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Strategic Leadership and Performance of Savings and Credit Co-operative Societies in Kakamega County, Kenya

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Abstract
Despite the fact that most Saccos in Kenya have strategic plans showing their vision, mission and objectives set to be achieved, their service delivery falls below the expectation of the members. Good strategic plans put in place require good implementation which is steered by strategic leadership and it is on this background that the study on the effect of strategic leadership on the performance of Saccos in Kakamega County was designed. The study was guided by the following specific objective: to establish the effect of strategic leadership on the performance of Saccos. To meet this objective, the researcher stated it into a null hypothesis which was tested. The study was hinged on a conceptual framework where the envisaged strategic leadership forms the independent variable while performance forms the dependent variable. It was hoped that the findings will be of value to the Ministry of Co-operatives, Development and Marketing in terms of Strategic Leadership and also form a basis for improving performance of Saccos. The study contributes to knowledge body and adds value to the current literature on strategic Leadership as a modern thinking in leading organizations. Descriptive survey research design was used during the study. The study was carried out in Kakamega County which is one of the fourty seven (47) counties in Kenya. There are 38 registered and active Sacco Societies in the County with a membership of 34,343. Methods of data collection included; Interview schedules, questionnaires and documentary analysis. Validity of the research instruments was attained by administering the instruments to pilot respondents who were not be included in the main study and also use of feedback to improve the questionnaire. Both the questionnaire and the measurement process was guided by the conceptual framework in order to measure the key elements of Strategic leadership and performance to ensure construct and face validity because they reflect the key components of the study variables. Cronbach's alpha coefficient was used to measure the reliability of the scale which was also be used to assess the interval consistency among the research instruments items. The data was then entered and analyzed by simple descriptive analysis using statistical package for social scientists computer software version 12.0 to generate cumulative frequencies and percentages. To describe the relationship between Strategic leadership and performance simple regression model of the nature $P=\alpha+\beta_1SL+\varepsilon$ was used. The regression results also shows that 48.6 percent of the performance of Saccos can be explained by Strategic leadership (R squared = 0.468).
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Keywords: Talent management, medical employee, employee retention, Kenyatta national hospital

1. Introduction
Successful leaders never fail to have a clear sense of where they want their organizations to be in the future and the results they expect to achieve. They can do this by concentrating on an articulated style of leadership referred to as strategic leadership. According to Lynch (2009), Strategic leadership is the ability to shape an organization's decisions and deliver high value over time, not only personally but also by inspiring and managing others in the organization. He further states that such leadership begins with the top management team; the chief executive officer, other leading directors and, in large companies, the leading divisional directors.

Morris and Pendleton (2005), ask about effective strategic leadership, ''isn't that just leadership? How are they different? If you are a good leader, why aren't you, by definition, a good strategic leader"? Research and experience reveal some subtle and important differences: Elenkov, Judge &Wright (2005), defines leadership as the process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task. Hughes and Colarelli (2005), state that strategic leadership is exerted when the decisions and actions of leaders have strategic implications for the organization. They also stress that, it is broad in scope, the impact is felt over long periods of time and that it often involves significant organizational change. Hitt and Duane (2012), also state that strategic leadership is the ability to influence the opinions, attitudes, and behaviours of others.

In Germany, between the years 1993 to 2001 there were 1484 mergers; Canada had 600 within co-operatives and savings banks sectors. There was an urgent need to consider mergers, integration, and strategic alliances in order to have stronger and viable co-operatives. This is with the view of attaining strategic leadership and performance. In Africa there are still many challenges and weaknesses in the governance of co - operatives especially with regard to strategic leadership. According to SASRA report (2012), an analysis was carried out with eight (8) selected countries in Africa which have managed to use their SACCOs in strengthening financial service delivery, penetration of financial access and availability of credit to middle and low income groups in the respective countries. Kenya has the biggest membership in its establishment of the SACCOs, followed by Senegal and Ivory Coast. However, in terms of number of SACCOs, Ethiopia takes the first position and Kenya takes the second position. This scenario showed that in Ethiopia, SACCOs are many but with limited enrolment size. Based on the analysis of the deposits, Kenya has strong stand in deposits size, followed by Senegal and Ivory Coast, considering the loan portfolio sizes, Kenya is performing better followed by Senegal and Burkina Faso. In this regard, Kenya will have to adopt best practices of management steered by strategic leadership as part of the report made by SASRA in which Kakamega County Saccos are covered. (Ibid)

The uniqueness of the SACCO movement is its geographical distribution across Kenya. In all the 47 counties there are numerous SACCOs providing financial access to hitherto financially excluded Kenyans. As envisioned in Kenya's development blueprint, vision 2030, SACCOs are already playing their critical role of savings mobilization for investment. Many rural and Urban Kenyans now own homes and other business enterprises courtesy of funds through their SACCOs. According to the Ministry of Industrialization and Enterprise Development 2013 report, Kakamega County has 38 registered and active Sacco Societies with a membership of 34,343. (See appendix 5). It is one of the forty seven (47) counties in Kenya, located in western part of the Country. Ireland and Hitt (2005) cautioned, that "competition in the 21st century's global economy will be complex; challenging, and filled with competitive opportunities and threats". They however further state that exercising of effective strategic leadership practices would help firms to enhance their performance while competing in turbulent and unpredictable environments. Pearce and Robinson (2011) propose that strategic leadership is to drive and move an organization so that it will thrive in the long-term. This is true whether the organization is for profit or non-profit. It depends only on whether the organization seeks and achieves an enduring set of capabilities that provide distinctive value to stakeholders over the long-term, in whatever sector an organization operates or bottom line it is measured with. (Ibid)

2. Literature Review

According to Dess (2008), strategic leadership is proactive, goal oriented and focused on the creation and implementation of a creative vision. Also, that it is the process of transforming organizations from what they are to what the leader would have them become. A strategic leader is dissatisfied with the status quo hence initiates process that brings about change. Dess further argues that strategic leadership entails three interdependent activities of which a strategic leader must continually reassess. These are determining the organizational direction in terms of vision and mission, designing the organization and nurturing culture dedicated to excellence and ethical behavior. Strategic leaders therefore are charged with the responsibility to marshal people's commitment within and without the organization and implement strategies intended to bring success. They also emphasize that it doesn't matter whether the organization is for profit or non-profit making. It depends only on whether the organization seeks and achieves an enduring set of capabilities that provide distinctive value to stakeholders over the long-term, in whatever sector an organization operates or bottom line it is measured with. (Dess (2005).

Boal and Hooijberg (2001), comment that strategic leadership focuses on understanding how leaders influence others to develop their interpersonal skills such as task and people oriented behaviours. They further comment that interpersonal skills play a key role in delivering results beyond expectations through people. Leaders at the strategic apex of large business organizations can rarely personally influence all those who work in their organizations to share their vision and values because some will be resistant. Therefore, one way is by designing appropriate and motivational strategies, structures and systems. More specifically, this means that business leaders need to create a conducive environment that allow and encourage people to share their best ideas and efforts. If the leaders do so then the total of the employees' efforts and ideas will almost always surpass what the leaders could have conceived themselves.(Ibid)

Pearce and Robinson (2011), argue that strategic leadership challenge is to galvanize commitment among people within an organization as well as stakeholders outside the organization to embrace change and implement strategies intended to position the organization to succeed in a vastly different future. Leaders help their companies embrace change by setting forth strategic intent. They continue to state that the aim of strategic leadership is to develop an environment in which employees forecast the organization's needs in context of their own job so that they are able to efficiently execute their duties and achieve pre-determined goals.

Duggar (2009), comment that one of the myths of strategic leadership is that strategy is the CEO's job and others play little to no role in the process. Associated with this myth is the belief that the CEO and possibly the top leadership team go off for several days and come back with the strategy. True, the CEO often involves some team of senior management in that decision making process. But that does not mean that these people are the only strategic leaders within an organization. On the contrary, the CEO relies upon input and insights throughout the organization to set the strategy, to enact the strategy, and to help in understanding how well the strategy is working. The danger of the myth that strategic leadership is reserved for those at the top is that those lower in the organization will consciously or unconsciously believe it, will not see themselves as strategic leaders, and therefore will not behave as strategic leaders. (Ibid)

Finkelstein, Hambrick and Reger (2009), suggest that examining appropriate and often innovative strategic leadership practices currently being used successfully by visionary organizations, it is possible to identify and understand practices that will be effective in the next century. They state that this analysis is important, because strategic leadership may prove to be one of the most critical issues facing organizations, without effective strategic leadership, the probability that a firm can achieve superior or even satisfactory performance when confronting the challenges of the global economy will be greatly reduced. (Ibid)

2.1 Strategic Direction

According to Thomson, Gamble and Strickland (2001), strategic direction involves specifying the image and character that an organization seeks to develop over time. They also state that strategic direction is framed within the context of the conditions (i.e. opportunities and threats). They stress that strategic leaders expect their firms to face in roughly the next three to five years, that ideal long-term strategic direction has two parts: a core ideology and an envisioned future.

Thompson (2004) stress that in business organizations, the core ideology should be able to motivate employees through the organizations heritage, while the envisioned future should encourage employees to stretch beyond their expectations of accomplishment and require significant change and progress to be realized. He further state that the envisioned future can serve as a guide to the organizations aspects of strategy implementation process, including motivation, leadership, employee empowerment and organizational design. (Schilling, 2005) comment that as it is true for all leaders trying to change a firm's strategic direction, the CEOs need to win their employees hearts and minds while encouraging them to achieve greater heights and make them understand why change is necessary, passionately explaining what is in it for the organization and employees. Additionally, information regarding the organization's strategic direction must be consistently and clearly communicated to all affected parties.(Ibid)

Day (1994) is of the opinion that charismatic CEOs may also foster stakeholder's commitment to a new vision and strategic direction. Nonetheless, it is important not to loose sight of the organization's strengths when making changes required by a new strategic direction. Organizations can use strengths to ensure continued positive performance, the goal being to pursue short term need to adjust to a new vision and strategic direction while maintaining it's long term survivability by effectively managing it's portfolio resources. (Ibid)

2.2 Styles of execution

Johnson (1995), comments that organizations and their environments have changed rapidly over the past years and as a result, a new style of leadership that is less bureaucratic and more democratic is needed in order to ensure the survival of organizations. Bass, (1999), states that these new leadership approaches suggest that there are two views of leadership namely transactional and transformational leadership. Kotter (1996), propose that new perspective has emerged variously referred to as charismatic, heroic, transformational, or visionary leadership. He further comments that it is a re-invention of the organization by changing its leadership, vision, mission, culture, structure, strategy, and human resource practices. He also argues that transformational leadership may involve both developmental and transitional changes and may be managed as a series of transitional changes, and that transformations begin well when an organization has a head who is a good leader, and who sees the need for a major change.

According to Bass, (1998), transactional leadership is defined as leadership based on contingent reinforcement: a leader rewards or punishes followers according to the adequacy of their performance. He also comments that the primary influence process for transactional leadership is probably instrumental compliance where the follower complies to gain reward or avoid punishment, this form of motivation is likely to result in the minimum effort required to get the reward or avoid punishment; transactional leaders recognize what subordinates want to get from their work and ensure that they get what they want on condition that their performance is satisfactory. The leader here rewards and promises rewards in exchange of employees' effort, the leader respond to his employee's immediate self-interests if they can be met through completing work. Transactional leaders generally reflect on how to marginally improve and maintain performance, how to replace one goal for another, how to reduce resistance to particular actions, and how to execute decisions. (Ibid)

Howell and Avolio (1993) argue that transactional leaders are suited to a more stable business environment with little competition while in a stable environment; they only manage what they find and leave others. However, in the current competitive business environment, it requires a new style of leadership in order to ensure organization's survival and performance, namely the transformational leadership. This leadership style concerns the transformation of followers' beliefs, values, needs and capabilities.

Yukl (2002) defines transformational leadership as the process of influencing major changes in attitudes and assumptions of organizational members and building commitment for the organization's mission and objectives. Here, the leader encourages subordinates to adopt the organizational vision as their own through inspiration, motivation and align people to the systems so that there is integrity throughout the organization. (Yukl, 1998), states that through setting more challenging expectations and raising levels of self and collective efficacy, this leadership style achieves higher performance and commitment levels from their employees. Parry (1999), suggests that the best leaders tend to prefer transformational behavior over transactional.

Procter and Parry, (2001), suggest that transformational leadership is particularly important in enabling the public sector organizations to maximize their contribution to community outcomes. Maximizing this contribution is the apex of strategic leadership with execution of transformational leadership style. They further state that this leadership does this role by use of goals and vision as co-ordination and control mechanisms, rather than by concrete task and performance direction. Bass (1999), is of the opinion that a transformational leader stimulates and inspires followers to achieve extraordinary outcomes, while transactional leaders guide or motivate followers to work towards establishing goals by exchanging rewards for their productivity. According to Kotter (1996), a transformational leader motivates its team to be effective and efficient; communication is the base for goal achievement focusing the group on the final desired outcome or goal attainment. Here, the leader is highly visible and uses chain of command to get the job done. This leadership style focuses on the big picture, needing to be surrounded by people who take care of the details. The leader is always looking for ideas that move the organization to reach the company's vision. (Ibid)

Bass (1998) and Ristow, (1998), argue that transformational leadership results in lower turnover rates, high productivity, employee satisfaction, creativity, goal attainment, and better follower well-being. They also suggest that strategic leaders can exhibit a positive attitude by enacting their vision and staying on course. They can further do this by involving employees in the process of shaping organizations' vision and nurturing such values as honesty, trust and integrity. This study therefore supports transformational leadership as an efficient and effective strategic leadership execution style.

2.3 Performance of SACCOs

The study assumed that strategic leadership affects performance of SACCOs. According to Ireland and Hitt (2005), Performance is the results of an organization or investment over a given period of time. They further propose that competition in the 21st century's global economy is complex, challenging and filled with competitive opportunities and threats, therefore effective strategic leadership practices can help firms enhance performance while competing in turbulent and unpredictable environments, therefore, a key element of good organizational leadership is to make clear the performance expectations a leader has for the organization. (Ibid). According to SASRA report (2012), the SACCO movement in Kenya is billed as the largest in Africa and among the top 10 globally. The year 2011 witnessed a continued growth of the Kenya SACCO- sub-sector on various key fronts including increase in membership to 2.3 million from 1.6 million in 2010. With over Ksh. 248 billion growth in assets from Ksh. 216 billion in 2010 and a savings portfolio growth estimated at Ksh. 190 billion from Ksh. 158 billion in 2010. The sector has grown rapidly to be the largest in Africa by achieving 60, 64, and 63 percent of the continent's savings, loan and assets, respectively. The gross turnover for the sub-sector grew by13% to stand Ksh.25 billion in 2011 compared to Ksh.22 billion in 2010. Total loans granted to members grew by 19% to stand at Ksh.147.7 billion compared to Ksh.124.6 in 2010. SACCOs posted a 38% increase in equity in an attempt to comply with regulatory requirements. Sacco movement in Kenya constitutes a significant proportion, about 20 percent of the country's domestic savings. SACCOs in Kenya have thus become a vital component of Kenya's economic and social development.(Ibid)

Ngcelwane (2008), defines performance as behaviors, results and adjusting to organizational behaviors and actions of work to achieve results or outcomes. He further comments that an organization is judged by its performance which is equated with effectiveness and efficiency, while Ross (2002), comments that many organizations feel that their people can provide a competitive advantage which therefore contributes to organizations performance. Bass (1999), state that employees are of great importance to the achievement of any organization such that strategic leadership enables greater participation of the entire workforce and can also influence both individual and organization performance. According to Thompson (2011), the stronger a company's current overall performance is, the less likely the need for radical changes in strategy. The weaker a company's financial performance and market standing, the more it's current strategy must be questioned. Weak performance is almost always a sign of weak strategy, weak execution, or both. There comes a time at every business organization when managers have to alter their objective, modify strategy or fine tune the approaches to strategy execution; strategic leaders should rely on their curiosity to spot patterns that suggest future conditions and think deeply about the implications of those patterns for their business success. They should also understand that the leadership challenge is twofold: deciding when to make adjustments and deciding what adjustments to make, this is because both decisions are normal and necessary part of strategy managers' job since no strategic plan and no scheme for implementing and executing strategy can foresee all the events and problems that could arise.(Ibid)

In this study performance of Saccos is measured using three parameters namely: customer satisfaction, profitability and market share. With regard to these parameters, questions were asked through the questionnaires which gathered the respondents' views. It was not clear as to whether setting of direction, having a good leadership execution style, maintaining cultures, and maintaining organizational controls affected Sacco's performance. These concepts are discussed as follows:

2.3.1 Customer Satisfaction

Gichuru (2012), argue that customer satisfaction is one of the most important factors in a firm, since customer satisfaction is regarded as one of the main goals of evaluating how effective the business is. In addition, customer satisfaction is a starting point in the value chain between customer satisfaction, customer loyalty, firm product, marketplace and financial performance, and shareholders wealth. In today's dynamic global business environment, competition is forcing co-operative societies to assess and respond to the growing importance of the role their customers play in their success. A full understanding of factors that affect customer's satisfaction is crucial, to ensure long-term share for the societies in the market. Customer satisfaction is the base on which co-operatives build their success through decreasing costs. Nature of products, ICT and staff training, are some of the factors affecting customer satisfaction in SACCOs.

In his study, Gichuru found out that the determinants of customer satisfaction in SACCOs are: Easy access to credit facility, access to credit as an individual, low interest rate on loans, unlimited access to savings, large loan amounts, timely service delivery, flexible loan term, courteous staff, flexible repayment frequency, affordable collateral required, and swift response to customer suggestions and complains. It is also necessary for the leadership and management staff to possess appropriate training in their respective areas to be able to address their responsibilities with sufficient professional knowhow. Similarly, it is necessary that both be educated in and conform to a code of ethics so that they can exhibit ethical and moral behavior in the process of carrying out their duties. This is particularly so because fraud and corruption are rampant in co - operatives, seriously undermining their credibility (Kuria, 2012).

Bass (1997) comment that there are many roots to competitive advantage but the most basic is to provide customers with what they perceive to be of superior value worth paying for, a good or service at a low price, or a best value offering that represents an attractive combination of prices, features, quality, service, and other attributes that buyers find attractive. Bass (1997), also propose that performance can also be measured by how the customers rate the service quality that they get from the organizations, this they gauge by; expected service quality, reliability, responsiveness, accessibility, and credibility also to affect the performance are; economic conditions, parent ministry's action, other investments, employees actions, national officials actions, members actions**,** ministry of industrialization and enterprise development action, political activities and also staff education levels. Dess (2008) argues that customer satisfaction can be attained by identifying the members' needs and designing products and services that will satisfy the needs, it also involves having quality products. Financial business organizations can strive to offer quality services to make them the financial institutions of choice. Customers view quality as a product or a service that satisfy their needs. Competitive businesses aim to differentiate within one or a number of target market segments, the special customer needs of the segment means that there are opportunities to provide quality products that are clearly different from competitors.

2.3.2 Profitability

According to Branch and Baker (1998), profitability is not the primary concern for credit unions. However, the WOCCU report (2005) looked at profitability of credit unions from a different perspective. It stated that credit unions sought to generate profits in order to directly benefit the owners as they (members) serve both the owners of the credit union and the recipients of the credit union services. Thus when credit unions maximize their profits, it results in the form of lower interest rates on loans, lower service fees and higher dividends for the members. In line with this report, Bauer (2007) stated that credit unions were financial co-operatives, organized to meet the needs of their members thus surpluses or profits were returned to the members.

Kyazze (2010) pointed out that low profitability in SACCOs was not due to governance issues but due to poor costing in order to make the loans attractive to the members, partly due to lack of Know-how or relatively high operating costs. Strategic leadership can improve profitability which then leads to higher rates of dividends on member deposits, timeliness in loans disbursement; Saccos can achieve this by proper planning and allocation of funds, capturing a large market share; by being able to gain productivity from marketing, when the members are able to repay their loans and to be satisfied with the services offered. Competitive strategy gives a SACCO an advantage over its rivals in attracting customers and defending against competitive forces. Both Small and medium sized Saccos can rely on this when trying to develop innovations as the foundation for profitable growth. Profitability can also be measured in the Saccos by looking at the profit margins, whether they are increasing or decreasing and how well it's margins are compared to rival Saccos margins, trends in the Saccos net profits and return on investment, and how these compare to the same trends for other Saccos, whether the Saccos overall financial strength and credit rating are improving or on the decline. Also whether the Sacco can demonstrate continuous improvement in such internal performance measures as employee productivity and so on.

2.3.3 Market Share

This is the number of members that a SACCO has. The SACCO achieves by being able to recruit as many members as possible to join the SACCO. It will always determine the amount of deposits that a SACCO will have. According to the Kenyan economic report 2009, of the 20 million Kenyan adult population 22.5% are served by commercial banks and microfinance institutions while 17.6% are served by SACCOs. Due to this large coverage and focus on small income class, it should be noted that SACCOs are widely distributed across the country and therefore better positioned to bring more Kenyans under financial inclusion compared to other financial services providers. The Kenyan government is trying to enhance the adoption of prudential and non-prudential regulations as envisioned in the SACCO Societies Act of 2008.

Until recently, SACCOs have been able to retain their membership and attract new members through natural affiliation, stemming from the common bond among members. With increased competition from other financial service providers and other factors such as retrenchment, SACCO membership was on the decline prompting the SACCOs to come-up with strategies and products to assist them cope with these challenges. Some of these effective strategies include extending to alternative markets from what they had predominantly served and diversified their products range. According to SASRA report (2012), the year 2011 witnessed a continued growth of the Kenya SACCO- sub-sector on various key fronts including increase in membership to 2.3 million from 1.6 million in 2010. With over Ksh 248 billion growth in assets from Ksh. 216 billion in 2010 and a savings portfolio growth estimated at Ksh 190 billion from Ksh. 158 billion in 2010.(Ibid)

3. Methodology

Descriptive survey research design was used during the study. A descriptive survey design is a fact finding tool and explanatory in the capacity of establishing the truth (Neuman, 2000). This design was appropriate for this study because as stated by both Kothari (2004) and Mugenda and Mugenda (2003), it is a suitable research design for a research concerned with describing the characteristics of a particular group or it's association with something else. This therefore was relevant in this study because the researcher anticipated going to the field to establish what was happening on the ground, that is, the effect of strategic leadership on the performance of Saccos.

3.1 Study population.

The study population consisted of 38 registered and active Sacco Societies in the County with a membership of 34,343**,** these Saccos have 95 top management employees who include; managers, financial accountants, human resource officers and public relations officers. They also have 161 middle and lower level employees who comprise of accounts assistants, accounts clerks, registry clerks, receptionists and office assistants. (See appendix 5).

3.2 Sampling Techniques.

Purposively, the study selected Saccos with more than 120 members. This is because ascertainment of strategic leadership in a SACCO cannot be done with few individuals, it requires numbers. According to Kothari (2004), there are situations in real life under which sample designs other than simple random sampling may be considered better (say more informative, easier to obtain, or cheaper) and as such the same was used in the study. From this procedure, 19 Saccos were selected, this constituted 50% of Saccos. (Appendix 6). Kothari (2004) further states that purposive sampling is considered more appropriate when the universe happens to be small and a known characteristic of it is to be studied intensively. According to Gay (1981), the minimum acceptable sample for a descriptive research is 10% for a larger population and 20% for a smaller population. This therefore was a more representative population to draw samples. According to Mugenda and Mugenda, (1999), the purpose of sampling is to secure a representative group which will enable the researcher to gain information about a population.

3.3 Sample size

The sample size was determined from the 19 Saccos using the Krejcie and Morgan (1970) table found in appendix 7. The study therefore adopted 52 of the top management employees, 97 of the middle and lower level employees and 380 of Sacco members. The researcher had a total sample size of 529. According to Mugenga and Mugenda (1999), the ideal sample size should be large enough to serve as adequate representation of the population about which a researcher wishes to generalize and small enough to be selected economically in terms of expenses in both time and money. Therefore the researcher believes it was a more representative sample.

3.4 Data collection Procedures

The researcher collected both the primary and secondary data. Primary data was collected from the top management, the middle and lower level employees, and the members of the selected Saccos in Kakamega County using interview schedules and questionnaires. Unlike the rest of the targeted respondents, because of the nature of their jobs the top management used interview schedules. The middle and lower level employees however used questionnaires. According to Kombo and Tromp (2006), Questionnaires are appropriate because the information collected cannot be observed since they include personal characteristics, attributes and policies, also the information needed can easily be described in writing. The population targeted was literate thus able to interpret the questions and give the appropriate responses with ease. Simple random sampling technique was used through ballot papers written YES and NO to determine the members and the employees that were given questionnaires.

The members, the middle and lower level employees are important because the information that they gave was used to cross validate the information given by the top management who were the key target for this study. Secondary data was obtained from document analysis which was used to gather background information by reviewing literature relevant to the study; these included Sacco Societies reports, publications, manuals, newsletters, books, journals, Sacco's strategic plans and other relevant documents from authoritative sources on the topic under study. This was used to cross-validate and check the consistency of the questionnaire responses; they also supplemented the data obtained from questionnaires. Library research was used to obtain information on the subject of study, the literature review, research design and methodology, data collection and analysis. The questionnaires were administered by the researcher personally through a 'drop and pick' technique.

3.5 Data analysis

Data analysis refers to the computation of certain measures along with searching for patterns of relationships that exist among the data groups (Kothari, 2004). The raw data collected during the study were edited by reading through and cleaned by cancelling any errors to ensure that all questionnaires are completed and that the responses are legible, accurate and consistent. Coding and classification followed to ensure sufficient analysis. The data was then entered and analyzed by simple descriptive analysis and inferential statistics using statistical package for social sciences (SPSS) computer software version 12.0 to generate cumulative frequencies, percentages and regression analysis. The software package has been chosen because it is easily used to analyze multi response questions, across section and time series analysis and cross tabulation; (relate two sets of variable) and it can also be used alongside Microsoft Excel and word packages. It is also the most used package for analyzing survey data. Besides being the most used package, the software has the advantage of being user friendly (Mugenda, 2003). Simple regression analysis was used to analyse quantitative data collected. This method was selected because there was only independent variable (Strategic Leadership) and dependent variable (Performance of Saccos). Data was analyzed at (0.05) level of significance. At this level of significance, the researcher was 95% confident that any difference noticed is due to strategic leadership. The relationship between strategic leadership and performance was expected to follow a regression model of the nature $P=\alpha+\beta_1SL+\varepsilon$ while relationship between organizational and performance of Saccos were expected to follow a regression model of the nature $P=\alpha+\beta_2OF+\varepsilon$.

Where; P = Performance of Saccos
α = Intercept term
β_1 and β_2 = Beta coefficients
SL= Strategic Leadership
OF= Organizational factors and ε = Error term

4. Study Findings

In order to assess the influence of strategic leadership on performance, the study had set the following null

hypothesis;
$H_{01:}$ Strategic leadership does not have significant effect on performance of SACCOs.

In order to test the above hypothesis, the researcher used regression coefficient (beta β) with the test criteria set that the study should reject the null hypothesis H_{01} if $\beta \neq 0$, otherwise fail to reject H_0 and F tests were conducted to determine the indication and overall significance of the relationships respectively. All the questions in the questionnaire were answered by the respondents, had scores depending on the response of the respondents. The marks were then added up and finally divided by number of respondents answering the questionnaire to enable the researcher attain the mean score of every question measuring the independent and dependent variables. In order to test the hypothesis, the aggregate mean score of Performance measures were regressed against the mean score of measures of Strategic leadership and results presented in table 4.13.

From the study results, the regression results reveal that Strategic leadership had overall positive significance impact on performance (p-value = 0.006) Table 4.13. The regression results also shows that at individual level, there was a statistically significant positive linear relationship between strategic leadership and Sacco performance ($\beta = 0.624$) Table 4.8 in that the p-value is less than 0.05 ($0.006 < 0.05$) Table 4.8. The hypothesis criteria was that the null hypothesis H_0 should be rejected if $\beta \neq 0$ and p-value $< \alpha$ otherwise fail to reject H_0. From the above regression results $\beta=0.624 \neq 0$ and $0.006 < 0.05$, the study therefore rejects the null hypothesis and conclude that strategic leadership had significant effect on performance of Saccos.

Table 4.13: Regression results for strategic leadership and performance.

Goodness of fit analysis

Sample size	R	R Square	Adjusted R Square	Std. Error of the Estimate
423	0.624	0.486	0.687	0.218

Overall significance: ANOVA (F-test)

	Sum of Squares	Degree of Freedom	Mean Square	F	Significance(p-value)
Regression	2.018	4	3.218	49.018	0.006
Residual	1.640	11	0.124		
Total	3.368	15			

Individual significance (T-test)

	Unstandardized Coefficients		Standardized Coefficients	T	Significance(p-value)
	B	Std. Error	Beta (β)		
(Constant)	1.346	2.380		1.402	0.038
Means of strategic leadership	0.352	0.462	0.624	1.068	0.014

Source: Research data, 2013

The regression results also shows that 48.6 percent of the performance of Saccos can be explained by Strategic leadership (R squared = 0.486) and the relationship followed a simple regression model of the nature;

$P= 1.346+0.624SL+\varepsilon$

Where:

SL is the strategic leadership.

1.346 is a constant intercept term ($\alpha = 1.346$).

0.624 is the beta ($\beta = 0.624$) or the slope coefficient.

P is performance and ε is the error term.

5. Summary of the Findings

The first objective was to establish the effect of strategic leadership on the performance of Saccos in the study area and strategic leadership was characterized by strategic direction, styles of execution, organizational culture and organizational controls while the performance was characterized by Customer Satisfaction, Profitability and Market Share. The regression results also show that forty eight point six percent of performance of Saccos can be explained by strategic leadership. This means that strategic leadership helps increase performance of Saccos by 48.6 percent.

5.1 Conclusion

The study was based on the premise that strategic leadership influence performance but this influence is moderated by a number of organizational factors. The study results supported this premise in that strategic leadership was found to significantly and positively affect performance with forty eight point six percent of the performance being explained by strategic leadership.

5.2 Recommendation

Based on the findings and conclusions of the study, the following recommendations were made;
Strategic leadership has been found to have a statistically positive effect on performance of Saccos hence there is need for the Saccos to embrace and improve on their strategic leadership.

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