

Leadership and Strategic Plans Implementation: Comparative Study between Amica and Mentor Saccos in Murang'a Town

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Abstract

Strategic planning is one of the functions of top management concerned with choices, deeds, and findings which result in the identification, analyzing, generation, and implementation of long-term roadmaps or blueprints meant to ensure achievement of organizational objectives (Pearce and Robinson, 2007). Strategy implementation is a very challenging aspects of strategic management because it requires immense resources and also due to the nature of the environments under which organizations operate. Firms have continued to experience challenges when implementing their long-term goals, therefore, this comparative study sought to establish how leadership affects the implementation of strategic plans in AMICA and MENTOR SACCOs which are operating in Murang'a town, Kenya. Comparative research design was employed in this study targeting a population of 120 staff in both AMICA and MENTOR SACCOs. Questionnaires and interviews were used to collect primary data. Census method was used because the population was considered to be small. Pilot study was undertaken to identify inconsistencies in the questionnaires. Descriptive analysis technique was used to analyze the data. The study established that leadership has a significant influence on strategic plan implementation in SACCOs. Based on the study findings that leadership significantly affects strategic plan implementation the study recommends that management should involve the different departments and workers in the organization to ensure that the people own the process. SACCO'S management should also involve all the stakeholders in making decisions and cascade functions downwards to the more specific departments where such functions apply.

Keywords: *strategic plans, implementation, Saccos, leadership*

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I. Introduction

Cooperatives are members-centered enterprises which are jointly possessed, run, and managed by members through their elected representatives to realize set out common economic and other mutual needs. Cooperative organizations bring people together for a common purpose. Where members are the customers, "the one member, one vote rule", applies when it comes to voting regardless of the amount of share capital one holds in the cooperative organization. (Ndegwa, 2015).

The early history of cooperatives started with the Rochdale Society of Equitable Pioneers which was consumer-based in 1844 and established the foundation of present-day SACCOs. These Pioneers comprising of 28 workers where half were weavers in Lancashire originated the societies in Great Britain and developed the Rochdale Principles. Due to the industrial revolution which threatened more people into poverty, the weavers came together to pool resources which could give them enough capital that could cater to their needs (Fairbairn, 1994).

The co-operative movement in Kenya started during colonial times when the white settlers established co-operatives former Rift valley province at Lumbwa in 1908 and progressed to Central, Eastern and Nyanza province. The main reason for the formation of the societies was to enable the acquisition of high-quality agricultural products, dairy milk, and other farm facilities and services. However, these movements were not formally registered until the year 1931 when they were put under the business law of the country (Wanyama, 2016).

More groups such as Kenya Cooperative Creameries (KCC), Kenya Farmers Association (KFA), Kenya Planters' Co-operative Union (KPCU), were incorporated as cooperative societies in the 1930s. The cooperatives were solely serving and meeting the interest of the whites. It was illegal for Africans to form and

participate in co-operative societies until later years when the laws were amended and Africans were now allowed to participate in the co-operative movement. Cooperative Societies operate in a business environment characterized by globalization. This environment is faced with great and continuous change on the economic, social, technological, and political fronts (Mengo, 2017).

In the year 1955, the colonial government permitted Africans to grow cash crops after the Syneron Plan which allowed for the formation of additional co-operatives that were indigenous oriented. This saw the emergence of cooperatives in cash crop growing areas that are present even to date. In years between 1932 and 1969 about 1,894 societies had been registered which were pulling resources on behalf of their members. Later, the Kenya government came up with an economic blueprint for the newly independent state. The sessional paper No. 10 of 1965 on "African Socialism" stimulated aggressive Africanization of the Kenyan economy in an attempt to eradicate poverty guided by principles comparable to those which were being utilized by the co-operative movement and spurred the growth of the cooperative sector as a government policy. Many cooperatives societies came into operation during this period. This included improvement of the management of societies, intensification of education, and training for members of the committee and staff with the provision of government support staff as supervisors (Okoro, 2016).

In the late 80s and early 90s, the cooperative movement was facing difficult times due to the collapse of international markets for cash crops, tea, and coffee and most of the cooperatives went into liquidation. The government came in through employing Structural Adjustment Programmes for a market economy. Sessional Paper No.1 of 1986 on "Economic Management for Renewed Growth", emphasized the importance of unfettered (free) private sector-led economic development the government came in to safeguard the loss of transferring funds to other loss-making activities, it was recommended that union banking services (UBS) be transformed into independent producer rural-based Savings and Credit Co-operative Societies (SACCOs).

Apart from enabling members to receive their payments and making savings and in an endeavor to increase the source of credit needs the Co-operative movement established the Co-operative Bank of Kenya (CBK) in 1965 and started its operations in 1968. By 1999, there were 105 registered rural Saccos – 50 of them being active (mostly agricultural and accounting to about 95% of Saccos membership and deposit) 20 struggling to survive while the rest were dormant. Most of the current ones have branch networks in their areas of operations.

Muranga County has a rich history of nurturing successful cooperative societies that date back to the colonial days. Weithaga and Kandara farmer's cooperative societies, for instance, were established in 1953. In its heydays Murang' a District Cooperative Union was an economic powerhouse that transformed the lives of many coffee farmers in the region. Since the coming of the devolved governments, Saccos have grown exponentially in Muranga county. The county's motto is 'kamuigi koyaga ndiri' translating to unity is strength (Gichuk i& Mulu-Mutuku, 2018).

The county has two hundred and fifty (250) Saccos in key areas of the economy including finance, dairy farming, coffee, tea, horticulture, trade, transport, and housing. The county government has also supported the establishment of Saccos for women who are engaged in business and farming among other economic activities, local musicians, and people with special needs. According to Josephine Mwangi, Murang' a County's commissioner for co-operatives, the members of these Saccos are about 300,000. Some of the outstanding Saccos which have their roots in Murang' a but have now spread their wings in other parts of the country are Mentor Sacco (formerly known as Murang' a Teachers Sacco), Amica (formerly known Murata Sacco and mainly serving coffee farmers in Murang' a) as well as Unaitas (formerly known as Muramati Sacco and mainly serving tea farmers in Murang' a).

AMICA SACCO

According to Mbui (2015), AMICA has a long history in the cooperative sector more so in Muranga County. In 1966 Amica formerly Murata Sacco came into operation in the year 1997 after splitting from the giant Mugama Union society mainly dealing with coffee farmers in Muranga district by then, it was registered and came into operation in the year 1969, being the first pioneer cooperatives in Kenya. Most of its members were coffee farmers who would sell their coffee to the society while at the same time borrowing money to fund the farmers in the production of coffee in Muranga. Currently, the Sacco membership is open to the members of the public as customers not necessarily being a coffee farmer. In the year 1997, Murang' a Farmers District Co-operative Union (MFDCU) lost the Union Banking Section (UBS) which became a separate legal entity and was registered as Murata Farmers Savings and Credit Co-operative Society Limited.

In 2006 the SACCO received autonomy by amending its by-laws to enable it to expand to other businesses as it had been dealing only with coffee farmers which were a competitive strategy to attract more members and revenue. This new development was the reason the SACCO changed to Murata Savings and Credit Co-operative Society Limited. In the year 2011, the Sacco was licensed by the new regulator of SACCOs in the country by the Sacco Societies Regulatory Authority (SASRA).

Amica was re-branded to propel its future growth. Amica is built on a strong foundation of true friendship as its mission in its commitment to its members in offering a helping hand in planning members live smarter in terms of their savings and credit in the institution. Through the rebranding as a strategy, the institution is currently increasing its visibility and accessibility by attracting membership countrywide. In 2015, Murata Sacco was ranked by Sacco Societies Regulatory Authority 39th out of 180 deposit-taking SACCOs in the country, with a total asset base of Sh1.9 billion and a loan book of Sh1.2 billion, the institution had a membership of 130,000 members and an asset base of Sh2.8 billion in the year 2016 with a branch network of 16 branches within Muranga and Thika. Currently, the Sacco has an asset base of 3.2 billion in the year 2018, membership of 180,000 with a branch network of 18 branches within Muranga, Kiambu, and Nairobi.

Amica SACCO aims at creating more partnerships from across the country to enable the institution to adapt to the current financial market in terms of sourcing cheap funds which would enable lending at an affordable rate to their SMEs. To achieve this, the SACCO has chosen to give free financial literacy skills to low-income groups and customers to educate them on the importance of saving and planning for their money. The Sacco has positioned itself strategically to be more competitive at the national level by capturing the desires and expectations of its customers through diversification of products and services which include agribusiness, development loans, salary advance, and mobile phone loans among other tailor-made facilities in the institution.

In the past, Amica Sacco has come a long way with its membership whom most of them have been coffee farmers, with low literate levels due to its areas of operation especially in the coffee-growing area of Muranga County. However, on changing their strategy, in amending its by-law, to include other members who are in businesses has boosted the capital base of the Sacco. With the rebranding as part of its strategic plan in the year 2016, the institution embraced technology in offering a diversity of products and processes to meet the client's needs. This improved performance and though in small doses.

The system of leadership in the organization is run by a board of directors elected by delegates in their nine electoral zones of coffee growing area in Muranga. During these periods as part of a strategy to diversify, the institution increased its delegates with twenty (20) members to include businessmen and women to bring the total number of the delegate to 100. This in itself was a strategy of expansion to include business people who have invested in the Sacco and spur economic growth (Maiche, 2017).

The institution has had two strategic plans for the years 2010- 2014 and 2015 – 2020, which in the first years, had challenges on the implementation. This was observed in terms of the management not supporting the changes that were discussed and factored in the strategic plans either for fear of change and the rapid changes in the cooperative sector. Secondly, implementation of strategies requires some form of funding which the management was not willing and ready to support which would have helped in developing the institution in terms of competition with other local competitors within the locality, for instance, in the strategic plan it was required to upgrade the information system to make services cheaper and readily available, however, the process took long before it was implemented delaying for 5 years until the leadership of the then Chief executive officer was changed.

Government policies in terms of legislation, guidelines, and the policy have greatly affected the operations of Saccos in terms of the daily running of the organizations. For example, most of them have been put to task by the regulator Sassa to utilize the member's funds better and prudently. Through the intervention of the county cooperatives officer have been keeping in touch with the Saccos on behalf of the department of cooperation in the ministry of industrialization. The above officer delegating some to the sub-county officers supervises elections of delegates and directors. The Sacco Societies Regulatory Authority has in the past had run-ins with the Sacco, with a 2012 audit finding it having run afoul of almost all critical parameters.

The current leadership mended fences with the regulator by ensuring compliance with all statutory requirements, but also called for a change in regulations about the appointment of board members with a situation where people are elected based on popularity instead of the qualifications impacting on governance negatively. Strategic plans play a crucial role in ensuring the organizations access their objectives from where they are to where they need to be. Strategies that are formulated by SACCOs are well thought of however the implementation takes place slowly instead of being there immediately.

Amica Sacco that has predominantly served coffee farmers in Murang' a County is now focusing on expanding to other counties guided by a strategic plan, which forecasts 500,000 customers and an Sh30 billion asset base by the year 2020. The targeting strategy may not be met unless the institution applies the following determinants in its implementing strategy (Gachau, 2013).

MENTOR SACCO

Mentor Sacco society formerly known as Muranga teacher's savings and credit society came into operation in the year 1977 as purely teachers Sacco however with time and the changes in the financial sector, amended their by-law to include others, customers, in their services to remain competitive in the sector. The customer's literate levels are higher ranging between Primary Teacher Certificate and Bachelors than most

schools within its business environment. Most of their services are offered to salaried customers whose remittance of their loans and products are checked off the system.

The Sacco was formed by about three hundred (300) teachers from the then Murang'a District in the year 1977. In the year 2000, through a common vote by the members, it opened its membership to civil servants. The Sacco has risen from small savings and credit co-operative to a formidable lender with a presence beyond Murang'a County.

In 2011, the Sacco found it prudent to accommodate members from other professions as well as the business community as long as they were legal citizens of Kenya. In that vein, it launched front office services activity (FOSA) and later rebranded to Mentor Sacco. This not only enabled non-teachers to come on board but also helped the Sacco expand its territory beyond the borders of Murang'a County. Mentor Sacco offers 'front office services activity' (FOSA) and hence the members are not only able to open and operate accounts, but they also access various loan products. Besides, through a mobile banking platform that is branded 'Mentor Quick Cash', the Sacco offers value-added products that are accessible to its customers whenever and wherever they are located. Through the Mentor Quick Cash platform, members can deposit, withdraw cash, pay various utility bills, and transfer funds using their mobile phones.

The Sacco has an interactive website through which members can access vital information, share feedback about the products and services being offered as well as download loan application forms which they can, in turn, fill and return without visiting branches. Having opened its doors to the small and medium enterprises (SMEs) market segment, Mentor has developed a special loan product for them. The main objective of the Sacco is mobilizing savings that it, in turn, leads to its members. In that regard the SMEs have to save with the Sacco first and then afterward based on their level of savings, they can access credit. The Sacco members have the supreme authority which is exercised when they hold the Annual General Meeting. The board is elected by the members to represent them in the Sacco and ensure that their needs are well taken care of. The board also ensures that all the resolutions made during the AGM are implemented.

The backbone of every successful organization is a great leader whose major roles include: driving strategy, carrying the vision, and assembling teams. Traditionally, the leadership of many big businesses was dominated by men. Nevertheless, today, many ladies have broken the proverbial glass ceiling. Mrs. Joyce Ndegwa, the chief executive officer (CEO) of Mentor Sacco was one of them. The Sacco is the only urban deposit-taking Sacco in Murang'a County and a choice of many business people and households. Its mantra is: 'Adding value to life.' To realize this noble goal, the management has continually implemented strategies that positively impact the lives of its members and other stakeholders. By that token, the Sacco realized tremendous growth in membership and other parameters during the financial year that ended 31st December 2017.

During that period, the revenue of the Sacco increased by 29.7% compared to 14.6% in 2016. The total assets of the Sacco grew by 28.61% compared to 19% in 2016. Also, deposits grew by 21.26% compared to 15% in 2016. Loans grew by 27.54% compared to 25.5% in 2016. The most outstanding thing in the financial year ending 31st December 2017 is that the Sacco made a net profit of Ksh.123.5 Million. It also achieved a huge milestone since its inception by putting a 9-story ultra-modern building which is the first in Murang'a County to have an elevator. The building is a major boost to the Sacco's asset base. It currently hosts the Sacco's headquarters with the rest of the offices rented out. Individual members bought shares to finance the project.

Mentor Sacco understands the value of its senior members who are regarded as part of marketing strategy; it has ensured that it has continued enjoying products and services like any other member who stills it serves. Most importantly, to ensure that the retired members are not condemned to a financial crisis, the Sacco advances them Ksh. 10,000 every month until when they start receiving their monthly pension from the national government.

Sacco understands that embracing technology as part of its competitive strategy and acknowledges that it is the most viable way of a growing business is given the current market trends. In that breath, it has partnered with the Co-operative Bank and Safaricom (M-Pesa) to assist in improving its service delivery. It has launched several products through its partnership with the Co-operative Bank which includes: Sacco link visa branded ATM cards, personal cheque- for current account operation, and cheque truncation for shorter clearing period. Through its partnership with Safaricom, (this has been its most innovative product) it has launched a revolutionary product branded Mentor Quick Cash. Through this platform, members can deposit, withdraw transfer, pay bills, check balances and also check guarantors from the comfort of their homes or wherever they are, 24 hours every day and seven days every week.

Currently, Mentor Sacco has five full-fledged branches that are located in Murang'a town, Park road -Nairobi, Kenol town, and Thika. It also has small outlets (referred to as satellites) in Kiria-in, Kandara, and Kangari towns as well as Ithanga, which is at the far end of Murang'a county neighboring the Eastern region of Kenya. The Sacco in its strategy for expansion has also planned to launch agency banking in various shopping centers located in areas it serves. Expanding through agency banking is more cost-effective than doing so through brick and mortar thus enabling the Sacco to serve the members residing in areas that are far away from

the main towns more effectively (Gichuki 2018). The hallmark of Mentor Sacco's road to success has been exemplary delivery of service to its members. "We take time to interact with our customers so that we can understand their needs and by so doing, the Sacco can develop tailor-made products and services that address their needs and aspiration.

Besides, the Sacco gives back a significant percentage of the profits it generates every year to its members. The practice has endeared it a lot to the members and it has enabled the ambitious organization to conquer more market share. The vision of Mrs. Ndegwa, who recently succeeded Mr. Alex Irungu as the CEO (the latter retired after serving Mentor Sacco since its inception) is to take the financial institution to the next level. The Sacco had developed a five-year strategic plan running up from 2013 to 2018 and the current one of 2019 to 2023 once implemented, the Sacco would be stronger and very efficient. Currently, Mentor Sacco has a loan portfolio of Kshs. 4.2 billion as a capital base and a membership of 18,000. Nevertheless, despite its steady growth over the years, unlike some of its peers, the Sacco has no plans of being converted into a commercial bank (Ndegwa,2018).

Strategic plans have been a key component of success within Sacco for the past 10 years of its implementation. This is the document that analyses the strength, weaknesses, opportunities, and threats in the organization and how to go about the myriad of challenges. The strategic plans on evaluation once monitored would be less than 50% implemented due to certain determinants not fully understood by the leadership of the Sacco.

Strategic planning

A strategic plan is an instrument used by the management of an organization to give direction on how to achieve documented long term goals. The plan presents detailed document covering strategies formulated, how to execute them, evaluation of progress, and how to address any deviations observed during the implementation stage. This tool helps the management to make informed decisions when allocating resources in the organization. Strategic planning is an approach that enables leaders to match the internal and external organizational environment with the changes variable business sector in which they operate (Okoro, 2018).

The business environment has become dynamic and competitive hence the urge for Saccos to develop and implement strategic plans. A strategic plan is a road map that guides and shapes what a Sacco is what it does and its focus on the future. Saccos have used strategic planning as a means of adding value to their business. Strategic planning is a managerial activity that sets objectives and directs resources to ensure stakeholders and employees move forward to a common organizational goal (Lwanga, 2011).

A Sacco's strategic planning brings an end product in the form of a strategic plan which shows Sacco's vision and mission, objectives, and action plans. It outlines critical goals that a Sacco intends to implement over a given period. Ideal strategic plans of the co-operative Sacco are measurable, realistic, and attainable. A strategic plan is a road map that sets targets consequently competition with other financial service providers. Successful implementation of the strategic plan is usually an intricate task which requires support from everyone involved in day to day running of the co-operative Sacco. Without this effort, the implementation of the strategic plan of the Sacco will remain a challenge (Maiche,2016).

Strategic planning and implementation vis a viz the leadership

Efforts and cost implication on the process of developing a strategic plan is enormous. An organization team builds and hires experts to develop a strategic plan. In the course of this process, organizations incur expenses that eventually reduce profitability. One would then expect full implementation once the strategic plan is developed. This would then justify the huge expenditure incurred towards the formulation of the strategic plan. However, evidence has shown failure in strategic plan implementation due to impediments both in the internal and external environments of firms. Facts indicate that most organizations lack strategic leadership within their ranks and this has made Strategic plan implementation a problem in many companies, including SACCOs (Ndegwa, 2013).

Raps and Kauffman(2005), observes that the success rate of many strategies is normally low and ranges between 10 % and 30% of intended results. Underdevelopment or fall of an organization is caused by a lack of strategy implementation, which impacts negatively not only on investors but also to all the interested parties such as workers, government, suppliers, and the surrounding community (Awin et.al,2012).

THE OBJECTIVE OF THE STUDY

This study compares how AMICA and MENTOR SACCOs' leadership affects the implementation of strategic plans.

II. Literature Review

Strategic leadership may be defined as the leader's ability to predict, conceptualize, enhance changes, influence, and empower others to create strategies when necessary (Hoskisson, 2007). SACCOS are led by management committees elected by members either directly at a general meeting or indirectly through their delegates. Schaik (2009) argues that effective managers control by giving tasks and commitments, monitoring major activities, and evaluating progress regularly. A major challenge facing strategy implementation is leadership.

Leadership is defined as the process whereby one person influences the other members towards a goal. It is an attempt at influencing the management activities of the staff and stakeholders to willingly cooperate through the communication process towards the attainment of some goals (Wheelan et al 1996). Beer et al. (2002) identify leadership roles during strategy implementation as; staying on top of what is happening and how well things are going, building consensus while dealing with the politics of strategy implementation, enforcing ethical standards, taking corrective action to improve strategy execution and overall performance. Therefore, an organization's leader who fails to articulate the organization's mission, objectives, and also is not able to inspire, motivate, and support the firm's members as they work towards implementing strategies is a major stumbling block to effective strategy implementation (Hrebiniak, 2008).

Leadership has a significant impact on the management and implementation process of strategic plans because it is entirely responsible for the determination of the vision and mission of the organization. Moreso, leadership facilitates the organization to ensure effective strategies are executed to achieve that vision. For the successful implementation of strategies, leadership is encouraged to be strong, not rude over others, and be kind. The strategic management process requires leaders to carry out roles such as innovation, strategizing, caretaker, analyzing, guiding, organizing, motivating, developing, enabling change, decision-making, collaboration, risk management, debtor controlling, and evaluation (Squib, 2018).

Leaders managing SACCOs should stick to the laid down process of strategic planning which includes a commitment to allow the execution of the strategies proposed by the strategic planning committee. Matthew (2009) argues that leadership influences the whole decision-making process; leadership connects the engine of the firm with its body hence it is a critical element to formulate and implement strategies. Gopinath (2013) argues that top leadership is responsible for successful strategy implementation. Rapa and Kauffman (2005) assert that if top management does not commit to the plans then there is a possibility of negative results by the members involved. Rap further argues that by ensuring that middle-level managers are an integral part of the process they will have more motivation and this will increase their performance as they feel appreciated.

The Chairpersons or chief executive officers as leaders have to ensure that all SACCO members are committed to the strategy implementation, by assuring the workers that the new strategy is relevant by explaining the importance of the same to reduce resistance to change, allocating resources for implementing the strategy and creating strategic consensus in that the lack in strategic consensus inhibits the capacity to strengthen energy required on implementing the set-out goals in the Sacco (Werlin, 2000).

There is a need to include employees at levels in the organization by management to ensure the process is owned. Good performance is a powerful indicator that management can utilize to earn employees' commitment to performing out the strategy implementation and attaching it to a reward system (Pearce & Robinson, 2007). Lack of top management support is one of the determinants inhibiting progressive strategy implementation (Aaltonen & Ikavalko, 2002).

The CEOs and senior management of the SACCOs often make mistakes by temporarily withdrawing their direct engagement once a strategy is formulated which causes a leadership vacuum during implementation leading to the strategy being seen by the workers as less important or unnecessary (Corboy 1999).

Leadership should foster commitment by the Sacco members to key strategic decisions (MacMillan, 1986). If some sections of management, especially middle-level ones think that they are being undermined they may compromise the strategy implementation. Allowing such managers in the initial stages of strategy formulation can increase the efforts needed when implementation is taking place because middle-level managers will be able to interpret strategic information into reality, have a higher personal commitment to strategic objectives, and inform the strategy more effectively to their groups and teams (Johnson, Scholes & Whittington, 2008).

Ndegwa (2013) argues that implementation faces problems such as controlling resistance to change by a section of workers, influencing behavior, availing working structures, and managing change. To guarantee successful strategic plan implementation support from all levels leadership and management are a must. Most of the problems bedeviling Saccos today arise from bad governance and poor economic management (Mutunga, 2009). Soni and Saluja (2013) argue that the current organizational structures of many Saccos do not observe the basic principles of human resource management of an acceptable and secure institution. The management of SACCOs is done by elected members, who sometimes have no professional background. This means Saccos

will have to adopt sound human resource policies which will promote proper manpower planning, development training, and assessment.

Properly developed strategy, availability of required skills and knowledge, and enough human resource capacity are very prominent resources for successful strategy implementation. Human resource practices promote and improve a firm's efficiency, effectiveness and performance by employing people with relevant knowledge, skills, and talents and managing them properly to ensure they align their efforts towards supporting the mission and vision of the company. The quality of human resources in a SACCO greatly relies on the success in the recruiting and selection process (Cater & Pucko,2010).

SACCOs should evolve scientific staffing norms, adopt a sound policy for establishing middle tier of management in all key functional areas, and a proper human resource development principles in critical sections such as recruitment, placement, training, development, and leadership grooming. SACCOs should develop a talented workforce to enable them to implement their strategies. Ouma (1989) as cited in Maorwe (2011) argues that the absence of human resource planning is a major barrier to the development and growth of many Co-operatives in Kenya.

Empirical studies show that superior outcomes are achieved by organizations, which align their human resource development practices with their business strategy. Saccos should find strategies for integrating business and people's needs for them to achieve their strategic objectives. Managers who know what motivates subordinates and motivate employees regularly are more readily likely to influence the workers and this will lead to the achievement of targeted results (Ndegwa, 2013).

Successful firms use both financial non-monetary incentives, for example, praising good work, recognition at meetings or in the newsletters, more job security, simulative assignments, and opportunities to transfer to attractive locations, increased autonomy and rapid promotion to gain wholehearted employee commitment to good strategy execution and operational excellence (Thompson and Strickland, 2004). The use of good practices of governance has proved to be fundamental in the success and development of Saccos, as it ensures that executives pursue goals determined by owners or those responsible for strategic decisions and not their own goals.

The main objective of leadership is serving the needs of the Sacco owners (Brasilia, 2008). Corporate governance tends to be more complex in the structures as compared with classical firms due to their democratic principle of decision-making and also because their ownership is usually much more diffuse which makes corporate governance a fairly touchy issue for SACCOs and more so when they enter strategy implementation. Cornforth (2004) asserts that one may question the ability of lay board members of a Sacco to effectively supervise senior managers, ensure probity and guard the interests of members and other relevant stakeholders without the necessary training. Training is an essential tool that helps the leaders to be updated with the current ongoing in the sector.

III. Methodology

Comparative research design was adopted in this study with a population of 120 staff from AMICA and MENTOR SACCOs in Murang' a town. The population of 120 respondents was considered to be small hence census method was used. An open-ended questionnaire was administered to collect primary data. Secondary data was also collected from AMICA and MENTOR SACCOs' records and annual reports, journals, internet, academic works, books, and government publications. A pilot study was undertaken to identify inconsistencies in the questionnaires and descriptive statistics used to analyze data.

IV. Data Analysis, Results, And Discussion

Rate of Response
Table 1: Response rate

Response	Frequency	Percent
Responded (Mentor)	38	31
Responded (Amica)	50	42
Total Respondents	88	73
No Response (Mentor)	14	12
No Response (Amica)	18	15
Total Non-responses	32	27
Total Issued	120	100

Source: Field Data (2020)

A total of 120 questionnaires were given out and 88 of them were properly filled and returned, representing a 73% response rate. This rate was favorable, satisfactory, and statistically significant for this study as recommended by Mugenda and Mugenda (2008) who observed that a response rate of 50% is adequate, 60% good and above 70% a very good rate.

Demographic Information

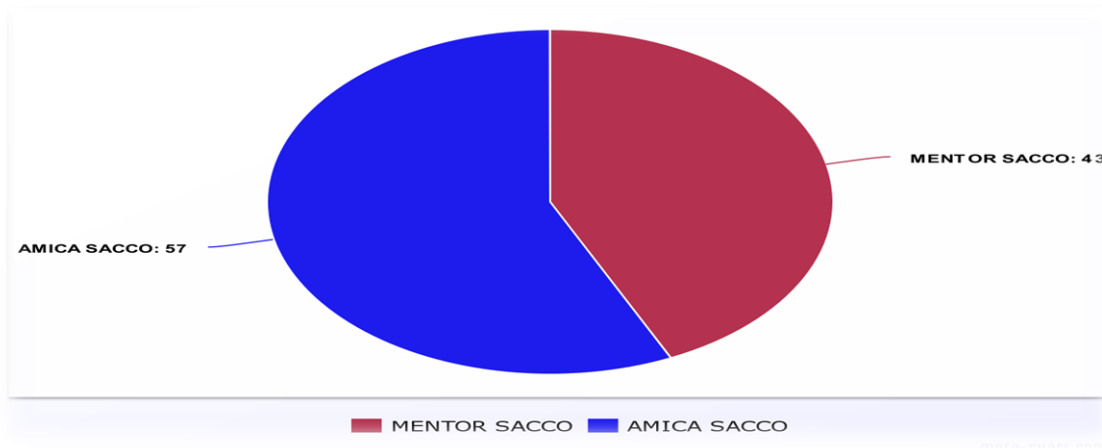


Figure1: Respondents’ Sacco membership

The results revealed that 57 % of the sample members were from Amica while the rest that is 43% were members of Mentor SACCO. In this study, therefore, the majority of the respondents were members of AMICA SACCO

Respondents’ Position held at the SACCO

Table 2: Respondents’ position held at SACCO

Position held	Amica	Mentor	Total	Percent
Director	2	2	4	5
Supervisory committee	2	2	4	5
Senior manager	10	7	17	19
Middle level manager	16	12	28	32
Staff	20	15	35	39
Total	50	38	88	100

Source: Field Data (2020)

Members of staff who participated in this study were asked to indicate their affiliate position in the SACCO, the results on table 2 above show that 5% had a tie between directors and the supervisory committee. Senior managers accounted for 19% while middle-level managers had a representation of 32%. The remaining 39 % comprised of other members of staff. This is an indication that the information sought from these respondents was reliable because all the participants are people actively involved in the process of strategy formulation and implementation.

Respondents level of education

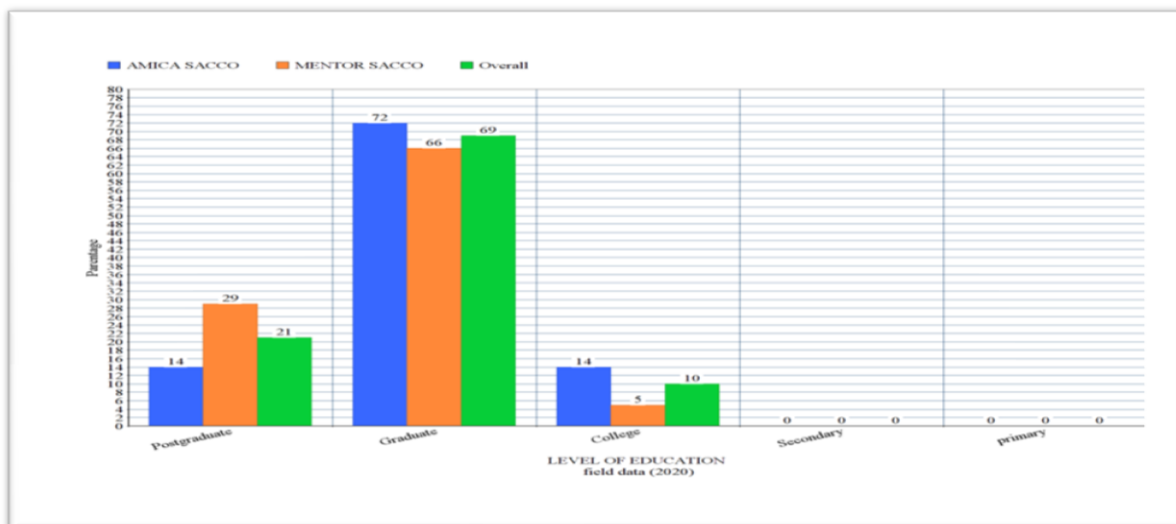


Figure 2: Respondents level of education

Results from Amica Sacco revealed that 72% was composed of graduates. The diploma and postgraduate holders tied at 14%, with secondary and primary school recording nil responses. On the other hand, the findings from Mentor Sacco had a similar trend. Graduate qualification had the highest representation (66%) followed by postgraduate at 29% with diploma holders coming last at 5%. There were no primary or secondary certificate holders from Mentor Sacco as well.

The overall highest formal education level for the respondents was the graduate category at 69% followed by 21% with Postgraduate qualification. College diploma holders were at 10%. There were no respondents who possessed a secondary or primary school certificate as the only qualifications. The data shows that in both Saccos, the employees had high education qualifications as supported by the above data. This is an indication that both SACCOS have put a lot of emphasis on education because it enables the workers to interact with customers professionally and relate well with all the stakeholders to accomplish strategic plans under implementation successfully.

Leadership effects on the implementation of strategic plans

The objective of this study was to compare how leadership affects the implementation of strategic plans in savings and credit cooperative societies, a comparative study between Amica and Mentor Saccos in Murang’ a Town. This section, therefore, sought information about leadership parameters influencing the implementation of strategic plans in SACCOS.

Organization Structure and systems

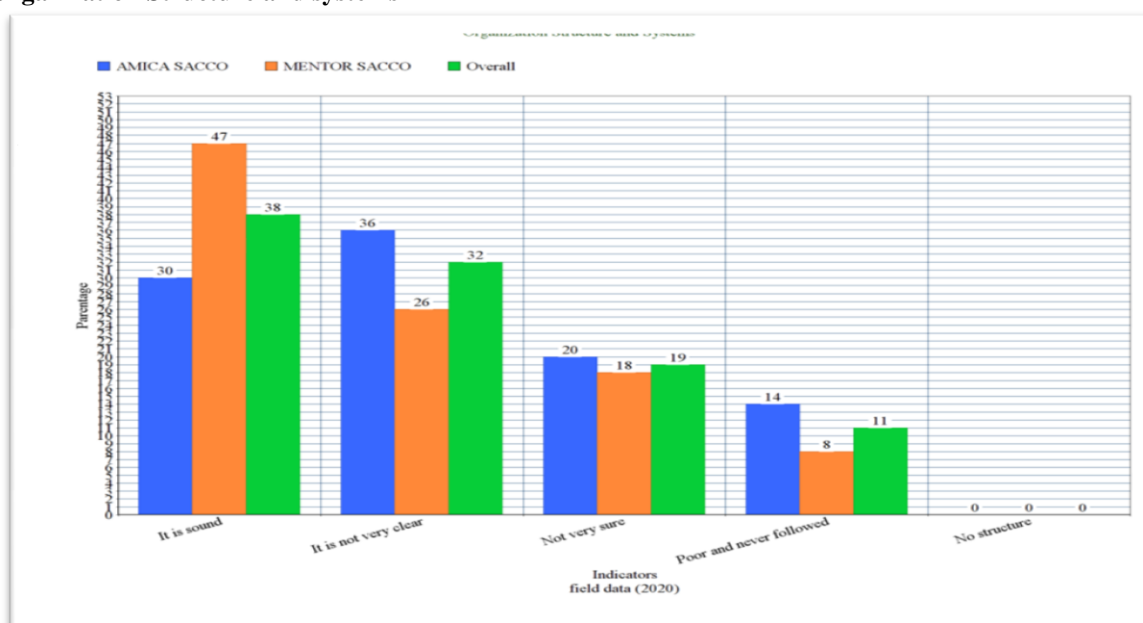


Figure 3: Organization Structure and systems

This section presents the results and findings on organizational structure and systems. 38% of the respondents agreed that organization structure and systems were sound and had created a smooth working condition. Those who said that the same was not very clear were 32%, respondents (19%) were not sure whether their structure and systems were clear, 11% felt that the systems were poor and never followed, there were no respondents who claimed that the systems and structure were missing in their SACCO.

Comparatively, the results show that Mentor had sound structure and systems at 47 % compared to Amica which had 30%. The results further show that workers at Amica felt that the structure and systems were not very clear at 36% compared to Mentor at 26%. The results revealed that 20% of the respondents from Amica were not sure about the structure and systems in place compared to mentor at 18%. The results further revealed that 14% of respondents from Amica felt that their structure and systems were Poor and never followed while Mentor stood at 8% for the same question.

Summary of Responses concerning leadership effect on strategic plan implementation in SACCOS

The researcher sought to determine the level of the agreement the respondent had on organization structure, policy on delegation of duties, the authority of managers in discharging their duties, and how the management committee contributed to the implementation of the strategic plans.

Table 2: Summary of Responses concerning leadership effect on strategic plan implementation in Saccos

Item	Amica		Mentor		Overall	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Organization structure	2.76	1.0984	3.03	1.1505	2.88	1.1225
Policy on delegation of duties	3.02	1.0971	3.29	0.9273	3.14	1.0303
Manager Authority in discharging duties	3.24	0.9381	3.47	0.7545	3.34	0.8562
Management committee influence	3.46	0.6764	3.68	0.7016	3.56	0.6925

Source: Field Data (2020)

The table above presents the results concerning leadership effect on strategic plan implementation employing a 4-point Likert scale with point 1 representing strongly disagree, point 2 mildly disagree, point 3 mildly agree, and point 4 strongly agree.

Respondents from Amica SACCO strongly agreed that the management committee influenced the implementation of strategic plans in the SACCO. This indicator had a mean of 3.46 and a standard deviation of 0.6764 an indication that the management committee plays a key role in ensuring strategic plans are implemented. Respondents were asked to state whether managers were given enough authority to discharge their duties. This parameter was the second in terms of influence as indicated by a mean of 3.24 and a standard deviation of 0.9381. From these findings, it is evident that managers had enough authority and powers to discharge their duties. On delegation of duties. Respondents agreed that the policy was being followed as disclosed by a mean of 3.02 and a standard deviation of 1.0971. The results further, establishes that Amica Sacco’s organization structure influenced the implementation of the strategic plan as shown by a mean of 2.76 and a standard deviation of 1.0984.

On the other hand, findings from Mentor Sacco show that the management committee had the highest mean (3.68) and the lowest standard deviation (0.7016). This implies that management is discharging its duties accordingly. The results on whether the policy on delegation of duties was being followed produced a mean of 3.29 and a standard deviation of 0.9273. The findings on organization structure had a mean of 3.03 and a standard deviation of 1.1505.

A comparison of the two Saccos revealed a similar trend as far as leadership is concerned. This is an indication that leadership has a significant influence on the strategic plan implementation. The overall results further indicated the respondents strongly agreed that leadership affected strategic plan implementation. The overall results were as follows, the management committee had a mean of 3.56 and a standard deviation of 0.6925. Management authority in discharging their duties had a mean of 3.34 and a standard deviation of 0.8562. The policy on delegation of duties had a mean of 3.14 and a standard deviation of 1.0303. This study found out leadership had a significant effect on the implementation of strategic plans in Saccos.

The result of this study was in agreement with study findings by Maiche & Oloko (2016) on factors Affecting Implementation of Strategic Plans in Co-operative Societies in Turkana County, who concluded that the commitment and full support of the management and leadership of a given Sacco is needed to ensure successful implementation of strategic plans at any given time.

V. Conclusion And Recommendations

A comparison between Amica and Mentor Saccos disclosed that leadership was important concerning the strategic plan implementation. Respondents from Amica Sacco strongly agreed that the management committee in place, influenced the implementation of strategic plans proposed in the Sacco with a mean of 3.46, the authority to discharge duties had a mean of 3.24, delegation of duties had a mean of 3.02. The results further, found out that, members of Amica Saccos mildly agreed that organization structure influenced strategic plan implementation as supported by a mean of 2.76. The findings from Mentor Sacco were as follows; the management committee had a mean of 3.68, Management authority in discharging their duties had a mean of 3.47. The results on whether the policy on delegation of duties was being followed produced a mean of 3.29. The findings on the organization structure had a mean of 3.03.

In conclusion, leadership is key to the driving of Saccos' goals as it faced challenges in both Amica and Mentor Saccos. Members did not have access to participate in decision making as only top leaders were involved. Respondents also proposed that the SACCOs' management should cascade or delegate the different functions downwards to more specific departments where such functions apply to ensure successful results.

The study recommends that SACCOs to include the different department and workers in the organization to ensure that the people can own the process. They should also ensure that the organization can establish the department to oversee, review, and assess the progress of strategic plan implementation. Management and administrators should involve diverse interested parties in making important decisions and when introducing changes in the SACCOs. They should also cascade or delegate the different functions downwards to the more specific departments where such functions apply.

Comparative results from the two Saccos revealed that 61% of the respondents were not motivated and were asked to suggest how the staff should be motivated to ensure strategic plans are implemented, the results revealed that members wanted retreats and seminars for training and development, recognition of the employee of the year, salary increments and yearly commissions for good performance.

Areas of Further Research

In this study, only two Saccos were involved in Muranga town, therefore, different Saccos in other counties in Kenya need to be studied to compare how leadership affects the formulation and execution of strategic plans. further, the study recommends research on how legislation and government policy affect SACCOs in their quest to execute strategic goals.

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