STRATEGIC CHANGE MANAGEMENT PRACTICES ADOPTED BY SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES (SACCOS) IN KIAMBU COUNTY OF KENYA

BY

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DECLARATION

This project is my original work and has not been presented for the award of a degree in this University or any other Institution of higher learning for examination.

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

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DEDICATION

This project is dedicated to my parents Mr. James Ndirangu and Mrs. Elizabeth Njeri who have taught me that hard work and determination result in great success. My siblings who have supported me throughout my studies and all my friends who motivated and believed in me throughout this program. Finally, this research is dedicated to all scholars who believe in the richness of learning.

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LIST OF ABBREVIATIONS/ACRONYMS

ADKAR – Awareness, Desire, Knowledge, Ability and Reinforcement

SACCOS - Savings and Credit Co-operatives Societies (SACCOs) in Kiambu County of Kenya

SASRA- Sacco Societies Regulatory Authority

KUSCO- Kenya Union of Savings Cooperatives

ABSTRACT

Strategic change ensures that organizational change is planned and organized so that it produces minimum distraction of a firm. The objectives of the study were to identify strategic change management practices adopted by SACCOs in Kiambu County of Kenya and to establish challenges of strategic change. The research adopted a cross sectional survey design. A sample size of 55 was studied out of the entire population of 235 SACCOs registered under SASRA. Senior management, employees and members of the SACCOs were the respondents in this study. The source of data was primary data supplemented by secondary data. Data analysis was conducted using descriptive and content analysis. The researcher identified that the strategic management adopted were innovation, technology, diversification of products and services, environmental scanning and outsourcing of non-core competencies. Other practices adopted were cost leadership, effective communication, training, compliance with new regulations, change in financial policies and improved network alliances. The greatest challenges facing strategic change management are competition, developing competitive business models, diversification of products and services, high cost of investment in new technology, handling growing demand and non-remittance of loans from members. Additionally, SACCOs faced uncertainty, poor governance and human resource management challenges. The researcher recommends that SACCOs adopt policies and practices that create an accommodative environment to handle change. This includes aligning their organization culture, planning, good communication channels and compliance with regulations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Organizations operate in a very turbulent environment faced with constant change. In order to gain competitive advantage, organizations must advance clever plans to cope with such changes. If these plans are not carefully thought about, organizations can easy collapse. Planning is therefore critical and cannot be ignored while dealing with change. Strategic change management practices seek to ensure that change is carefully thought about and crafted for businesses to thrive.

This study is informed by three main theories namely the resource based theory, the environmental dependency theory and the agency theory .The resource based theory suggests that the firm is a bundle of resources and capabilities. These resources and capabilities are made up of physical, financial, human and intangible assets. The firm can translate these resources and capabilities into a strategic advantage if they are valuable, rare, and inimitable and the firm is organized to exploit these resources Conner (1996). The environmental dependency theory is based on the view that organizations need to continuously adapt to its competitive environment in order to survive. SACCOs face competition from other finance institutions and therefore must remain competitive to survive. The third theory that informs this study is the agency theory. It emphasizes on the essential important of mutual and excellent relationship between the shareholders and management of the organization in ensuring organizational business success.

Savings and credit co-operatives societies (SACCOs) face various challenges in their operations. Some of these challenges include traditional products, leadership and governance, capitalization, taxation, information and communications technology and regulation, supervision, developing competitive business models, demand for loans, and non-remittance of fees by members, HIV/AIDS and outreach to members (KUSCO 2009).

1.1.1 Strategic Change Management

Strategic change management is the process of managing change in a thoughtful and structured way in order to meet organizational goals, objectives and missions (Bethany, 2006).Without strategic planning an organization experiences change in a random and therefore disorganized way, strategic change management ensures that changes in the environment can be foreseen and adopted in an organized manner before getting out of hand. Ansoff and McDonnell (2000) define 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 (Peter, 2012). Strategic Change management in organization is usually required when changes occur to the environment in which an organization operates (Burnes, 2009). Organizations operate in highly turbulent environments and those which survive must constantly scan both the internal and external environment. External environmental scanning ensures there are able to identify threats and opportunities, while internal environmental scanning ensures they maximize on the strengths while limiting weaknesses.

Strategic change management differs from operational change management in that whereas strategic change management points to the direction of an organization including where the organization is and where it is headed, operational change management is concern with the ground-level tactics of putting plans into action. Strategic change management therefore entails coming up with projects and procedures that enable organizations to be competitive in the midst of change. Operational change management looks at the specific ways to get things done.

1.1.2 Strategic change management practices

"Change management is the use of systematic methods to ensure that an organization change can be guided in the planned direction, conducted in a cost effective manner and completed within the targeted time frame and with the desired results" (Davis & Holland, 2002). Strategic change management practices entails the processes and procedures put in place to ensure that the transformation process during change is meet with minimum resistance. This ensures success of the entire change processes and therefore overall success of the institution. There is need for business enterprises to use strategic tools in their business concerns because it influenced the profitability and ultimate survival of any business concerns (Jossiah,2003). Some of the strategic management practices include involving the change agents, setting clear objectives and communicating them with the shareholders, monitoring and control.

John Jones (2004) gives the following ten guidelines for managing change strategically. The first is addressing the human side systematically. Human resources are the propagators of change. They must be well informed and involved as early as possible in the change process for it to be effective. Jones advises that organizations start at the top. This ensures that the management is well equipped with knowledge and can pass down the information to their juniors. Every layer of the organizational structure should be involved. The process should make use of formality such as documented plans showing what changes take effect first before others. Organizations should then create ownership of the change process. Individuals will be more cooperative to change if they can identify with the process at personal level thus owning it. Communicate the message is key to the entire organization. Change agents must assess the cultural landscape and address culture explicitly to avoid conflict. Finally, they should prepare for the unexpected and speak to the individuals to understand their perception regarding the change.

1.1.3 Savings and Credit Co-operatives Societies (SACCOs) in Kiambu County of Kenya

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 (SASRA, 2015). 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 (Tummala and Burchett, 1999).

Initially SACCOs in Kenya have been under the Ministry of Cooperative Development and Marketing which used to oversee their activities. Currently the mandate is under the SACCO Regulatory Authority (SASRA) established under the new constitution. There are currently 6000 SACCOs registered under the societies Act in Kenya of which 1955 are active (KUSCO, 2015). 235 are deposit taking and registered under SASRA (2015). Out of this 55 are registered within Kiambu County specifically in Thika town, Juja, Kiambu town and parts of Kikuyu town. SACCOs have an objective to maximize benefits gained by members through social and economic welfares. The economic role which includes to eradicate poverty through instilling the culture of savings to their members after which the can access loans of up to three times the amount of their savings. They also bring people with similar objectives together for example those in same age groups, interests or professions like farmers, teacher or bankers thus contributing towards social welfare of the members.

Over the years, SACCOs were known for savings and giving loans as their core business. Changes in the environment have seen this change to various products and services including investment in real estate, transport industry and also professional investment advice. This has continued to boost the rating of SACCOs as a competitor in the financial sector. They offer a diverse range of products which include personal and business loans, mortgages, savings, money transfers, payment services and insurance.

Despite the growing popularity, SACCOs have been meeting with a cope of challenges including competition from other financial institutions such as banks and microfinance institutions. The challenge of poor governance, taxation, increase in technology, regulations, growing demand and fraud has also gone a long way to necessitate change in (SACCOs) in Kiambu County. In order to cope with such changes the strategic management practices required to be adopted to ensure that SACCOs in Kiambu County remain in business and perform as per the expectations of their members. The changes may include change in organization structure to minimize fraud, compliance with new government regulations, development of new products and services, target of new market niche, diversification, cost leadership and training. Lack of planning of such change could lead to diver stating effects thus the need for strategic management practices in coping with the changes.

1.2 Research Problem

Strategic change is concern with organizational transformation (Burnes, 2009). It aims at enabling an organization to survive environmental turbulence. Change must be considered both in the long term and short term to enable the organization deal with current and potential weaknesses and threats to the business while taking advantage of strengths and opportunities presented (Johnson and Scholes, 2003.) Strategic change management practices are 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). Individuals and organizations alike must embrace strategic change management practices accurately and efficiently not only for survival but also for productivity.

SACCOS in Kenya have gained popularity and continued to increase in number from 4223 non deposit taking SACCOs registered in 2003 (Manyara, 2003) up to 6000 as at December 2015 according to the Kenya Union of Savings Cooperatives (KUSCO 2015), with only 1995 listed as active.

The total number of deposit taking SACCOs is 215, registered under SACCO Societies Regulatory Authority (SASRA). A total of 55 deposits taking SACCOs are registered in Kiambu County. The tremendous increase has resulted from change in regulations for example the transport act was changed prohibiting public transport vehicles from being owned by individuals. All public transport vehicles are currently registered under SACCOs for easy management and control. Fraud and mismanagement of funds has been a great contributor to loss of member's benefits thus causing a threat of mistrust and withdrawal from SACCOs.

The challenge of having insufficient cash flow to sustain member loans as and when they fall due has been evident over the last few years. Inadequate systems to keep track of member records including savings and loan history have proved to cause problems to SACCOs. Competition therefore has continued to increase rendering many SACCOs non-profitable. Others have had to hang boots and exit from the financial sector. The Kiambu county government has continued to work with residents to ensure that SACCOS that will remain in business are those capable of increasing member benefits through increasing revenue. For this to happen, they must adopt strategic change management with increasing speed, efficiency and success (Chapman, 2005).

Recent studies on strategic change management practices have been done locally. For instance, Kimotho (2013) studied strategic change management practices adopted by saving and credit co-operative societies in the public sector in Kenya. The researcher 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.

Bwibo (2000) carried out a research study on strategic change management practices within the non-governmental organizations in Kenya and noted that new strategic processes and business operational change were required. 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.

Gekonge (1999) studied 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. He further noted that it also acts as a map for guiding action and helping achieving objective of the company.

This study is meant to bridge the knowledge gap that exists by investigating strategic change management practices adopted by SACCOs in Kiambu County by answering the question: What are the strategic change management practices adopted by SACCOs in Kiambu County?

1.3 Objectives of the Study

This study addresses the following objectives;

i. To establish strategic change management practices adopted by SACCOs in Kiambu County of Kenya.
ii. To establish challenges of strategic change management faced by SACCOs in Kiambu County of Kenya.

1.4 Value of the Study

This study has value to SACCOs in terms of managerial policies. It will guide development of policies and practices applied in running SACCOs. Management of SACCOS within the county will cope and deal with challenges that may arise from change management and understand their role in ensuring success through applying strategic change management practices within their positions.

Investors in the financial sector especially those willing to join and grow their savings through SACCOs will find this research resourceful in selecting the right investment platform based on the strategic management practices adopted. They will understand how coping with change strategically can make a difference in business performance and survival. Other financial organizations will benefit by applying best change management advanced from this study in their day to day business operations.

Scholars and other researchers will find this research useful in understanding strategic change management in the SACCOS. Academicians will also use this research as a stepping stone to guide research in other economic sectors.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the main theories and practices of management and their relevance in managing change. The theories of management provide the main context for reviewing literature. Challenges encountered in managing change are addressed as understanding them prepares organizations in forecasting problems and addressing them. The chapter concludes with an overview of the strategic practices used to manage change.

2.2 Theoretic Foundation

This research is based on three main theories. They are resource based theory, environmental dependency theory and agency theory. Since no single theory is complete on its own, this three complement each other.

2.2.1 Resource based theory

Resource based theory is based on the view that sustained competitive advantage largely depends on the resources a firm possesses (Barney, 1991). Resources are the inputs or the factors available to a company which helps to perform its operations or carry out its activities Black and Boal (1996). Resources are classified as either tangible, those that can be seen, touched and felt including machines, land, assets and equipment and intangible resources which are inherent in people or the organization but can be touched including capabilities, organizational processes, firm attributes, information, and knowledge (Barney, 1991).

Resource based theory acknowledges that although a firm's external environment is important, firm resources are far more important than the environment in which the company operates according to Wernerfelt (1984). It was developed as a complement to the industrial organization (IO) view with Bain (1968) and Porter (1979, 1980, and 1985) as its main proponents. Although the industrial organization theory has its focus on performance outside the organization, resource based theory does not seek to replace it but rather to compliment it (Mahoney & Pandian, 1992; Peteraf & Barney, 2003).

Every theory in management is based on assumptions. Barney (1991), Prahalad and Hamel (1990) and Wernerfelt (1984) seem to agree that resource based theory has two assumptions; that resources are heterogeneously distributed across all the firms, and the firm resources are largely immobile. Heterogeneous implies the resources are different in kind. Immobile implies that they are motionless and cannot be moved. A firm therefore possesses competitive advantage if it is able to exploit its unique resources of value, that are rare, non-substitution and nontransferable and therefore cannot be copied by competitors (Barney, 1991). Posing great resources is therefore not the only important aspect but protecting of resources such as key competencies inside the organization from the exploitation of the competitors becomes a great way of remaining relevant in business (Mullins, 1999). Proponents of this theory argue that an organizations resource is the key to gaining competitive advantage. Resources should be managed in such a way that they remain internal to the organization such that competitors cannot imitate or duplicate them.

2.2.2. Environmental Dependency Theory

The environmental dependency theory links environment to the organization. The theory advocates that if the external environment changes significantly, it creates pressure for organizations to change significantly (Aosa, 1996). Different authors seem to agree that businesses operates in a dynamic environment characterized by change and have derived various tools to enable businesses understand the environment. (Rajagopalan & Spreitzer, 1996; Van de Venn & Poole, 1995) define strategic change as an alteration in an organization's alignment with its external environment. Environment which business operates in is of critical importance when discussing strategic management. The changes that will put a company out of business are those that happen outside the light of its current expectations and that are the source of most change in today's business environment (Hammer, et al, 1993). Since performance of firms is dependent on the fit between firms and their external environment the appearance of opportunities and threats in the external environment, then change in external environment require organizations to adapt to the external environment (Ansoff and McDonell, 2000).

According to Albert Humphrey (2005), businesses should analyze their internal environment which helps to identify strengths and weaknesses and the external environment to take advantage of opportunities and cope with threats through SWOT (strength, weakness, threats, and opportunities) analysis.

PESTEL model represents the political, economic, social, technological, environmental and legal factors that contribute to changes in business. Political factors comprise of tax policies and trade tariffs a government may levy which in turn affects the business environment. Economic factors such as inflation could impact on the cost of production of goods and services influencing changes in prices of commodities. Social factors include population, demographics and culture. Thompson and Strickland (2003) argue that an organizations culture is either an important contributor or an obstacle to successful strategy execution. Organizations should aim at cultivating good organizational culture for competitiveness. Changes in any of the factors could influence product positioning and packaging. Technological factors have great impact in all stages of production and marketing. Technological changes can easily render a company obsolete. Forecasting and embracing technology is of essence to all organizations that want to remain relevant in the long run. Environment in business is forced to change due to changes in climate, weather, geographical location, and globalization. Legal laws such as consumer laws, safety standards, labor laws. Any change in the environment should therefore be critically examined before any change in the business can take effect.

2.2.3 Agency Theory

Human nature in most cases will lead to exploiting maximum benefit from minimum effort. Organizations require guidelines to ensure mutual benefit without overexploitation. Agency theory explains the relationship between the principal who in most instances are the shareholders and the agent commonly referred to as the CEO, who has been engaged to make decisions on behalf of the principal.

Williamson (1993) argues that the direct principal-agent relationship between owners and managers is distorted with the addition of other stakeholders to the equation.

Agents may be required to make decisions on behalf of the shareholders but must have the organizations best interest at heart since agents possess expertise which may be lacking on the shareholders part. An agent gathers data and solves the problem jointly with the client (Barnes, 2008).Agents will normally be compensated for their role in such a relationship. The cost of the arrangement is usually discussed beforehand to prevent conflict of interest. SACCOs in Kenya, operate with pioneers who are founders of the SACCO and may be referred to as the owners. They then recruit members. Members then select a board of governors to represent them and protect them from exploitation from the pioneers. The board of governors earns a salary as agreed by members and the owners. All the shareholders must coexist to prevent collapse of the SACCO.

2.3 Challenges of managing strategic change

Chandler (1962) defines strategy as the setting of long-term goals and objectives, the determination of courses of action, and the allocation of resources to achieve these goals and objectives. Strategic change can be reactive where an organization waits for an opportunity or threat to be presented or proactive whereby the organization forecasts change and avoids future threats while capitalizing on perceived future opportunities. It is important to organizations that people are able to undergo continuous change (Burnes, 2004; Rieley and Clarkson, 2001). Despite this knowledge the change process encounters several challenges which must be dealt with for successful transformation.

In implementing change, the main challenge is carrying the body of the organization with the change (Burnes, 2009). Resistance to change is a major challenge experienced by organization as a result. Resistance is a multifaceted phenomenon. It is known to introduce unanticipated delays, costs and instabilities into the process of strategic change (Ansoff 1994). Resistance could be either systemic or behavioral. Systemic resistance which is the difference between capacity required and capacity organization can handle. Behavioral resistance is experienced at individual or collectively where most people in the organization resist change. The front-end of an individual's resistance to change is how they perceive the change. The back-end is how well they are equipped to deal with the change they expect (Fine, 1986).

Johnson and Scholes (1997), notes that resistance can be minimized through, timing the change, identifying where job losses and de-layering should take place and implementing visible short term wins. In instances where resistance to change is poorly managed, it can undermine even the most well intentioned and well-conceived change efforts (Bolognese, 2002).

According to Hardy (1994), managing strategic change is about managing the unfolding non-linear dynamic processes during strategy implementation. Change management is therefore a process which requires planning and resources to implement. Lack of a well thought about plan or the resources to facilitate change could pose a huge challenge in managing strategic change.

Every change process involves people, processes and procedures. The components of change must be well coordinated to ensure smooth transition. In most cases where change is emergent and requires fast action, formal planning may lack resulting to ad hoc decisions which may be costly to reverse. In such instances, resources needed may not be readily available result to delay that can compromise results. Regular environment scanning is a great way to be prepared and prevent such unexpected change.

2.4 Strategic change management practices

The change necessary for an organization to reach its objects is strategic change. Management of strategic change is the realization of strategic intents through organizational changes, decisions and actions that converge in a pattern which constitutes a new strategy (Hardy, 1995). Change agents must acknowledge that not all people will buy into change, the important aspect is to try and win over critical mass of individuals or groups whose active commitment is necessary to provide the energy for change to occur Grant (2005). Johnson & Scholes (2003) argues that there is no one right formula for managing strategic change. Success of managing strategic change will be dependent on a wider context in which that change is taking place at a particular point in time. No single strategy therefore can be used as a fit for all organizations.

Change management has two dimensions; business change elements include first identifying the need for change. To manage change effectively involves the ability to create a new synthesis of people, resources, ideas, opportunities and demands (Cornell, 1990).

Businesses go ahead to change strategy, business processes systems and structures. Change is then implemented and post implementation procedures are made to follow up and report on the impact if the change and its sustainability.

The people's dimension of change follows the ADKAR model. The acronym stands for Awareness, Desire, Knowledge, Ability and Reinforcement Model. It was developed by Prosci (2000). People who will be affected by the change should be informed to be aware that the change is required. Change agents must create desire to change but ensure they do not create false hopes which may lead to over or under excitement. Knowledge is paramount to ensure all parties involved understand their roles in effecting change. Ability to change means that all resources to adopt change are available. Finally reinforcement is done to keep changes in place. It is important for the management to involve people within the system when preparing for change through communication. It is equally critical to understand where the organization is at that moment, where they intend to be and how to get there through planning.

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). It can be viewed as a shift in the product and services mix produced by the organization to the markets which it is offered Ansoff and McDonnell (2000). Kurt Lewin (1951) comes up with an action research three step model to achieve great results in the change process. He noted that a behavior is controlled by two forces: one striving to maintain the status quo and the second those pushing for change. When both sets of forces are about equal, current behaviors are maintained at equilibrium.

The model advocates that change requires recognition that success comes from analyzing the situation, coming up with alternative solutions and choosing the most appropriate cause of action according to the situation at hand. Kurt classifies the steps as unfreezing, change and refreezing. Unfreezing involves creating a trigger for people to change through introducing the problem and discouraging old methods of doing things.

Change occurs when people perceive the need to transform behavior, processes, methods or even procedures. Refreezing requires creating new methods and patterns and reinforcing change for effectiveness in order to stabilize the new equilibrium. Applying the theory effectively can enable track the outcome of change from an organization (Richardson, 2002).

Kotter (1995) also tries to explain strategic change management through an eight step model. He summaries it as increasing urgency for change as first management should increase urgency. This is achieved by inspiring people to move, creating objectives which are real and relevant. A guiding team of people with the right attitude, skill mix and commitment should be built to inspire others to change. The right vision and strategy should be put in place to ensure focus. Vision serves to illustrate the general direction of the change, motivate people to take action and coordinate the actions which individuals will take (Kotter, 1996). Communication is vital. As many people as possible should be involved as informed of the essentials. They should also be empowered to take action, give constructive feedback and be motivated through recognizing achievements and progress.

Create short-term wins by setting aims that are easy to achieve in small bits and finish current stages before starting new ones. The process should continue without giving up by fostering determination and persistence. Finally, change should be reinforced and weaved into the organizational culture such that the results can be beneficial to the organization.

Different scholars seem to agree that communication is a great practice when it comes to managing strategic change. Communication creates awareness and a sense of direction which ensures that all members to the organization are pulling in the same direction. Eriksson and Sundgren (2005), argues that organizations have to deal with communication relating to change in the same way as they do in the market place. Unless people involved in the change process understand the need for change, buying into the change will be a tall order creating resistance. Enhanced communication in times of change is therefore essential Graetz and Smith (2005). Communication should be seen as a two way loop where all stakeholders should be responsive (Muema, 2013). Channels to support feedback and negotiations should be created for communication to be effective.

Leaders must believe and be positive about change before impacting on the other members of the organization. People look up to their leaders and will be more convinced to buy into change if there can identify that their leaders believe it will result to greater good. According to Huse (1994), transformational leaders are the vision of a better future which the followers are proud of. Leaders are courageous and have great confidence in their followers with motives that are driven towards bettering the organization.

The lack of such leaders make employees to remain skeptical and distrustful thus resisting change Strebel (1996).The drivers of change should ensure therefore they convince the leaders first and gain support before reaching out to the remaining members of the organizations.

Training and development is a critical management practice when dealing with change. Peters and Waterman (1982) agree that training is the cornerstone for building knowledge about the change and the required skills. Organizations many need to adopt new capacities, behavior, practices, systems or technology as a result of change. Managers need to develop training requirements based on the skills, knowledge and behaviors necessary to implement the change (Muema, 2013). Employees need to be well equipped with the correct skills and knowledge to operate in the new environment after change has been effected. According to Peter Senge (1990), training prepares the organization to operate with minimum disruptions during the change process. It also reduces the frustrations of employees in adopting new ways of doing things.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter contains the methodologies to be used in this research. Research methodology is the process used to collect information and data for the purpose of making informed business decisions. The researcher identified the procedures and techniques that were used in the collection, processing and analysis of data. The researcher in this section provided an overview of the research design, target population, sampling technique, data collection and data analysis.

3.2 Research Design

The research design adopted was a cross sectional surveys specifically a census, as it was conducted at a single point in time. It was descriptive in nature. Descriptive survey is appropriate as it measures the variables by answering who, what and how (Bobbie, 2002). Researches such as Kimotho (2013), who studied strategic management practices by SACCOs in the public sector and Gekonge (1999) who researched about and challenges of strategic change in Kenyan companies have successfully used descriptive survey in their research.

Survey research aims at collecting data in a fast and economic way through asking individuals about their perception, attitudes, behavior or values. The research design is appropriate since it allows studying of two or more variables at a given point in time. The data collected was then standardized to allow comparisons and draw accurate conclusion.

3.3 Target Population of Study

The target population of this study included registered SACCOs in Kenya. The size population of this study was so many, comprising of a total of 235 deposit taking savings and credit cooperative societies registered under the Savings and Societies Regulation Authority Kenya (SASRA, 2015).

3.4 Sample Design

The sample design adopted was probability sampling technique; specifically the simple random sampling was used in this study. This technique was used because it allows a fair chance of each item in the population to be selected. It also enables easy choosing of a representative sample whose results can be generalized for the population. A sample size of 55 deposits taking SACCOs registered in Kiambu County was used. This is 24% of the population.

3.5 Data Collection

The type of data the researcher collected was primary data. It was complemented using secondary data. Secondary data was used to determine the SACCOs registered in Kiambu County. It was obtained from the Sacco Societies Regulatory Authority (SASRA) annual report which gives a list of all compliant SACCOs in Kenya.

Primary data was collected using questionnaires. Both open ended and close ended questionnaires were used in line with the objectives of the study. Open ended questionnaires provided respondents with a chance to explain themselves thus providing more information for the researcher. Closed ended questions included multiple chose and five point likert scale questions.

The questionnaire were structured in three main sections where the first section sort to establish demographic data, the second part included the factors necessitating change and the challenges faced while the third section highlighted the strategic change management practices adopted in the SACCOs.

The respondents of the study included the management of the SACCOs as they were at the forefront in identifying change. The management includes board members comprising of the chairman, vice-chair, treasurer and secretary. Different employees and other members of SACCOs within Kiambu County in different sectors also comprised of the respondents of this study.

3.6 Data Analysis

Both quantitative and qualitative data was analyzed. Quantitative data was used to test the strategic change management practices while qualitative data tested the challenges of strategic change as per the objectives of this study.

Quantitative data was analyzed using descriptive statistics. Measures of central tendency and measures of variability was used to analyze the data specifically, the mean and standard deviation. Data was then presented in the form of tables and figures according to the research questions.

Qualitative data analysis was performed through content analysis. The analysis involved grouping of content according to similarities and organizational data in order to draw logical conclusions.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents analysis, findings and discussions. The study sort to find out the strategic change management practices adopted by Savings and Credit Cooperative Societies in Kiambu county of Kenya. The chapter specifically addresses the respondents, background information, challenges of managing change and the strategic management practices as per the research objectives.

4.1.1 Response Rate

The research targeted a population of 55 SACCOS. Out of this, 48 filled and returned the questionnaires.6 questionnaires were voided due to omissions in answering questions. 42 questionnaires were therefore used to compile the findings. This represents 76% of the target population. According to Kimotho (2013), a research study requires a thresh hold of 50% and the response rate in this study surpassed the thresh hold. The information is as shown in the table 4.1.

Table 4.1: Response Rate

Respondence	**Number**	**Percentage**
Correct Responses	42	76%
Responses with omissions	6	11%
Non responses	7	13%
Total	**55**	**100%**

Source: Researcher (2016)

4.2 Background Information

This section sort to understand the respondent's background to ensure they were in the right position to inform on strategic change management practices. The respondents were required to state current position and the duration worked in the SACCO using a multiple scale provided by the researcher. The findings are indicated in the table 4.2.

Table 4.2: Duration worked in the SACCO

Duration	Number	Percentage
Less than one year	6	14%
1-5 years	14	33%
6-10 years	10	24%
11-15 years	8	19%
More than 15years	4	10%
Total	**42**	**100%**

Source: Researcher (2016)

From the findings, most, 33% of the respondents had been working in the SACCO for between 1- 5 years, 24% had worked in the SACCO for 6-10 years while 19% had been working for duration of 11-15 years. Only 14% of the respondents were relatively new and had worked for less than a year. The longest duration worked by the respondents was more than 15 years. A total of 10% respondents had worked for the duration of 15 years and above.

The respondents therefore had worked in the SACCO long enough to understand the strategic change management practices adopted by various SACCOs in the Kiambu county of Kenya. The researcher concluded that their opinions were informed by experience during the period in which they worked in the SACCO under various positions.

4.3 Factors Influencing Strategic Change

The researcher sought to establish the extent to which the given factors affected change in the SACCOs. A five pint likert scale was used to collect the data where 1 represented no extent, 2 represented little extents, 3 represented moderate extent, 4 represented great extent and 5 represented very great extent. The researcher used the findings to compute mean and standard deviation. The higher the mean, the greater the extent. Standard deviation indicates the extent of variation of different factors influencing change in SACCOs. The Table 4.3 below indicates the respondent's response.

Table 4.3: Factors Influencing Strategic Change

Factors Influencing Strategic Change	Mean	Standard Deviation
Globalization	3.761	0.657
Growth and Expansion	4.856	1.590
Advancement in Technology	4.734	1.136
Political factors	2.812	1.214
Changes in the economy	3.425	0.842

Member demographics	4.289	0.475
Organizational Culture	3.642	0.283
SASRA Rules and Regulations	3.108	1.069
Grand Mean	**3.828**	

Source: Researcher (2016)

Strategic change is triggered by various factors including any change in the business operating environment. SACCOs have not been spared by such changes due to factors the researcher identified as changes in the political, legistration, technological, operational and economic factors. Growth is one of such operational factor which has influenced strategic change to a very large extent indicated by the mean of 4.856. SACCOs have experienced growth both in capacity and assets of the financial industry and the number of SACCOs. Growth in member base was attributed to increased awareness of the benefits derived from being a member of a SACCO. Benefits included accessibility to affordable credit facilities without necessarily requiring physical security.

Growth in member base introduced an aspect of change in demographics of the SACCO members and also employees. Demographics influenced strategic change by a great extend going by the large mean of 4.289. The researcher discovered that SACCOs had to evaluate change in demographics often to guide the products and services offered. Change in the ages of their members influenced products such as loans offered.

Advancement in technology was a major factor influencing change in SACCOS as shown by the mean of4.734. Automation of SACCO based services has greatly influenced strategic change. The researcher discovered that technology had also resulted to advanced products and markets for Sacco's thereby influencing change in their way of conducting business. Times have changed resulting to changes in technology which indicates why this is different from what (Gunga 2008) found out, that SACCOS were shy of implementing Information Communication Systems to enhance business sustainability.

Organizational culture was a moderate factor influencing change with a mean of 3.642. The culture adopted by SACCOs in Kiambu County in regards to change were found to be either proactive or reactive. The approach chosen influenced how different SACCOs handled change.

Economic factors such as change in income generated by the SACCOs influenced strategic change. The researcher discovered that changes in the general economy including inflation affected SACCOs which operate in the financial segment to a moderate extent as per the mean of 3.425. Changes especially effected to the Kenyan commercial bank, a major competitor to SACCOs, which saw a reduction in lending rates resulted to revision of lending rates of SACCOs. Compliance with the set regulations by SASRA also was viewed as a factor influencing change in SACCOs to a small extent indicated by a mean of 3.108. Since inception, SASRA had maintained a stable level of change. Though documented annually, the documents required for registration by SACCOs as members of SASRA had remained constant.

Political factors influencing change in SACCOs to a very little extent as indicated by the least mean of 2.812. They were mainly found to be internal such as leaders of the SACCOs. The researcher identified that 90% of SACCOs conduct elections annually thus resulting to change in management. The change in leadership influenced change in SACCOs. Although changes in the political environment of the country in this case Kenya, was not found to have major influence on this specific study, other scholars have discovered that political stability is a necessity for business to thrive.

4.4 Strategic Change Management Practices

The main objective of the study was to establish the strategic change management practices adopted by SACCOs in Kiambu county of Kenya. The study sort to identify the extent to which given strategic change management practices had been adopted by various SACCOs. A five point likert scale was used to collect the data where 1 represented no extent, 2 represented little extents, 3 represented moderate extent, 4 represented great extent and 5 represented very great extent.

The researcher used the findings to compute mean and standard deviation. The means of the responses was calculated using the following formula: Mean= $\sum$ scores/N. Where $\sum$ scores is the summation of all responses given and N is the total number of respondents. A total of 42 respondents were used in this study. The table 4.4 represents the respondent's response.

Table 4.4: Strategic Change Management Practices

Strategic Change Management Practices	Mean	Standard Deviation
Cost leadership	4.295	1.553
Environmental scanning	3.690	0.745
Diversification of products and services offered	4.071	1.457
Advertisement and marketing	3.243	0.461
Innovation of products and services	4.905	1. 822
Investment in new business segments like real estate	3.970	0.940
Investment in technology	4.595	1.757
Change in organizational structure	2.976	0.284
Effective communication and empowerment	3.690	0.766
Outsourcing	2.842	1.113
Training and development programs	3.500	0.738
Improved networking and alliances	4.048	1.230
Change in financial policies	2.842	1.290
Compliance of new regulations	3.143	0.179
Grand Mean	**3.701**	

The researcher established that innovation of products and services, investment in technology and cost leadership were the strategic change management practices adapted by SACCOs in Kiambu County to a very great extent. This was due to the largest mean obtained of 4.905, 4.595 and 4.295 respectively. All this practices were to ensure that SACCOs remain relevant in operation. Since competition from other financial institutions had grown tremendously, SACCOs adopted this main strategic change management practices in order to gain competitive advantage.

Among the strategic management practices the researcher found to be adopted in the county to a great extent were diversification of products and services offered with a mean of 4.071and investment in new business segments such as real estate and transportation with a mean of 3.970.The respondents seemed to agree that effective communication and empowerment of members in the SACCOs was equally practiced to a great extent from the mean identified as 3.690. Improved networking and alliances obtained a relatively high mean of 4.048 suggesting that SACCOs in the area formed strategic alliances to a great extent.

SACCOs in Kiambu County also practiced other strategic management practices such as environmental scanning to identify possible changes which obtained a mean of 3.690 and training and development programs which scored a mean of 3.500. The researcher however found out that the practices were moderately adopted due to their mean values which were close to the grand mean. Advertisement and marketing was equally adapted to a relatively moderate extent. It obtained a mean of 3.243.

Among the strategic change management practices the researcher established to be adapted to a little extent were compliance of new regulations rated as 3.143 and change in organizational structure which obtained a mean of 2.976. However, the least commonly adopted strategic change management practice by SACCOs within Kiambu county were established as outsourcing of non-core competencies such security and cleaning with a mean of 2.842. Change in financial policies equally obtained the least mean of 2.842. The researcher also found out that although SACCOs in the area were growing in asset base and capacity, they were hesitant to change their financial policies.

4.5 Challenges of managing strategic change

This research sort to identify the challenges faced by SACCOs in Kiambu County of Kenya as they try to manage strategic change. The researcher used a five point likert scale to collect data where 1 represented no extent, 2 represented little extent, 3 represented moderate extent, 4 represented great extent and 5 represented very great extent to investigate the challenges. Mean and standard deviation values were calculated to allow comparisons and to measure levels of variations. Mean= $\sum$ scores/N. Where $\sum$ scores is the summation of all responses given and N is the total number of respondents. A total of 42 respondents were used in this study. The findings are as shown in table 4.5.

Table 4.5: Challenges of managing strategic change

Challenges of managing strategic change	**Mean**	**Standard Deviation**
Competition from other SACCOs	4.762	1.512
Handling growing demand	3.935	0.204
Resistance to change in management	3.143	0.671
Diversification of products and services	4.376	0.642
Cost of investment in new technology	4.094	0.398
Developing competitive business models	4.529	1.244
Non remittance of loans	3.671	0.130
Poor governance (Corruption and fraud)	2.814	0.978
Human resource management challenges	2.590	1.139
Uncertainty	3.469	0.366
Grand Total	**3.738**	

Source: Table complied by the researcher

The greatest challenge facing strategic change management is competition both from other financial institutions and other SACCOs as indicated by the highest mean of 4.762. SACCOs are also faced with the challenges of developing competitive business models and diversification of products and services with a mean of 4.529 and 4.376 respectively.

According to the research findings other challenges affecting SACCOs in Kiambu County to a great extent as they attempt to adopt strategic change include the high cost of investment in new technology, handling growing demand and non-remittance of loans. This is suggested by the relatively high mean scores obtained of 4.094, 3.935 and 3.671respectively. These three challenges relate to income of the SACCOs which is a vital resource to ensure business continuity.

The researcher further observed that SACCOs within the county also face the challenge of uncertainty with a mean of 3.469 due to the nature of SACCOs operating environment which is dynamic. Uncertainty makes it difficult to plan for the future. Like many other business organizations, SACCOs face the challenge of resistance to change in management. This challenge was closely linked to that of uncertainty as shown by the obtained mean of 3.143.

Although poor governance specifically caused by corruption and fraud was a great challenge, it affected the population studied to a little extent indicated by the low mean of 2.814. Human resource management challenge affected SACCOs to a very little extend as it was observe red to have the lowest mean of 2.590. The researcher established that this challenge was minimal due to investment in information systems to handle member records. Information systems are known to have high degree of accuracy and therefore human resource management did not challenge strategic change to a great extent.

4.6 Discussions

4.6.1 Strategic change management practices

The respondents were required to fill in other strategic change management practices they felt were employed in their SACCOs. Although reasons for change may differ from one organization to another, the principle behind change management is the same, which is making the organizations more effective, efficient, and responsive to the turbulent environment changes Song (2009).

The researcher established that innovation of products and services was the most adopted strategic change management practice in Kiambu County of Kenya. Products had moved from the usually loans previously offered to more specific loans for instance school fees, purchasing land and also business expansion. Services such as customer service and support had also been incorporated in most SACCOs in the region. This was done in order to gain competitive advantage over other players in the financial sector. This is similar to what Muriuki (2009) discovered, that SACCOs have changed the basic products by adding new features such as front office services among others.

The study found that in technology offered was widely adopted as a strategic change management practice carried out by SACCOs. This is consistent with the findings of Liu (2006) who concluded that changes in technology, the market place and information systems all have a significant effect on the processes, products and services produced by organizations.

Kimotho (2013) also agrees that installation of high tech computers increased efficiency and therefore productivity of SACCOs when he studied SACCOs in the public sector in Kenya. Technology includes activities such as mobile money and ATM solutions to ensure round the clock operation thereby enhancing competitiveness according to Mwololo (2016).

Diversification of products and services had a significantly high mean suggesting that it was practiced widely in Kiambu County. This concurs with Ndubi (2006) who found that SACCOs have made various changes in their traditional, resource mobilization and lending methods in an attempt to cope with the changed operating environment. Relying on loans and member deposits as the only source of income for SACCOs has since been overtaken by more risky investments such as real estate, farming or even transport industries. All this is as an effort to increase member's income for better livelihood.

Other strategies adopted in change management include environmental scanning to identify possible changes, training and development programs and advertisement, effective communication and marketing. This is consistent with Ambwaya (2012) who studied marketing strategies adopted by deposit-taking Savings and Credit Co-operative Societies in Kenya. The study concluded that a marketing plan was important in an organization because it was part of the SACCO strategic management practice. Improved networking and alliances was equally highly adopted in the area of study. As for communication, the findings are in agreement with Anyumba (2013) who noted that it is critical to communicate during change to ease the transition process.

The least adopted strategic change management practices were outsourcing of non-core competencies and change in financial policies. This contradicts with Kimotho (2013), who found out that most SACCOs in the public sector had delegated noncore business activities such as cleaning and security to other professionals to enhance customer experience through concentrating on quality of products and services. This study concluded that although the outsourcing was a common practice, it was not considered as a great influence in managing strategic change. The researcher also found out that although SACCOs in the area were growing in asset base and capacity, they were hesitant to change their financial policies.

Several benefits were identified with adopting strategic change management practices. The researcher discovered that SACCOs that adopted these practices had grown in capacity with the membership increasing constantly. Income had also increased significantly allowing the SACCOs to increase asset base with up to 70%. Such SACCOs had capacity to conduct business efficiently maximizing customer experience. Satisfied customers are known to be loyal and therefore were locked in the SACCO which was a great competitive advantage.

4.6.2 Strategic change challenges

Despite the fact that strategic change is a great tool to ensure success, it faces many challenges in organizations. The management must be involved to reduce resistance to change. When change is initiated from the top, it is more easily reinforced. This helps create a great power base. A business plan could go a long way in structuring change so that all members understand it.

The administrators of integrated business plan goals will then allow them to reflect the kind of change strategy suited to initiate changes required to simplify improved organizational performance (Pasmore et al., 2013). Several factors should be considered before initiating change for instance the degree of the opposition expected which helps cope with resistance to change.

The greatest challenges facing strategic change management is competition, developing competitive business models and diversification of products and services. This is consistent with Muema (2013), who established that organizations are constantly in competition for resources which are scares in nature. For organizations to be competitive, they must be innovative in their processes, products, prices and personnel.

The high cost of investment in new technology, handling growing demand and non-remittance of loans were also noted to be experienced most by SACCOs in the area. This agrees with Kimotho (2013),who discovered that although organizations are well aware that they require to invest in technology, the high cost of technology often hinders such investments. Technology is complex and fast passed. Organizations should therefore involve experts in the sector to act as consultants and advise on technology that is most suitable.

Other challenges facing organizations in managing strategic change include uncertainty which makes it difficult to plan for the future, human resource management and resistance to change. This agrees with Kimaita (2010) who also discovered that diverse consumer behavior is a challenge that organizations should address well for change to be manageable.

Poor governance and poor organizations culture were among other challenges which affected SACCOs in Kiambu County. This concurs with Altman (2008) who discovered that organizations must review their culture to minimize challenges of change management. The current culture determines the organizational response to change Altman (2008). It is therefore crucial that organizations align their goals and create room for change. This minimizes the disruptions caused during the transformational process ensuring that normal operations are resumed swiftly.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of key data findings, conclusions and recommendations that were made from the study. The conclusions and recommendations were drawn with the aim of addressing the objectives of the study. The objectives were to establish the challenges of managing change and the strategic management practices adopted by SACCOs in Kiambu county of Kenya.

5.2 Summary

The respondents of this research were senior managers, employees and members of SACCOs in Kiambu County. Most of the respondents had been in the SACCO for a period long enough to understand strategic practices relating to change. The researcher established that innovation of products and services, technology, diversification of products and services were the major practices adopted. The study found that frequent environmental scanning, training and development programs were other practices common to SACCOs in the area of study. Apart from that SACCOs also practiced advertisement, effective communication and marketing. Though rare, outsourcing and change in financial policies were also evident.

Some of the challenges revealed by the study to be facing SACCOs in adopting strategic change included competition, high cost of investment in new technology, handling growing demand and non-remittance of loans from members. Additionally, uncertainty, resistance to change and poor governance adversely affected SACCOs in their quest to adopt strategic change management.

The study also deduced that poor governance, developing competitive business models and management of human resource were also encountered by SACCOs in the area.

5.3 Conclusion

SACCOs in Kiambu County must embrace strategic change for them to remain competitive in an ever changing business environment. From the findings of this study, creativity is necessary in day to day operations. This can only be achieved through managing change in a strategic manner. Innovation of technology and products or services is a great management practice when managing change.

Cost leadership through favorable interest rates and good customer service are great strategies in organizations. SACCOs are required to invest in human resources through training and development programs. They should also consider networking and alliances to maximize customer value. Through ensuring that SACCOs comply with set rules and regulations, business continuity is guaranteed. Additionally, for change to be effective the management of SACCOs must lead by example through adopting strategic change. Members and other employees require training and empowerment programs to prepare them to adopt change with ease.

The study concludes that although SACCOs are aware that they require change, the management process is faced by various challenges. Competition is the greatest challenge facing SACCOs in Kiambu County. The best strategy in handling competition is leading from the front through innovation, diversification and customer support. Handling growing demand, non-remittance of loans and developing competitive business models are other challenges facing SACCOs in their operations. This can be handled through enforcing policies to block such loopholes.

SACCOs also face the challenge of poor governance, corruption and fraud. Corruption can be reduced through constant monitoring of SACCO performance so that irregularities are detected and handled before going out of hand. Planning is the key to reducing uncertainty which adversely affects this process. Communicating enable SACCOs to manage change in a structured way thereby limiting resistance to change which the study found to be a major challenge in managing strategic change.

5.4 Recommendations

The recommendations are divided into three subsections. These include recommendation for managerial policy, recommendation for managerial practice and recommendation for academicians. The subsections are discussed below.

5.4.1 Recommendation for Managerial Policy

The study recommends that managing challenges of strategic change is the main step which organizations should focus on to reap the benefits of strategic change. SACCOs in Kenya and other organizations should conduct change in a manner which ensures that the benefits derived overpass the pitfalls from challenges. Although organizations may not have the capacity to handle all challenges, setting priorities on the main challenges and meeting them could lead to great success.

Management should come up with strict policies to ensure that loan process is free and fair to reduce corruption. The policies should also ensure that loans are not defaulted by securing loans. Policies that encourage product quality and customer satisfaction should be put in pace. SACCOs should also ensure organization culture which encourages embracing strategic change.

The management should have a policy that insists on environmental scanning so that potential change can be detected and measures are put in place early in advance. This will enhance a smooth transition during the change process.

5.4.2 Recommendation for Managerial Practice

The management of SACCOs should practice professionalism in handling change. They must consider the greater benefit of the SACCO as opposed to selfish gains. Embracing accountability and shunning corruption can improve the perception of SACCOs to the general public and increase membership. Management should further encourage the culture of savings among peers to secure better future. Additionally, management should not shy away from investment in technology despite the huge capital investment required.

The research further recommends that good communication channels that allow member feedback are created and reinforced. Such channels should be used to communicate the need to change, review process, implement and monitor results. The researcher recommends that SACCOs join strategic alliances and networks as a practice to improve their business. Management should also practice using new business models, marketing and advertising to inform the public of their products and services. Finally, encouraging change process is recommended as a practice to improve SACCOs in Kiambu County of Kenya.

5.4.3 Recommendation for Academicians

Academicians must realize that they have a role to impact positive change in the society. They should ensure they dedicate time to research on more effective ways to minimize challenges of strategic change. The study further recommends that academicians inform organizations of their findings through documentation or publications either on print or social media. Academicians should lead in reducing resistance to change by proving that change, though challenging comes with enormous benefits.

Academicians should ensure that organizations are informed on the negative impacts of corruption. By informing peers and members of the public that participating in corruption creates problems in the economy, they will have contributed positively to the economy of the country. Another recommendation for academicians is for them to be champions in campaigning for change. They should be innovative in coming up with solutions that can be adopted by SACCOs and other organizations relating to strategic change management.

5.5 Limitations of the study

The researcher experienced difficulty in obtaining honest and impartial answers to data collection instruments since the research was conducted in SACCOs which hold sensitive information. In that regard, the researcher attached letters of introduction to questionnaires to provide assurance of confidentiality in handling the information. It is therefore hoped that the findings obtained present the best picture of the subject under investigation.

The study also faced time constrain. Limited duration of conducting the study prevented comprehensive and exhaustive research. The researcher however tried to focus on the main objectives of the study to gain maximum information on the limited time allocated.

5.6 Suggestion for further study.

This study focused on the strategic change management practices and challenges of strategic change of SACCOs in Kiambu county of Kenya. The study can be replicated in other counties in Kenya to compare the findings generated and come up with practices that can be applied all over the country.

The study also recommends that further research is carried out to address policies that can be adopted by other SACCOs and organizations to reduce resistance to change. Resistance to change was found to be a major challenge established in this study. Studies that recommend how resistance to change can be minimized will be a great contribution to organizations in Kenya.

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APPENDICES

APPENDIX I

LIST OF SACCOS

1. AFYA SACCO SOCIETY LTD
2. ALL CHURCHES SACCO S
3. BARAKA SACCO SOCIETY LTD
4. BANANAHILL SACCO SOCIETY LTD
5. BIASHARA SACCO SOCIETY LTD
6. BINGWA SACCO SOCIETY LTD
7. CARRIERS SACCO SOCIETY LTD
8. DAIMA SACCO SOCIETY LTD
9. DIMKES SACCO SOCIETY LTD
10. ENEA SACCO SOCIETY LTD
11. FARAJI SACCO SOCIETY LTD
12. FORTUNE SACCO SOCIETY LTD
13. GOODWAY SACCO SOCIETY LTD
14. IG SACCO SOCIETY LTD
15. JACARANDA SACCO SOCIETY LTD
16. KIAMBUU SACCO SOCIETY LTD
17. KENYA CANNERS SACCO SOCIETY LTD
18. JOINAS SACCO SOCIETY LTD
19. KWETU SACCO SOCIETY LTD
20. K-UNITY SACCO SOCIETY LTD

21. MENTOR SACCO SOCIETY LTD

22. METROPOLITAN NATIONAL SACCO SOCIETY LTD

23. OLLINS SACCO SOCIETY LTD

24. MWEITHERI SACCO SOCIETY LTD

25. NAWIRI SACCO SOCIETY LTD

26. NUFAIKA SACCO SOCIETY LTD

27. NYALA SACCO SOCIETY LTD

28. ORIENT SACCO SOCIETY LTD

29. SMART CHAMPIONS SACCO SOCIETY LTD

30. SOLUTION SACCO SOCIETY LTD

31. SOUTHERN STAR SACCO SOCIETY LTD

32. STAKE KENYA SACCO SOCIETY LTD

33. SUBA TEACHERS SACCO SOCIETY LTD

34. TAI SACCO SOCIETY LTD

35. TAIFA SACCO SOCIETY LTD

36. TOWER SACCO SOCIETY LTD

37. UNISON SACCO SOCIETY LTD

38. WAKULIMA SACCO SOCIETY LTD

39. WANACHI SACCO SOCIETY LTD

40. WEVARSITY SACCO SOCIETY LTD

41. WE CAN YOUTH SACCO SOCIETY LTD

42. WINAS SACCO SOCIETY LTD

APPENDIX II

LETTER OF INTRODUCTION

July, 2016.

Dear Respondents,

RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT

I am a student at the University of Nairobi, school of business 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 savings and credit cooperative societies (SACCOS) in Kiambu county of Kenya.

The focus of my research will be SACCOs in Kiambu County. The research will require administration of questionnaires to members of your SACCO including the management team.

Kindly note that the information provided will purely be used for academic purposes only and will be made available to you.

Any assistance accorded with regards to your policies will be highly appreciated.

Yours faithfully,

Mary Wahu Ndirangu.

Researcher.

APPENDIX III

QUESTIONNAIRE

PART A: BACKGROUND INFORMATION

1. Name of your SACCO ………………………………………………..

2. Number of years the SACCO has been in operation ……………………

3. What is your current position ……………………………………………

4. For how many years have you worked in this SACCO? Kindly tick below.

i. Less than an year ( )

ii. 1-5 years ( )

iii. 5-10 years ( )

iv. 10-15 years ( )

v. Above 15 years ( )

5. What was your motivation for joining this particular SACCO?..

………………………………………………………………………………………

6. What benefits have resulted from your membership in this SACCO?

………………………………………………………………………………..

PART B: STRATEGIC CHANGE MANAGEMENT FACTORS

7. How is change communicated in the SACCO? ……………………………………..

8. In your opinion is the communication of change effective? State reason …………

   ………………………………………………………………………………………….

9. Indicate the extent to which the following factors influence change in your SACCO. Use the scale of 1-5 given where 1= Not at all, 2= Little Extent, 3= Moderately Extent, 4=Great Extent and 5= Very Great Extent

NO	FACTORS INFLUENCING CHANGE	1	2	3	4	5
1.	Globalization					
2.	Growth and Expansion					
3.	Advancement in Technology					
4.	Political factors					
5.	Changes in the economy					
6.	Member demographics					
7.	Organizational Culture					
8.	SASRA Rules and Regulations					

10. Indicate the extent to which the following challenges affect your SACCO. Use the scale of 1-5 given where 1= Not at all, 2= Little Extent,

3= Moderately Extent, 4=Great Extent and 5= Very Great Extent

NO	CHALLENGES OF STRATEGIC CHANGE	1	2	3	4	5
1.	Competition from other SACCOs					
2.	Handling growing demand					
3.	Resistance to change in management					
4.	Diversification of products and services					
5.	Cost of investment in new technology					
6.	Developing competitive business models					
7.	Non remittance of loans					
8.	Poor governance (Corruption and fraud)					
9.	Human resource management challenges					
10.	Uncertainty					

Part C: STRATEGIC CHANGE MANAGEMENT PRACTICES

11. Indicate the extent to which the following strategic change management practices has been adopted in your SACCO. Use the scale of 1-5 given where 1= Not at all, 2= Little Extent, 3= Moderately Extent, 4=Great Extent and 5= Very Great Extent

NO	STRATEGIC CHANGE MANAGEMENT PRACTICES	1	2	3	4	5
1.	Environmental scanning to identify current and potential changes					
2.	Differentiation of products and services offered					
3.	Advertisement and marketing					
4.	Innovation of products and services					
5.	Investment in new business segments					
6.	Investment in technology					
7.	Effective communication and empowerment					
8.	Cohesion between leaders and members of the SACCO					
9.	Training and development programs					
10.	Improved networking and alliances					
11.	Change in financial policies					
12.	Compliance of new legistration					

13. Any other strategic change management practice improving performance

……………………………………………………………………….……………………

……………………………………………………………………………………….

……………………………………………………………………………………….

14. Which role can leadership in your SACCO play to minimize to resistance change…………………………………...

....……………………………………………………………………………………

15. List the benefits that have been experienced from adopting change management practices

i. ……………………………..
ii. …………………………….
iii. ……………………………..
iv. …………………………….

THANK YOU FOR YOUR RESPONSE