Effect of Leadership on Implementation of Strategic Plans in Savings and Credit Co-Operative Societies in Kenya: A Case Of Mwalimu Sacco In Nairobicounty

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Abstract: Strategic plans are of pertinent concern in contemporary management. However, it's successful implementation remains of greater concern and is an essential challenge for most organizations. It has been noted that there is a high failure rate in the implementation of strategy. This is as a result of the existence of several potential barriers to the effective implementation of strategy. Leadership, specifically strategic leadership, can hinder or enhance effective strategy implementation. The purpose of this study was to assess the effect of leadership on the implementation of strategic plans in SACCOs in Kenya with specific reference to Mwalimu SACCO in Nairobi County. The study is anchored upon the theory of upper echelons and descriptive survey research design was adopted for this study. The study therefore concludes that leadership styles and characteristics have positive influence on the implementation of strategic plans. It also concludes that the organization preferred the use of transformational, transactional, democratic and laissez-faire leadership styles. However, it was also established that some managers still practiced autocratic leadership style. The study also concludes that governance practices have positive influence on the implementation of strategic plans and that management commitment has positive influence on the implementation of strategic plans at the organization. The study concludes that organizational structure has direct influence on the implementation of strategic plans. From the findings, the study recommends that the organizations should fully embrace the application of transformational, transactional, democratic and laissez-faire leadership styles which are more friendly and conducive for the implementation of strategic plans. The study also recommends that governance practices like healthy internal functions, effective and efficient monitoring, evaluation of organizational performance, effective delegation of duties and structures that enable organization to make informed choices on matters to be accomplished should be embraced fully by management. The study finally recommends that the top and middle management should allow involvement and full employee participation in decision making during analysis and formulation of strategies in order to enhance their commitment and total ownership during the implementation of the strategic plans.

Key words: strategy, implementation, leadership.

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I. Introduction

Pearce and Robinson (2007) view strategic management as the set of decisions and actions that result in the formulation, implementation, and control of plans designed to achieve an organization’s vision, mission, and strategic objectives. Although strategy implementation is usually considered after strategy has been formulated, implementation is a key part of strategic management process (Wheelan & Hunger, 2008). Daft (2009) states that even the most creative strategies have no value if they cannot be translated into action. Andrews (1999) asserts that the role of leadership is important and sometimes decisive in the accomplishment of strategy. The literature has revealed a link between leadership and organizational performance by arguing that the effectiveness of a leader is a major determinant of the success or failure of an organization. By 1963, there were 1,030 registered co-operative societies in Kenya and in 1966; Co-operative Societies Act was enacted (replacing the 1945 ordinance which increased the government control over the co-operative movement). The current Sacco societies Act No: 14 was enacted in 2008 by parliament. The government in the sessional paper No.8 of 1970 urged for the formation of District Co-operative Unions by co-operative societies so that they could organize and offer centralized services like training program, banking and transportation of produce and sales of outputs.

Sacco’s have been a world phenomenon and Rouse (1997) says it is estimated that the total number of members of co-operatives is 800 million worldwide with a further 100 million employed by co-operatives. Dulfer et al. (1985) also says that in Canada credit unions have developed to become the significant financial
force. There are millions of memberships in credit unions. Total credit union assets are now about $31 billion. This is about 11% of the total assets of major financial organizations. Credit unions have over 16% of the market and personal loans of about 12% of the market of residential mortgages. Kimario (1992) says that in Tanzania the report on the survey of rural Sacco’s revealed that they are the most significant form of participation available to the rural Tanzanians. The survey indicates that by December 1999, there were 395 rural Sacco’s with a total of 83,000 members. These members had USS 1.7 million in shares, USS$4.8 million in deposits and USS $2.2 million as loan to members. A study by Kaplan and Norton (2008), argues that to manage both strategy and operations, companies must take five steps: (1) Develop strategy based on a company’s mission, values, strengths and competitive environment; (2) Translate the strategy into the objectives and initiate links to performance metrics; (3) Create an operational plan to accomplish the objectives and initiatives; (4) Put the plan into action, monitoring its effectiveness; (5) Test the strategy by analyzing cost, profitability and correlations between strategy and performance.

Karani (2009), in a study to investigate the strategy implementation process at KenGen found that various best practice principles were applied in strategy implementation at KenGen such as measuring the attainment of targets using the balanced scorecard and monitoring the implementation process by the Transformation Monitoring Office (TMO). The findings showed that these practices did support the implementation of the business plan (strategy). The results revealed the challenges of strategy implementation at KenGen as well as measures to overcome the challenges.

1.2.1 Statement of the Problem

Given all the energy and resources that are invested in strategic planning, it is of concern that less effort is directed at strategy implementation. Strategic plans are of little use without implementation. With the changing business environment and introduction of performance contract in public institutions and the enactment of SACCO Act 2008 it has become critical that SACCO’s formulate and implement strategic plans. Studies (Allio, 2005; Li, Guohui & Eppler, 2008) reveal a high failure rate in the implementation of formulated strategic plans. Other previous studies on leadership and strategy implementation have highlighted the importance of strategic planning on performance of organizations (Ireland & Hitts, 2005; Kinyanjui, 2007; Lussier & Achua, 2007; Speculand, 2011). However few studies have been done on the effect of leadership on implementation of strategic plans in savings and credit co-operative societies particularly in Kenya. This study seeks to find if there is a relationship between leadership and strategy implementation, and its effect upon the same. Hence, this study was to investigate the effect of leadership in strategy implementation with particular reference to Mwalimu Sacco in Nairobi County. The objective of the paper is establishing the influence of leadership styles and characteristics on implementation of strategic plans in Mwalimu Sacco in Nairobi County.

II. Literature Review

Leadership is a concept which is often talked about, and which has generated a proliferation of literature, especially in the field of management and organizational science (Jones, 2005). However, despite the almost unanimous agreement on the importance of leadership for the success of private sector organizations and institutions, and the countless works on the concept, “the field of leadership studies has not succeeded in articulating a coherent, paradigm-shifting model or approach that both scholars and practitioners can accept and work with” (Jones, Ibd., 259). There is no unanimity as to what ‘leadership’ means. Jago (1982), in seeking to combine the ideas of ‘process’ and ‘property’ in his conception of leadership states that leadership is both a process and a property. The process of leadership is the use of non-coercive influence to direct and co-ordinate the activities of the members of an organized group toward the accomplishment of group objectives. As a property, leadership is the set of qualities or characteristics attributed to those who are perceived to successfully employ such influence.

Strategic planning is a process that brings to life the mission and vision of the enterprise. A strategic plan, well-crafted and of value, is driven from the top down; considers the internal and external environment around the business; is the work of the managers of the business; and is communicated to all the business stakeholders, both inside and outside of the company (Dix & Lee, 2013). Strategy implementation has received increasing attention in literature (Bourgeois & Brodwin 1984; Alexander 1991; Grundy 1998; Noble 1999; Beer & Eisenstat 2000; Flood et al. 2000). However, no coherent research paradigm seems to exist, main reason being the diversity of perspectives that have been taken in defining the concept (Noble 1999). Noble (1999) reveals that, as with ‘strategy’, there is no universally accepted meaning of ‘implementation’ (Wernham, 1985). Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. It describes the concrete measures that translate strategic intent into actions that produce results. In his five P’s model Mintzberg (Mintzberg & Quinn 1991, Mintzberg et al. 1998) defines strategy as a plan, a ploy, a pattern, a position, and a perspective. Plan is defined as a consciously intended course of action,
or a guideline to deal with a situation. Ploy means a specific “maneuver” intended to outwit an opponent or competitor.

Chaffee (1985) has provided a categorization of strategy into three models: linear, adaptive and interpretive strategy. Of these three, linear model focuses on planning. According to the linear view, strategy consists of integrated decisions, actions, or plans that will be set to achieve organizational goals. Nutt (1986) suggested that the tactics used in leadership plays an important role in overcoming obstructions from the lower levels that sometimes may appear in the implementation strategies. Nutt (1987) noted that strategic decisions formulated by the top managers of a firm may be administratively imposed on lower-level managers and non-managers while inadequately considering the resulting functional level perceptions. House & Podsakoff (1995) leadership is a key determinant of organizational performance. Leadership plays a vital role in the formulation and implementation of strategies. It is considered as a link that relates the strategic management process with the organization’s vision. Leadership has significant impact on strategic management process. Especially it helps to determine the vision and mission of the organization. Further, it facilitates the organization to execute effective strategies to achieve that vision.

Strategic leadership is defined as “the leader’s ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary” (Hitt, Ireland, and Hoskisson, 2007). Strategic leadership is multifunctional, involves managing through others, and helps organizations cope with change that seems to be increasing exponentially in today’s globalized business environment (Huey, 1994). Zaribaf and Bayrami (2010) categorized the leadership’s importance into three key roles: managing the strategic process, managing relationships, and managing manager training. Similarly, Ansari’s (1986) study on just-in-time purchasing concluded that the commitment and leadership of top-level management is essential in strategy implementation. In a study involving Zimbabwe’s state-owned enterprises, Mapetera, Mavhiki, Tonderai, Sikomwe, and Mhonde (2012) found that relatively low leadership involvement in strategy implementation led to partial strategy success in the organization studied. Autocratic Leadership Style (ALS) places more emphasis on performance and low emphasis on people.

Most theorists have identified autocratic leaders with authoritarian leaders simply because research has proven that there is a strong positive correlation between autocratic leadership style and authoritarianism (Bass, 1990; Choi, 2007; White & Lippitt, 1960). Mullins (1999) is of the view that democratic leadership style focuses more on people and there is greater interaction within the group. The leadership functions are shared with members of the group and the leader is more part of the team (Mullins, 1999). Similarly, Luthar (1996) and Wilson et al. (1994) concurred that the principles of democratic leadership is friendliness, helpfulness, and the encouragement of participation. Zarra, Retamero and Landa (2008) wrap up that transformational leader have high emotional intelligence and they emerge as leaders during group cohesiveness. Transformational leadership has been favored by management practitioners due to its innovative as well as productive and supportive nature (Fatima, Ahmad & Usman, 2011).

Researchers such as (Gardner, 1989; Zaccaro & Klimoski, 2001) have concluded that successful leadership is the result of the interaction between the traits of the leader and the situation itself. They have realized that the interaction between the leader and the situation is key to understanding leadership, along with the specification of important trait and situational variables. Pearce and Robinson (2010), thinks that obtaining employee commitment and involvement can promote successful strategy implementation. Some CEOs believe that one way to accomplish this is to involve employees and managers right from the start in the strategy formulation process. Involvement and commitment should also be developed and maintained throughout the implementation process. If middle and lower level managers and key subordinates are permitted to be involved with the detailed implementation planning, their commitment will be likely to increase. Kuchio, (2012) examined the role of strategic leadership on strategy implementation in private universities in Kenya. She established that there are factors that affect the overall implementation of the strategic plans. Wasike, (2010) looked at the factors influencing strategy implementation in public universities in Kenya. The study established that the institution applied strategic plan in its management. Kimiyu (2011) undertook a study on the challenges facing strategic plan implementation in the public sector. The study established that if organizational structure is not well aligned with strategies being implemented, then the organization structure of an organization does affect the implementation process.
2.6. Conceptual Framework

Source: (Researcher's own conceptualization, 2015)

The quality of leadership and strategy is widely viewed as instrumental in maintaining and improving competitive performance. In this respect, the gap between strategy and intended strategy is among other factors, a function of the quality of leadership of the organization's leadership (O'Regan, et al., 2004). As shown in figure 1, implementation of strategic plans in an organization is dependent upon organizational leadership. Leadership styles, leaders' characteristics such as experience, age, education qualifications, skills and personality, staff commitment to organizational objectives and the organizational structure (independent variables) will determine the extent to which strategies are formulated and implemented in an organization. Successful formulation and implementation of the strategies will positively determine the performance of the organization as indicated by achievement of organizational targets, achievement of organizational objectives, increased membership of SACCOS, increase in branch networks, product innovations and improved service delivery.

III. Research Methodology

A descriptive research design was adopted for this study. For this study the target population comprised of all the employees of Mwalimu Sacco Limited. Since the target population was small, a census was therefore used in this study. A questionnaire was used to collect primary data for this study, to improve the validity of the instruments; a pilot study was conducted among selected 5 managers from NACICO cooperative societies. The piloted questionnaire was scrutinized to identify items that seemed unclear or ambiguous to the respondents. The Cronbach’s alpha method was used to determine the reliability coefficients of the data collection tools. This method is appropriate in situations where a tool will be administered once (Kothari, 2004). The research instrument was accepted since it yields reliability coefficients of 0.856. Qualitative and quantitative data collected was organized and cleaned of any errors that may have occurred during data collection, coded and keyed into SPSS version 20.0 computer software database.

IV. Data Analysis, Presentation And Discussions

The study sought to determine the distribution of respondents by their demographic information. This was in regard to their gender, academic qualifications and duration of stay at the organization. The results are analyzed, presented and discussed in the table 4.1.
Table 4.1: Demographic Information

The study found that 52% of the respondents had actually stayed in the organization for 4 to 10 years and this category was the majority. It was also established that 43% had been working for the organization for less than 3 years; this was followed by 5% of the respondents who had worked for the organization for over 10 years. From the results it may be said that senior managers had garnered sufficient experience with the organizational operations, implying that most of them understood the strategic measures laid down to help the organization fully implement strategic plans.

4.4.1 Leadership Styles

![Figure 4.2: Leadership Styles](image)

the study established that democratic leadership style was the most practiced one at the organization as depicted by 74%. However, the study found that autocratic leadership was the least practiced at the organization with a representation of 26%. From the results it can be said that senior managers embraced proper leadership style that enhanced the implementation of organizational strategic plans.

4.4.2 Rating Leadership Style of the SACCO

The respondents were required to rate the leadership styles they demonstrated at the organization, this was to find out whether the leadership styles applied are effective for the implementation of strategic plans. The results are shown in Figure 4.3
The study also found that 10% of the respondents rated leadership styles as very good and poor on a similar percentage. It finally show that 9% of the respondents rated leadership styles as very good. From the findings it can be said that leadership styles demonstrated by managers was acceptable.

4.4.3 Whether Success or Failure of New Strategy Implementation Attributed To Visionary Leadership

The study sought from the respondents the extent they would attribute the level of success or failure of new strategy implementation to visionary leadership in the organization.

The study found that 43% and 38% of the respondents indicated that the level of success or failure of new strategy implementation is attributable to visionary leadership in the organization. It also found that 10% indicated that the level of success or failure of new strategy implementation is attributable to visionary leadership in the organization to a very large extent and small extent on a similar percentage.

4.4.4 Strategic Leadership Actions

<table>
<thead>
<tr>
<th>Strategic leadership actions</th>
<th>Strongly agreed (%)</th>
<th>Agreed (%)</th>
<th>Undecided (%)</th>
<th>Disagreed (%)</th>
<th>Strongly disagree (%)</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The leadership is always in the forefront in determining a strategic direction for the organization</td>
<td>48</td>
<td>33</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>2.00</td>
<td>1.342</td>
</tr>
</tbody>
</table>
The leadership has been involved in establishing balanced organizational controls

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Strongly agreed</th>
<th>Agreed</th>
<th>Undecided</th>
<th>Disagreed</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>62</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1.62</td>
</tr>
</tbody>
</table>

The leadership has actively been involved in sustaining an effective organizational culture

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Strongly agreed</th>
<th>Agreed</th>
<th>Undecided</th>
<th>Disagreed</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
<td>52</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1.52</td>
</tr>
</tbody>
</table>

The top leadership always emphasizes ethical practices in the organization

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Strongly agreed</th>
<th>Agreed</th>
<th>Undecided</th>
<th>Disagreed</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>57</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>1.86</td>
</tr>
</tbody>
</table>

The leadership has been exploiting and maintaining core competencies

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Strongly agreed</th>
<th>Agreed</th>
<th>Undecided</th>
<th>Disagreed</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>43</td>
<td>29</td>
<td>10</td>
<td>0</td>
<td>2.29</td>
</tr>
</tbody>
</table>

The leadership is always in the forefront in providing leadership in strategy implementation

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Strongly agreed</th>
<th>Agreed</th>
<th>Undecided</th>
<th>Disagreed</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>62</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>1.90</td>
</tr>
</tbody>
</table>

The leadership motivates employees towards achievement of organization set goals

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Strongly agreed</th>
<th>Agreed</th>
<th>Undecided</th>
<th>Disagreed</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>46</td>
<td>10</td>
<td>5</td>
<td>7</td>
<td>1.86</td>
</tr>
</tbody>
</table>

The leadership supports employees and inspires them towards achieving strategic directions

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Strongly agreed</th>
<th>Agreed</th>
<th>Undecided</th>
<th>Disagreed</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>62</td>
<td>0</td>
<td>19</td>
<td>0</td>
<td>2.19</td>
</tr>
</tbody>
</table>

The leaders promote the company in building up shared behavior, vision, mission, norms and values formation among the employees

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Strongly agreed</th>
<th>Agreed</th>
<th>Undecided</th>
<th>Disagreed</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>43</td>
<td>19</td>
<td>19</td>
<td>0</td>
<td>2.38</td>
</tr>
</tbody>
</table>

Table 4.2: Strategic Leadership Actions

The study found that leadership at the organization has actively been involved in sustaining an effective organizational culture as shown by 52% which shows that mean score of 1.52 represented high agreement level with a standard deviation of 0.512 and 48% of the respondents who agreed and strongly agreed with the statement respectively. According to the findings, top leadership always emphasizes ethical practices in the organization as indicated by 57% having mean score of 1.86 with a standard deviation 0.854 and 33% of the respondents who agreed and strongly agreed with the statement. Hadaway (1989) further added that leaders are perhaps more important to the effectiveness of strategy implementation because their roles are of greater significance to the success of their organizations thus the need to embrace ethical practices at all times. The study found that the leadership of the organization has been exploiting and maintaining core competencies as represented by 43% of the respondents with a mean score of 2.29 and a standard deviation of 0.902. In Peng and Littlejohn (2001), effective training is a key requirement for effective strategy implementation since it enhances knowledge dissemination and learning during the process of strategy implementation thus improves competencies among employees.

It was also found that leadership of the organization is always in the forefront in providing leadership in strategy implementation as represented by 62% respondents who agreed with the statement with a mean score of 1.90 and a standard deviation of 0.831 and 29% who strongly agreed. An insignificant 10% of the respondents disagreed with the statement. The study found that leadership motivates employees towards achievement of organization set goals as said by 46% who agreed with a mean score of 1.86 and a standard deviation of 1.014 and 33% and strongly agreed with the statement. An insignificant 10% were undecided with the same statement. In support of the findings, Noble (1999) states that strategic decisions formulated by the top managers of a firm should not be administratively imposed on lower-level managers and non-managers while inadequately considering the resulting functional level perceptions but should always motivate employees to enhance their understanding of implementation strategy.

4.4.5 Leadership Characteristics and Strategy Implementation
The study found that 43% strongly agreed with a mean score of 1.93 and standard deviation of 0.905 while 30% agreed that they clearly communicate the strategic plans to staff under their jurisdiction while 14% remained undecided with the statement. In Peng and Littlejohn (2001), effective communication is a key requirement for effective strategy implementation in any organization. It was found that 40% with a mean score of 1.99 with a standard deviation of 0.895 while 36% agreed that they take inputs of comments and feedback of other employees into consideration when implementing strategic plans. However, 14% were undecided with the same statement. Data show that managers provide staff with clear expectations to what is going on with regards to implementation of strategies as indicated by 57% who agreed with a mean score of 1.86 and standard deviation of 0.854 and 33% of the respondents strongly agreed with the statement while 10% disagreed with the statement. Beer and Eisenstat (2000) addressed this issue from a different perspective by suggesting that in the absence of effective leadership, conflicting priorities will result in poor co-ordination because employees will suspect that top management prefers to avoid potentially threatening and embarrassing circumstances.

It was established that 43% and 37% of the respondents strongly agreed that they inspire staff under their jurisdiction to work towards successful implementation of strategic plans with a mean score of 1.76 and a standard deviation of 0.889 while 11% and 10 were undecided and disagreed respectively with the statement. Similarly, Ansari’s (1986) study on strategic plan implementation concluded that the commitment and leadership of top-level management is essential in strategy implementation in an organization. It was also established that the current organization management does not allow employees participation in decision making as approved by 33% who agreed with a mean score of 2.67 and standard deviation of 1.278 while 19% of the respondents strongly agreed. However, 19% and 10% disagreed and strongly disagreed with the statement. On whether there is clear commitment by top management to support staff in strategy implementation, 52% agreed with a mean score of 1.90 and standard deviation of 0.700 while 29% of the respondents strongly agreed with the statement and 19% remained undecided. Pearce and Robinson (2010), thinks that obtaining employee commitment and involvement can promote successful strategy implementation. Involvement and commitment should also be developed and maintained throughout the implementation process.

4.7.1 Description of Organization Culture In Relation To Implementation of Strategic Plan

The respondents were asked to describe the culture of their organization in relation to implementation of strategic plan. The results are as per indicated in Figure 4.5

| I micro-manage staff under my jurisdiction in relation to implementation of strategies | 24  | 33  | 0  | 19  | 24  | 2.86 | 1.59 |
| I inspire staff under my jurisdiction to work towards successful implementation of strategic plans | 43  | 37  | 11 | 10  | 0   | 1.76 | 0.889 |
| I foster collaboration among staff in the implementation of strategic plans | 43  | 48  | 0  | 10  | 0   | 1.56 | 0.489 |
| Leaders provide a good model to follow in relation to strategy implementation | 33  | 48  | 10 | 10  | 0   | 1.92 | 1.232 |

Figure 4.5: Description of Organization Culture In Relation To Implementation of Strategic Plan

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The results in Figure 4.5 show that an overwhelming majority (81%) of the respondents said that the culture of the organization in relation to implementation of strategic plan is conducive. It was also found that 19% describe the organizational culture as effective for the implementation of strategic plans.

That the organizational culture very highly influences the achievement of the organization’s strategic objectives. It was also revealed that organizational culture highly influences achievement of organization strategic objectives as represented by 19% (4). However, 14% (3) said organizational culture moderately influences achievement of organizational strategic objectives. In agreement, Aaltonen and Ikävalko (2002) state that the embracing the modern organizational culture positively influences achievement of organization strategic objectives thus it is prudent organizational adopts cultures and structure that could enhance performance. The study also found that mechanistic structure was also applied at the organization as represented by 9%. Burns and Stalker (1961) states that organization’s that operate in dynamically changing and uncertain environments tend to need organic/flexible structures and processes while more stable environments lend themselves to more familiar mechanistic bureaucratic structures.

### 4.7.4 Type of Organizational Structure

<table>
<thead>
<tr>
<th>employees work separately and specialize in one task</th>
<th>Strongly agree (%)</th>
<th>Agree (%)</th>
<th>Undecided (%)</th>
<th>Disagree (%)</th>
<th>Strongly disagree (%)</th>
<th>Mean</th>
<th>Std Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees work together and co-ordinate tasks</td>
<td>38</td>
<td>38</td>
<td>0</td>
<td>24</td>
<td>0</td>
<td>2.10</td>
<td>1.179</td>
</tr>
<tr>
<td>Hierarchy of authority well-defined</td>
<td>57</td>
<td>43</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1.43</td>
<td>.507</td>
</tr>
<tr>
<td>Decision-making kept as high as possible</td>
<td>33</td>
<td>48</td>
<td>19</td>
<td>0</td>
<td>0</td>
<td>1.86</td>
<td>.727</td>
</tr>
<tr>
<td>Most communication is vertical</td>
<td>19</td>
<td>76</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>1.86</td>
<td>.478</td>
</tr>
<tr>
<td>There is extensive use of rules and standard operating procedures</td>
<td>19</td>
<td>62</td>
<td>19</td>
<td>0</td>
<td>0</td>
<td>2.00</td>
<td>.632</td>
</tr>
<tr>
<td>Authority to control tasks is delegated</td>
<td>29</td>
<td>62</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>1.90</td>
<td>.831</td>
</tr>
<tr>
<td>Duty allocation is informal and based on mutual agreement</td>
<td>19</td>
<td>38</td>
<td>43</td>
<td>0</td>
<td>0</td>
<td>2.67</td>
<td>1.238</td>
</tr>
<tr>
<td>The CEO of the SACCO has control over all the heads of department and managers of the SACCO branches</td>
<td>52</td>
<td>19</td>
<td>19</td>
<td>10</td>
<td>0</td>
<td>1.86</td>
<td>1.062</td>
</tr>
<tr>
<td>Each department in the SACCO is responsible for making daily decisions</td>
<td>19</td>
<td>48</td>
<td>10</td>
<td>24</td>
<td>0</td>
<td>2.38</td>
<td>1.071</td>
</tr>
<tr>
<td>The SACCO has the headquarters that co-ordinates all its operations effectively</td>
<td>43</td>
<td>57</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1.57</td>
<td>.507</td>
</tr>
</tbody>
</table>

Table 4.7: Type of Organizational Structure

As presented in Table 4.7, the study found that employees work separately and specialize in one task as said by 38% respondents who on similar percentage strongly agreed and agreed with the statement with a mean score of 2.10 and a standard deviation of 1.179. However, an insignificant 24% disagreed with the statement. The data found that employees work together and co-ordinate tasks and that hierarchy of authority well-defined as shown by 57% who strongly agreed with mean score of 1.43 and standard deviation of 0.507 while 43% of the respondents agreed with the statements. Rumelt (1974) argued that the fit between the strategy and structure is essential for successful strategy implementation. Concerning whether decision-making is kept as high as possible, 48% agreed with a mean score of 1.86 and a standard deviation of 0.727 whereas 33% strongly agreed with the statement and 19% of the respondents remained undecided. The study also found out that 76% agreed with a mean score of 1.86 and a standard deviation of 0.478 while 19% strongly agreed that most communication is vertical. Hrebiniak and Joyce (2001) states that strategy implementation is important especially when it involves more people and greater task complexity, and has a need for sequential and simultaneous thinking on part of implementation managers. Regarding whether there is extensive use of rules and standard operating procedures, 62% agreed with a mean score of 2.00) and a standard deviation of 0.632 and 19% strongly agreed and 19% were undecided with the statement.

It was found that 62% agreed with a mean score of 1.90 and standard deviation of 0.831 while 29% strongly agreed that authority to control tasks is delegated at the organization. Narua (2011) in his study on the factors influencing the implementation of strategic plans in Sacco’s established that organization structure affects strategy implementation and that duty allocation should be delegated appropriately. On whether duty allocation is informal and based on mutual agreement, the study found that 43%, were undecided with a mean score of 2.67) and standard deviation of 1.238 while 38%, 19% agreed and strongly agreed with the statement. The study again found that the CEO of the SACCO has control over all the heads of department and managers of the SACCO branches as was indicated by 52% strongly agreed with a mean score of 1.86 and a standard deviation of 1.062 while 19% of the respondents agreed, 10% disagreed with the statement.
Organizational Structure Matches with Strategy

The respondents were required to indicate whether the general guide for matching organization structure to strategy is similar to that in their organization. The findings are as indicated in Table 4.8

<table>
<thead>
<tr>
<th></th>
<th>F %</th>
<th>F %</th>
<th>F %</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying the activities required to achieve organizational objectives</td>
<td>21</td>
<td>100</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>Grouping up of these activities into workable units (Departmentalization)</td>
<td>21</td>
<td>100</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>Assigning duties and responsibilities to subordinates in order to achieve the tasks assigned</td>
<td>19</td>
<td>90</td>
<td>2</td>
<td>21</td>
</tr>
<tr>
<td>Delegating authority necessary and useful for the accomplishment of tasks assigned</td>
<td>21</td>
<td>100</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>Establishing superior–subordinate relationship</td>
<td>17</td>
<td>81</td>
<td>2</td>
<td>21</td>
</tr>
<tr>
<td>Providing a system of co-ordination for integrating the activities of individuals and departments</td>
<td>21</td>
<td>100</td>
<td>0</td>
<td>21</td>
</tr>
</tbody>
</table>

Table 4.8: Organizational Structure Matches with Strategy

As presented in Table 4.8, all respondents (100%) said that organizational structure helps in identifying the activities required to achieve organizational objectives. The study also found that all the respondents (100%) indicated that organizational structure helps in grouping up of activities into workable units (departmentalization). It revealed that 90% of the respondents said that organizational structure assigns duties and responsibilities to subordinates in order to achieve the tasks assigned. The study found that 81% of the respondents said that the organizational structure helps in establishing superior subordinate relationship. However, 10% on a similar percentage objected it while another 10% had ‘I don’t know’ response. The data finally showed that all the respondents (100%) said that the organizational structure provides a system of co-ordination for integrating the activities of individuals and departments. According to Steiner, (1979) implementation of strategies is concerned with the design and management of systems so as to achieve the best integration of people, structures, processes and resources in reaching organizational objectives. The study found that chain of command which determines and defines job positions, decision makers and whose accountable for various duties was present in the organization as approved by all respondents (100%). The study also found that departmentalization which relates to functional divisions relevant to specific tasks such as sales and marketing, production, accounting, human resource, engineering among others was present at the organization as supported by 100% of the respondents. In support of the above findings, Quinn (1988) argues that structure of an organization reflects the value-based choices made by the company on how job tasks are formally divided, grouped and coordinated in order to enhance strategic implementation.

It was again found that all respondents (100%) said that distribution of authority (centralization and decentralization) was evident in the organization. Concerning whether organization chart or height which defines how many departments, divisions and layers tare between the highest levels and the lowest levels of an organization were present, 90% respondents supported the strategy while 10% objected its presence. The study finally established that 95% of the respondents said that span of control; that is number of employees a manager supervises as part and parcel of organizational structure was present while 5% said it was not present. Hall (1987) advises that organizational structure institutionalizes how people interact with each other, how communication flows, and how power relationships are defined.

V. Summary, Conclusions And Recommendations

The study found that leadership is always in the forefront in determining a strategic direction for the organization. The data found that leadership has been involved in establishing balanced organizational controls as supported by high percentage agreement; and that it has actively been involved in sustaining an effective organizational culture. According to the findings, top leadership always emphasizes ethical practices in the organization in order to enhance implementation of strategic plans. The study also found that the leadership of the organization has been exploiting and maintaining core competencies. Similarly, the study found that leadership of the organization is always in the forefront in providing leadership in strategy implementation as represented and those it motivates employees towards achievement of organizational set goals. The study as well found that the leadership supports employees and inspires them towards achieving strategic directions. The study finally found that leaders promote the company in building up shared behavior, vision, mission, norms and values formation among the employees.

The data established that managers guide members of staff under their jurisdiction in formulation and implementation of strategic plans. It was found that managers facilitate implementation of organizational strategic plans. It was again found that managers clearly communicate the strategic plans to staff under their
jurisdiction and that they also take inputs, comments and feedback of other employees into consideration when implementing strategic plans. It was found that the internal functions of the organization are healthy thus promoting strategy implementation. However, significant respondent remained undecided and disagreed with the statement. It was also established that most of the respondents strongly agreed and agreed that the governance practices witnessed has enhanced implementation of strategic plans while a small percentage disagreed and remained undecided with the same statement. Regarding whether the governance practices at the organization allows for monitoring of organizational performance, majority of respondents strongly agreed and agreed with the statement. Regarding whether top managers must demonstrate their willingness to give energy and loyalty to the implementation process, an overwhelming majority of respondents strongly agreed. As for whether demonstrable management’s commitment is a positive signal for organization to enhance strategy implementation, most respondents agreed and strongly agreed with the statement.

The study found that decision-making is kept as high as possible, that most communication in the organization is vertical, that there is extensive use of rules and standard operating procedures and that the authority to control tasks is delegated at the organization. It was also found that duty allocation is informal and based on mutual agreement, that the CEO of the SACCO has control over all the heads of department and managers of the SACCO branches, each department in the SACCO is responsible for making daily decisions and that the SACCO has the headquarters that co-ordinates all its operations effectively. It was established that organizational structure delegate authority necessary and useful for the accomplishment of tasks assigned, that the organizational structure helps in establishing superior subordinate relationship and that the organizational structure provides a system of co-ordination for integrating the activities of individuals and departments. The study found that chain of command which determines and defines job positions, decision makers and whose accountable for various duties was present in the organization. The study also found that departmentalization was present at the organization, that distribution of authority (centralization and decentralization) was evident in the organization. It was also revealed that organization chart or height was present and that span of control was available at the organization.

5.3 Conclusions

The study concludes that leadership styles and characteristics have positive influence of the implementation of strategic plans. It also concludes that the organization preferred the use of transformational, transactional, democratic and laissez-faire leadership styles. However, it was also established that some managers still practiced autocratic leadership style. It was also concluded that leadership characteristics applied by some managers was impediment to the full implementation of strategic plan. The study concludes that governance practices have positive influence on the implementation of strategic plans. However, some respondents indicated that the top management did not allow involvement and proper employee participation in decision making during formulation of strategies to enhance their commitment during the implementation of the strategic plans. The study concludes that organizational structure has direct influence on the implementation of strategic plans. Nevertheless, many respondents were of the opinion that allocation of tasks was informal based, some respondents indicated that the CEO had monopolized management of different SACCOs branches which had hindered their performance with respect to the implementation of strategic plans.

5.4 Recommendations

From the findings the following recommendations are drawn;

The study recommends that the organization should fully embrace the application of transformational, transactional, democratic and laissez-faire leadership styles which are more friendly and conducive as and when implementing strategic plans in the organization. The application of autocratic leadership is therefore outlawed as it only instills fear and lack of confidence on employees which may affect their contribution towards implementation of strategic plans. The study recommends that governance practices like healthy internal functions, effective and efficient monitoring, evaluation of organizational performance, effective delegation of duties and structures that enables organization to make informed choices on matters to be accomplished should be embraced fully by management. The study recommends that the top and middle management should allow involvement and full employee participation in decision making during analysis and formulation of strategies in order to enhance their commitment and total ownership during the implementation of the strategic plans. The study recommends that the organization should adhered to formal based allocation of tasks and that the organization should cease from monopolizing the role of CEO but have Chairman position as well to enhance the proper coordination of affairs of SACCO branches with respect to the implementation of strategic plans in the organization.
5.5 Areas for Further Research

The aim of the study was to investigate the effect of leadership on implementation of strategic plans in savings and credit cooperative societies in Kenya: A case of Mwalimu Savings and Credit Co-operative Society Limited in Nairobi County. The study therefore recommends that a further research study should be carried out with the aim of investigating the influence of employee training on the implementation of strategic plans in SACCOs in Kenya. The recommended study is prompted by the fact that for leadership to be effective the leaders should be subjected to regular on job training. This study did not consider the suggested area during recommendation hence a research gap that needs further study.

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Winnie Michira


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