financial resources to implement their key strategic plans.

5.7 Recommendation for Further Studies

The study is perceived as a cross-sectional research that used quantitative approach: capturing perceptions and opinions of respondents. The cross-sectional study utilizing a quantitative approach was chosen as it was the most appropriate way available to chart the problems given limited time and finances. There is need for a similar research to be carried out based on qualitative approaches such as interviews.

The focus of the research was on the association between strategic change management practices on competitive advantage of by Deposit Taking Saccos in Nairobi County. There is need for a similar study to be extended in financial institutions to establish the similarity of the finding. The research also suggests that the future studies should focus on different variables other than those used in this study such as organizational leadership, effects of stakeholder involvement, corporate governance and organization design in relation to strategic change.

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APPENDICES

APPENDIX I: Research Questionnaire

SECTION A: GENERAL INFORMATION

1. Name of SACCO:

2. Position held by respondent:

3. Please tick the ownership category that best describes your SACCO

Government employees Teachers Private Sector employees Farmers Others (Please specify).....

4. For how long has your SACCO operated in Kenya?

Less than 5 years 6-10 years 11-15 years 16-20 years Over 20 years

5. How many branches does your Sacco has?

Less than 5 5-10 More than 10

SECTION B: STRATEGIC CHANGE MANAGEMENT

8. To what extent do you agree with the following attributes on strategic change management exhibited by your Sacco? Using a scale of 1 - 5, tick the appropriate answer from the alternatives provided. 1 = No extent, 2 = Little extent 3 = Moderate extent 4 = Great extent 5 = Very great extent

Component	1	2	3	4	5
Communication Change					
Communication is viewed as central to the quality service delivery success of most all organizations					
Employees have successfully adopted the proposed change or changes and has improved service delivery					
The level of readiness employees feel regarding the change is high and has created quality service delivery					
Supervisors or management are effective in disseminating information concerning change.					
Change is always communicated effectively thus negatively affecting quality service delivery					
Resistance to change	1	2	3	4	5
Involved in the change process thus negatively affecting quality service delivery.					
Employee support implementation of change within the institution					
Employee take tend new responsibilities brought about by change in management					
The management create opportunities for individual voices to be heard in collaborative change endeavors and has created quality service delivery.					
Organizational structure influence resistance among some employees					

Coaching and Feedback	1	2	3	4	5
Staff training and development leads to improved skills					
The top management is committed to change management practices in the organization by mentoring the junior staff					
The top leadership creates and share the organizational goals with the employees.					
Employees are ready to adopt organization change when there is proper feedback from managers.					
There is training the firm for employees.					
Training	1	2	3	4	5
Training is done among employees to advance in new skills					
Leaders encourage collaboration among employees					
HR manages the changing process in the firm					
There is adequate training to enable employees cope with change in the organization.					
Training of employees make them more effective.					

SECTION C: COMPETITIVE ADVANTAGE

To what extent do you agree with the following attributes on competitive advantage exhibited by your firm? Using a scale of 1 - 5, tick the appropriate answer from the alternatives provided. 1 = strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = strongly agree

Component	1	2	3	4	5
Change management influence new innovation in the market.					
Due to change management saccos offer a competitive price for our products					
Change management has improved profitability of the Sacco.					
Due change management our products and services are of a high quality					
Due to change management our products and services are highly reliable.					

APPENDIX II: SACCOs in Nairobi County

1. 2NK SACCO SOCIETY
2. AFYA SACCO SOCIETY
3. AGRO-CHEM SACCO SOCIETY
4. ALL CHURCHES SACCO SOCIETY
5. ARDHI SACCO SOCIETY
6. ASILI SACCO SOCIETY
7. BANDARI SACCO SOCIETY
8. BARAKA SACCO SOCIETY
9. BARATON UNIVERSITY SACCO SOCIETY
10. BIASHARA SACCO SOCIETY
11. BINGWA SACCO SOCIETY
12. BORESHA SACCO SOCIETY
13. CAPITAL SACCO SOCIETY
14. CENTENARY SACCO SOCIETY
15. CHAI SACCO SOCIETY
16. CHUNA SACCO SOCIETY
17. COSMOPOLITAN SACCO SOCIETY
18. COUNTY SACCO SOCIETY
19. DAIMA SACCO SOCIETY
20. DHABITI SACCO SOCIETY
21. DIMKES SACCO SOCIETY
22. DUMISHA SACCO SOCIETY
23. EGERTON SACCO SOCIETY
24. ELGON TEACHERS SACCO SOCIETY

25. ELIMU SACCO SOCIETY
26. ENEA SACCO SOCIETY
27. FARIDI SACCO SOCIETY
28. FARIJI SACCO SOCIETY
29. FORTUNE SACCO SOCIETY
30. FUNDILIMA SACCO SOCIETY
31. GASTAMECO SACCO SOCIETY
32. GITHUNGURI DAIRY & COMMUNITY SACCO SOCIETY
33. GOODWAY SACCO SOCIETY
34. GUSII MWALIMU SACCO SOCIETY
35. HARAMBEE SACCO SOCIETY
36. HAZINA SACCO SOCIETY
37. IG SACCO SOCIETY
38. ILKISONKO SACCO SOCIETY
39. IMARIKA SACCO SOCIETY
40. IMARISHA SACCO SOCIETY
41. IMENTI SACCO SOCIETY
42. JACARANDA SACCO SOCIETY
43. JAMII SACCO SOCIETY
44. JITEGEMEE SACCO SOCIETY
45. JUMUIKA SACCO SOCIETY
46. KAIMOSI SACCO SOCIETY
47. KATHERA RURAL SACCO SOCIETY
48. KENPIPE SACCO SOCIETY
49. KENVERSITY SACCO SOCIETY
50. KENYA ACHIEVAS SACCO SOCIETY

51. KENYA BANKERS SACCO SOCIETY
52. KENYA CANNERS SACCO SOCIETY
53. KENYA HIGHLANDS SACCO SOCIETY
54. KENYA MIDLAND SACCO SOCIETY
55. KENYA POLICE SACCO SOCIETY
56. JOINAS SACCO SOCIETY
57. KIMBILIO DAIMA SACCO SOCIETY
58. KINGDOM SACCO SOCIETY
59. KIPSIGIS EDIS SACCO SOCIETY
60. KITE SACCO SOCIETY
61. KITUI TEACHERS SACCO SOCIETY
62. KMFRI SACCO SOCIETY
63. KOLENGE TEA SACCO SOCIETY
64. KONOIN SACCO SOCIETY
65. KORU SACCO SOCIETY
66. KWALE TEACHERS SACCO SOCIETY
67. KWETU SACCO SOCIETY
68. K-UNITY SACCO SOCIETY
69. LAMU TEACHERS SACCO SOCIETY
70. LAINISHA SACCO SOCIETY
71. LENGO SACCO SOCIETY
72. MAFANIKIO SACCO SOCIETY
73. MAGADI SACCO SOCIETY
74. MAGEREZA SACCO SOCIETY
75. MAISHA BORA SACCO SOCIETY
76. MARSABIT TEACHERS SACCO SOCIETY

77. MENTOR SACCO SOCIETY
78. METROPOLITAN NATIONAL SACCO SOCIETY
79. MILIKI SACCO SOCIETY
80. MMH SACCO SOCIETY
81. MOMBASA PORT SACCO SOCIETY
82. MUDETE TEA GROWERS SACCO SOCIETY
83. OLLIN SACCO SOCIETY
84. MURATA SACCO SOCIETY
85. MWALIMU NATIONAL SACCO SOCIETY
86. MWIETHERI SACCO SOCIETY
87. MWINGI MWALIMU SACCO SOCIETY
88. MUKI SACCO SOCIETY
89. MWITO SACCO SOCIETY
90. NACICO SACCO SOCIETY
91. NAFKA SACCO SOCIETY
92. NANDI FARMERS SACCO SOCIETY
93. NANYUKI EQUATOR SACCO SOCIETY
94. NAROK TEACHERS SACCO SOCIETY
95. NASSEFU SACCO SOCIETY
96. NATION SACCO SOCIETY
97. NAWIRI SACCO SOCIETY
98. NDEGE CHAI SACCO SOCIETY
99. NDOSHA SACCO SOCIETY
100. NG'ARISHA SACCO SOCIETY
101. NOBLE SACCO SOCIETY
102. NRS SACCO SOCIETY

103.	NUFAIKA SACCO SOCIETY
104.	NYAHURURU UMOJA SACCO SOCIETY
105.	NYALA VISION SACCO SOCIETY
106.	NYAMBENE ARIMI SACCO SOCIETY
107.	NYATI SACCO SOCIETY
108.	NEW FORTIES SACCO SOCIETY
109.	ORIENT SACCO SOCIETY
110.	PATNAS SACCO SOCIETY
111.	PRIME TIME SACCO
112.	PUAN SACCO SOCIETY
113.	QWETU SACCO SOCIETY
114.	RACHUONYO TEACHERS SACCO SOCIETY
115.	SAFARICOM SACCO SOCIETY
116.	SHERIA SACCO SOCIETY
117.	SHIRIKA SACCO SOCIETY
118.	SIMBA CHAI SACCO SOCIETY
119.	SIRAJI SACCO SOCIETY
120.	SKYLINE SACCO SOCIETY
121.	SMART CHAMPIONS SACCO SOCIETY
122.	SMART LIFE SACCO SOCIETY
123.	SOLUTION SACCO SOCIETY
124.	SOTICO SACCO SOCIETY
125.	SOUTHERN STAR SACCO SOCIETY
126.	SHOPPERS SACCO SOCIETY
127.	STAKE KENYA SACCO SOCIETY
128.	STIMA SACCO SOCIETY

129.	SUKARI SACCO SOCIETY
130.	SUBA TEACHERS SACCO SOCIETY
131.	SUPA SACCO SOCIETY
132.	TAI SACCO SOCIETY
133.	TAIFA SACCO SOCIETY
134.	TARAJI SACCO SOCIETY
135.	TEMBO SACCO SOCIETY
136.	TENHOS SACCO SOCIETY
137.	THAMANI SACCO SOCIETY
138.	TRANSCOUNTIES SACCO SOCIETY
139.	TRANS NATION SACCO SOCIETY
140.	TIMES U SACCO SOCIETY
141.	TOWER SACCO SOCIETY
142.	TRANS- ELITE COUNTY SACCO SOCIETY

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