IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 24, Issue 7. Ser. I (July. 2022), PP 24-35
www.iosrjournals.org

Influence of Strategic Leadership on Performance of Coffee Cooperative Societies in Nyanza Region, Kenya.

MAINYA ROBERT NYABARO, PhD
Gusii Coffee Farmers Cooperative Union

Abstract
Economists and both social and management scientists have attempted to explain why some firms thrive and others fail. Many explanations have been offered over the decades. Although, there is still debate on the significance of strategic leadership as a practice in the performance of organizations in many researches, positive effect of using strategic leadership as a tool to achieve sustainable and competitive advantage cannot be ignored. The objective of the study was to establish the influence of strategic leadership on performance of coffee cooperative societies in Nyanza region. The study was grounded on resource based theory andguided by positivistic research design. The target population was the top management personnel in both coffee cooperatives and ministry of cooperatives. Nasiuma (2000) formula was used to select a sample of 394 respondents. Questionnaires were used to collect data. A pilot study was carried on randomly selected individuals in different coffee cooperative societies in Bungoma County. Both descriptive statistics (percentages, mean, standard deviation and variance) and inferential statistics (Multiple regressions and Pearson's correlation) were used to analyze data. The findings showed that quality management had a positive and significant relationship with performance of cooperative societies in Nyanza region. The study concludes that strategic leadership improvesperformance of coffee cooperative societies, and that strategic leadership can be enhanced if cooperative societies engage services of high level management team with a vast experience and integrity.The study recommended that management of cooperatives societies should allocate enough funds to train its employees and the board to acquire skills that can enhance the quality of coffee.

Keywords: *Integrated performance, Measurement framework, strategic leadership, performance, coffee cooperative societies.*

Date of Submission: 20-06-2022 Date of Acceptance: 03-07-2022

I. Introduction

Scholars have conceptualized and empirically determined the influence of strategic leadership on performance (Fitza, 2017; Ireland &Hitt, 1999). However, Knies*et al.,* (2016) point out that this causal relationship is questionable since other studies have demonstrated that their influence on performance may be limited due to contextual constraints. These disparate findings indicate either a lack of evidence in establishing a direct association between the broad conceptualization of strategic leadership and performance or of the many confounding variables that make it difficult to demonstrate clear cause and effect (Quigley &Graffin, 2017; Knies*et. al.,* 2016).

Ireland and Hitt (1999) conceptualized strategic leadership as a set of unique capabilities of anticipating, envisioning, maintaining flexibility, thinking in a strategic way, and empowering employees to generate innovative ideas that lead to high performance. House and Aditya (1997) saw it as an activity that is directed towards giving purpose to organizations. Boal and Hooijberg (2001) viewed it as the ability to create and maintain absorptive and adaptive capacities and the ability to discern environmental opportunities through their managerial wisdom. However, Rowe and Nejad (2009) thought it as an activity of communicating the shared values and a clear vision to employees, and the ability to make decisions with minimum organizational controls.Effective strategic leadership is considered as a major ingredient for the successful performance of any organization operating in the ever dynamic and complex environment of the 21st century. In the context of information uncertainty and resource scarcity, strategic leadership is required to confront the reality of environmental turbulence and a continuous need for appropriate organizational change in order to achieve performance goals. Most of the conceptual and empirical studies have shown that strategic leadership actions significantly influence performance (Machuki&Jaleha, 2018).

In spite of the long history of research on strategic leadership and management, it is in the recent past that the organization behaviorists started to give strategic leadership some attention (Narayanan & Zane, 2009). Strategic leadership is one of the major issues facing organizations recently; nonetheless, little empirical evidence has emerged on the effects of strategic leadership on organizational performance with distinct strategic

importance (Elenkov, 2008). Lear (2012) identified strategic leadership that links leadership effectiveness and organizational performance in a new paradigm shift to strategic leadership. The dynamic behavioral complexity of the causal chain of moderators suggests the reason for the difficulty in attaining and maintaining leadership effectiveness. In the absence of effective leadership, the capability of a company to sustain a competitive advantage is severely compromised (Elenkov, 2008).

There is little empirical evidence of the effects of strategic leadership on organizational processes that have distinctively strategic significance (Elenkov, 2008; Serfontein, 2009). Other researchers have examined critical leadership components (Hagen, Hassan & Amin, 1998; Ireland &Hitt, 1999; Hitt, Ireland &Hoskisson, 2001), and the results of such studies would indicate the contribution of these components to organizational success. However, there are few studies which have examined the effects of strategic leadership on organization's performance (Kathuria&Partovi, 2000; Raymond &Croteau, 2009, Serfontein, 2009).

II. Literature Review

In the recent years strategic leadership is increasingly becoming the main focus for businesses and academicians alike. Without effective strategic leadership, the capability of an organization to attain or sustain a competitive advantage is greatly compromised (Lear, 2012). This argument has been so due to the unpredictable environments in which most organizations find themselves in. Organizations that have taken up strategic leadership have satisfied, engaged and loyal employees as well as high performance, however the perceptions of the leaders and employees shape the attainment of this leadership and may greatly affect performance (Daft, 2011).

Serfontein (2010) did a research to determine the relationship between leadership characteristics and work culture in manufacturing firms in Scotland. He used an explanatory research design to carry out the study. He noted that through strategic leadership practice, leaders are able to understand better the organization's environment. This view is also supported by Gerras (2010) who asserted that through strategic leadership practice, the leader affects the desired organizational goals by influencing the organization's culture, allocating resources, directing policy and building consensus on the future.

A study that was conducted by Zaneta*et al.,* (2014) sought to determine the challenges of strategic leadership practices in the city council of Nairobi, Kenya. Their findings revealed that early involvement of council leaders and employees in the strategy process helped members understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of strategy implementation. It also revealed that participation of leaders motivates the other employees thus prevents them from being taken by surprise, puts all members at the same platform, and helps the employees to own the process thus ensuring better results.

A study on the effectiveness of organizational leadership on performance of selected service industries in Britain was carried out by Bowen (2016). The findings of the study revealed that in order to attain and sustain superior organizational performance and win stakeholder confidence, strategic leadership should and must be in the best position to guide the firm in ways that result in the formation of strategic intent and mission. Taiwo and Idunnu (2015) conducted a study to examine the impact of strategic leadership on performance and survival of banking sector in Nigeria. The study examined the leadership-performance relationship and the extent to which strategic leadership affected performance of First Bank of Nigeria. The study used an explanatory research design. From the target population of 575, a sample size of 212 was selected for the study. Structured questionnaires were used to collect data from the selected respondents. Data was quantitatively analyzed using descriptive statistics. The findings revealed that strategic leadership improves organizational performance, which in the long run impacts on its survival.

A study to examine the leadership approaches in Mbagathi District Hospital in Nairobi, Kenya as conducted by Ondera (2015) revealed that the leadership in the hospital formulates, implements and evaluates the work plan by involving all staff working at the facility which has improved performance and efficiency and that there is a positive relationship between leadership approaches and performance in the hospital. Researchers such Njiru (2017) conducted a research to determine the influence of strategic leadership process variations on superior performance in not-for-profit service organizations providing mental health services in Nairobi County, Kenya. The major finding of this study was that strategic leadership is highly correlated with superior organizational performance.

Several studies that have been done on the effects of strategic leadership on performance also found a positive relationship. For instance, Mwenda (2017) carried a research on the influence of strategic leadership practices on organizational performance in not-for-profit organizations in Nairobi County, Kenya. The results showed a positive relationship between strategic leadership and performance of not-for-profit organizations. Kiarie and Minja(2015) conducted a study on the role of strategic leadership practices in mitigating risks in stock brokerage firms in Nairobi using a descriptive design with a sample of 64 managers. They opined that strategic leadership practices are important because they shape the formation of strategic intent which influences

successful strategic practices in an organization. Obunga*et al.,* (2015) conducted a study on the effect of strategic leadership on performance of savings credit cooperative societies in Kakamega County, Kenya. The study found that the performance of these SACCOs could be explained by strategic leadership practices.

A study that was done by Mutia (2015) to determine the application of strategic leadership and church growth in Kenya using a descriptive correlational study with a sample size comprising of 95 bishops and 387 clergy in the mainstream churches in Kenya, found out that there was a significant relationship between strategic leadership practices and the church's growth which was measured by different items.

Ogechi (2016) carried out a research to establish the influence of strategic leadership on performance of small and medium enterprises in Kenya. The study findings concluded that strategic leadership positively affects the performance of SMEs in Kenya.Nthini (2013) carried a study to establish the influence of strategic leadership on performance of financial State Corporations in Kenya. The findings revealed a significance relationship between strategic leadership and organizational performance.

The study was conceptualized as shown in**diagram1**

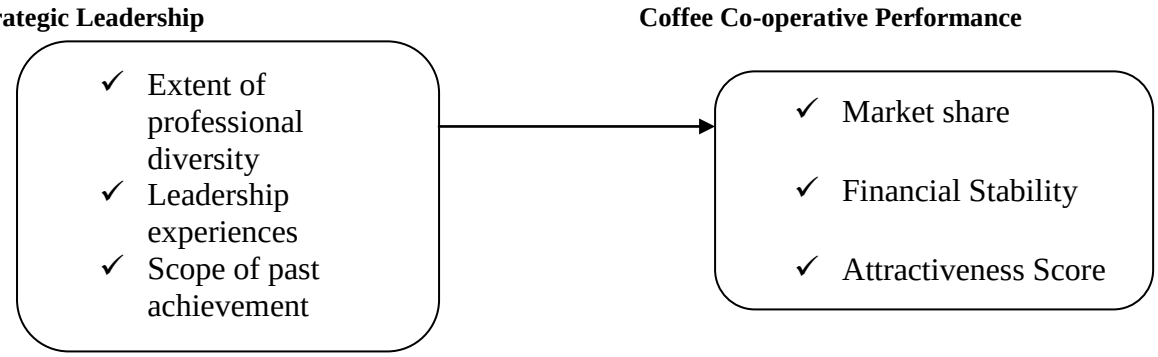

Diagram 1: *Strategic vs Coffee Cooperative Perfomance*

The independent variable in this study is strategic leadership practices. It is considered as the driver of coffee cooperative performance; in this study these practices will be looked in terms of product diversification, extent of professional diversity, leadership experiences, and scope of past achievement. The dependent variable in this study is organizational performance and it will be conceptualized in terms of market share, operational efficiency and return on investment.

Professional Diversity

It is important to ensure that management is well represented interms of gender, age and ethnic backgrounds. This ensured that there were a wide array of opinions brought to the board for discussion as studies have indicated that demographics of respondents have an effect in the way in which management makes decisions. For example women are risk averse while male leaders are more of risk takers (Abolfathi, &Phene, 2017).

Management Experiences

Cumulative management experiences ensure that the organization has a large pool of knowledge in form of management knowledge. Leaders from different work background including public and private entities, from different educational backgrounds and with sufficient working experiences have the knowledge to ensure that they make informed decisions to drive the organization in the required direction (Abolfathi, &Phene, 2017).

Management Past Experiences

Credibility is generated by past experiences of management. It ensures that management have the desired experiential learning to inform them to have the right knowledge to make decisions on the fly. It allows them to command respect and be able to influence organizational operations as they have the knowledge to plan strategically and influence employees in an organization to work towards achieving desired results (Abolfathi, &Phene, 2017).

III. Research Methodology

In this section the researchers intend to develop a performance measurement framework for the coffee cooperative societies. It involved the identification of the targeted societies in the study area and the relevant stakeholders associated with the study objects which enabled to identify and define the research target population. Research instruments were developed and tested for reliability and validity before their administration to respondents.

Study Area and Identification of Target Societies.

The study was conducted in five counties of the former Nyanza province where coffee is known to be grown. These areas included Lake Region of Kisumu, Homa-Bay Migori, Kisii and Nyamira counties found in the western part of Kenya. Apart from coffee farming these areas also grow tea especially in the highlands of Kisii and Nyamira; whereas the lake region of Kisumu, Homa-Bay and Migori engage in fish farming and harvesting. These areas receive moderately high rainfall throughout the year. The study area is surrounded by several counties including Vihiga and Kakamega to the north, Kericho and Bomet to the west and Narok to the south.

Target Population, Sample Size and Sampling Techniques

The target population for this study was 1,239 respondents drawn from all the coffee cooperative societies and the relevant government departments. The study was conducted in 51 coffee cooperative societies which formed the unit of analysis in 21 sub counties. Each of the designated sub counties had 1 cooperative officer and 1 agricultural officer giving a total of 21 cooperative officers and 21 agricultural officers respectively.

Table 1: Target population

Categories	Total Respondents
Societies staff	585
Management committee	459
Supervisory committee	153
Cooperative officers	21
Agricultural officers	21
Total	1,239

Source:*Annual Report (2018), Ministry of Cooperative Development.*

For this study the sampling frame consisted of all the sections including cooperative societies' employees, management committee and government employees; where the study population and sample was drawn. The respondents cut across the entire sections in the cooperative ranging from senior managers to lower cadre staff that was directly linked to the cooperative operations and the board of management so as to get a balanced view from all the stakeholders.

Stratified sampling was used to select the respondents from the strata that were relevant to the study. The population of the study was derived from different sections of the cooperatives in the area of study; hence stratified random sampling was adopted to arrive at the study sample. Stratified random sampling is adopted when the parent population or sampling frame is made up of sub-sets of known size to ensure that the results are proportional and representative of the whole population.

The study sampled a total of 303 respondents from the target population of 1,239, however, the sample size was adjusted by 30% to take care of the non response. This resulted into 394 respondents for the study. This sample size was considered adequate since similar studies conducted by Thurston *et al.,* (2000) used between 200 and 450 respondents hence the use of 394 respondents was adequate and reliable to reflect the entire target population. According to Kothari (2004), the size of a sample should neither be excessively large or too small. It should be optimum to fulfill the requirements of efficiency, representativeness, reliability and flexibility. A sampling frame is a complete list of all the elements of interest in the study. A formula by Nasiuma (2000) was used to derive the required sample size.

$$n = \frac{NCv^2}{Cv^2 + (N-1)e^2Cv^2}$$

Where:

n- Sample size

N- Target population (1239)

Cv - Coefficient of -0.5

e - Tolerance at 95% confidence level which is normally 0.05

$$= \frac{1239x(-0.5)^2}{(-0.5)^2 + (1239-1)(0.05)^2(-0.5)^2}$$

$$= \frac{1239x0.25}{0.25 + (1238)(0.0025)(0.25)}$$

$$= \frac{309.75}{1.02375}$$

= 302.56 (this figure rounded off to 303 respondents)
≈ 303
To cater for non-response, the study increased sample size by 30% to the main sample.
0.30*303 = 90.9
91+303=394

Table 2: Sample Size

Categories	Population	Sample Size
Societies staff	585	186
Management committee	459	146
Supervisory committee	153	48
Cooperative officers	21	7
Agricultural officers	21	7
Total	1239	394

Source: *Field Data, (2020)*

From the sample size calculations, the study respondents were 394 comprising of management committees, supervisory committees, society employees, cooperative officers and agricultural officers. This sample size represented more than 20% of the target population which was appropriate for the study to be carried on as it was above the minimum threshold of 10% of the target population as required and also as argued out by different scholars (Saunders et al., 2007; Kerlinger, 1986; Kothari, 2009). Therefore a 32% sample size was sufficient and reliable for data analysis because it provided desired levels of accuracy for testing significance of differences between estimates.

Design of Survey Instruments

Quantitative data was collected from primary and secondary sources. Primary data was collected by use of self-administered questionnaires. The researchers personally visited the cooperative societies' offices and the line ministries to collect secondary data which were extracted from the available documents.Self-administered questionnaires were personally delivered to the respondents at their respective societies by the researchersand research assistants, after which they were collected after two weeks for analysis. Further, a letter of introduction was obtained from Kisii University to facilitate the data collection process. Another important document used was the research permit that was obtained from the National Council of Science, Technology, and Innovation (NACOSTI). These documents served as authorization documents that showed that the research was approved and was meant for academic purposes only.

Reliability and Validity of Research Instrument

To test reliability of the instrument, a pilot study was carried out in Bungoma County. According to Beck *et. al.,* (2003), a pilot study is a small scale version, or trial run, done in preparation for a major study. In this study, questionnaire was tested to ensure that it was relevant and effective. Reliability was tested using questionnaires duly completed by 30 randomly selected respondents. In order to control response biasness, researchers pre-tested 30 boards of management and staff in coffee cooperatives in the pilot area to help the researchers to check whether the questionnaires were reliable. Respondents were not included in the final study sample in order to control response biasness.

Reliability is the ability of measurement instrument to produce the same answer in the same circumstances, that is, if respondents answer a question the same way repeatedly then the instrument is said to be reliable. There are three different techniques for determining reliability of data, namely; test retest, split half and internal consistency. In this research, questionnaire reliability was checked using split-half method which is a measure of internal consistency. The rationale for internal consistency is that individual items should all be measuring the same constructs and thus correlates positively to one another. Cronbach's coefficient alpha was used to determine the internal consistency. The test of reliability was calculated by the use of statistical package for social science (SPSS). Cronbach's alpha coefficient ranges from 0 to 1, the higher the alpha (α) values the higher the reliability of the scales. As a rule of thumb, acceptable alpha (α) should be 0.70 and above. A reliability coefficient of zero indicates that the test scores are unreliable. On the other hand the higher the reliability coefficient, the more reliable or accurate the test scores. For social science research purposes, tests with reliability score of 0.7 and above are accepted as indication of reliability (Kurpius& Stafford, 2006).

To ensure face validity of the instrument the questionnaire was subjected to supervisors' and colleagues' scrutiny. Further, the questionnaire was pre-tested for coherency and comprehensiveness. Five raters were used to rate the questions. Each of the five raters had a specific focus according to the main sections of the

questionnaire, that is, product diversification, strategic innovation, quality management, strategic leadership and organizational performance.

The researchers used the content validity index (CVI); a scale developed by computing or rating the relevant items in the questionnaire by checking their clarity and meaningfulness in line with the objectives of the study then dividing by the total number of items in the questionnaire. The rated findings were used to calculate content validity index (CVI) using the following formula:

CVI =K/N

Where: K = Total number of items in the questionnaire declared valid by both raters/ supervisors, N = Total number of items in the questionnaire.

The computed content validity index was compared with the standard CVI of 0.70 for validity. Evidence of validity was reported as a validity coefficient, which ranged from 0 to +1.00. The validity scores approaching 1 provided strong evidence that the tests scores were measuring the construct under investigation (Kurpius& Stafford, 2006).

Data Collection

Data collection is a process of gathering specific information to prove or refute facts in a study (Kombo& Tromp, 2011). In this study, a survey questionnaire was used because it provided an unobtrusive and inexpensive method of data collection (Zikmund, Babin, Carr, & Griffin, 2010; Kothari &Gaurav, 2014, Mugenda&Mugenda, 2009). Quantitative data was collected from primary and secondary sources. Primary data was collected by use of self-administered questionnaires. The researchers personally visited the cooperative societies' offices and the line ministries to collect secondary data which were extracted from the available documents.

Data Analysis and Presentation

Burns and Grove (2003) define data analysis as a mechanism for reducing and organizing data to produce findings that require interpretation by the researchers. According to De Vos (2002) data analysis is a creative process characterized by an intimate relationship of the researchers with the participants and data generated. Both descriptive statistics and inferential statistics were used in data analysis.

The collected data were examined for completeness and consistency. The analytical techniques for data analysis was determined in line with the characteristics of the research design and the nature of data gathered as suggested by Zikmund, Babin, Carr and Griffin (2013). Descriptive statistics namely percentages, mean, standard deviation and variance were used to analyze the data. The results were presented using tables, graphs.

Inferential statistics is concerned with the cause-effect relationships between variables and uses various tests of significance for testing hypotheses. Inferential statistics and Pearson's correlation were used to analyze the data. Multiple regression analysis was used to explore the relationship between the variables. Pearson's correlation coefficient was also calculated to analyze the strength and direction of association between the dependent and the independent variables. The results were presented using tables.

To test the hypotheses, simple and multiple regressions were used. The model took the form of an equation that contains a coefficient β1 for each predictor, which indicated the individual contribution of each predictor model. The coefficient β_1 showed the relationship between the independent variable and each predictor. A positive value of β_1 represented a positive relationship between the predictor and the outcome variable whereas a negative β_1 represented a negative relationship.

At each level of predictor variables, the variance of the residual terms was expected to be constant, meaning that there is homoscedasticity. If variances were unequal it was considered to be heteroscedastic (Field, 1990). Heteroscedasticity is a systematic pattern in the errors where the variances of the errors are not constant (Gujarati, 2003). Heteroscedasticity makes ordinary least square estimators not efficient because the estimated variances and covariance of the coefficients (βi) are biased and inconsistent and thus, the tests of hypotheses are no longer valid.

Pearson product moment correlation (r) was derived to show the nature and strength of the relationship among the variables in the study. The square of the correlation coefficient, the coefficient of determination (R^2) was used to determine goodness of fit of different models and measure the amount or degree of variation in the dependent variable(s) attributed to the predictor variable(s). A multiple linear regression was adopted to establish the linear relationships among the variables. To determine the effect of strategic management practices on the performance of coffee cooperative Societies in Nyanza region, simple and multiple regression analyses was done with direct and indirect relationships. Direct model was used to test the relationship that exists between strategic leadership and cooperative performance.

$$Y = \beta o + \beta_4 X_4 + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots i$$

Where:

Y= Cooperative Performance,

β_o = Constant (coefficient of intercept),

β_4= change in cooperative performance for each 1 increment change in X_4, that is, strategic leadership

X_4 = score on strategic leadership which predicts the value of cooperative performance,

ε = the error term reflecting other factors that influence cooperative performance.

IV. Findings and Discussion

The objective of the study was sought to assess the influence of strategic leadership on performance of coffee cooperative societies in Nyanza region. The findings are presented in table 3.

Table 3: Descriptives for Strategic Leadership.

	N	Min	Max	Mean	SD
The cooperatives management has gender parity	337	1.00	5.00	4.20	1.23
Management teams have both young and elderly staff	337	1.00	5.00	4.10	1.30
There is ethnic balance in the management team	337	1.00	5.00	4.22	1.41
Management teams are from different public and private sectors	337	1.00	5.00	3.64	1.75
All management teams have over ten years in past experience	337	1.00	5.00	3.68	1.60
Education level of the management team is at minimum post graduate qualification	337	1.00	5.00	2.41	1.27
Management teams have many accolades from previous organizations they served in	337	1.00	5.00	3.74	1.59
The cooperative has consistently grown over time due to current management	337	1.00	5.00	3.69	1.58
The cooperative management has motivated staff to work hard	337	1.00	5.00	2.82	1.13
AVERAGE MEAN				**3.61**	**1.43**

Source:*Field Data, (2020)*

As evidenced in table 3, the cooperatives management has gender parity (Mean = 4.20, SD = 1.23). The results suggest that management teams have both young and elderly staff (Mean = 4.10, SD = 1.30). Besides, there is ethnic balance in the management team (Mean = 4.22, SD = 1.41). Also, management teams are from different public and private sectors (Mean = 3.64, SD = 1.30). The study findings affirmed further that all management teams have over ten years in past experience (Mean = 3.68, SD = 1.60). However, respondents were indifferent with regard to whether cooperative
management has motivated staff to work hard (Mean = 2.82, SD = 1.13).

Overall, the items on strategic leadership summed up to a mean of 3.61 and standard deviation of 1.43. The findings suggest that strategic leadership can be enhanced if cooperative societies engage services of high level management team with a vast experience and integrity.

The study also analyzed the descriptive statistics for cooperative performance using minimum, maximum, mean and standard deviation. Table 4 highlights the findings on cooperative performance.

Table 4: Descriptives for cooperative performance

	N	Min	Max	Mean	SD
The firms products dominate the market	337	1.00	5.00	3.68	1.24
The firm serves the largest market in most regions in the country	337	1.00	5.00	4.16	1.19
The firms market share is on the rise	337	1.00	5.00	3.28	1.74
The firm has sufficient reserves to cushion it in hard economic times	337	1.00	5.00	3.88	1.48
The firms is able to re-invest earnings	337	1.00	5.00	3.78	1.60
The firms book ratios show a strong financial position	337	1.00	5.00	3.97	1.47
The firm is able to pay dividends to shareholders	337	1.00	5.00	3.50	1.40
The firm meets obligations to employees and suppliers	337	1.00	5.00	4.14	1.36
The cooperative is able to meet its obligations	337	1.00	5.00	3.38	1.53
AVERAGE MEAN				**3.66**	**1.41**

Source:*Field Data, (2020)*

Basing on the findings, the firms products dominate the market (Mean = 3.68, SD = 1.24). Also, the firm serves the largest market in most regions in the country (Mean = 4.16, SD = 1.19). Further, the firms market share is on the rise (Mean = 3.28, SD = 1.74). In addition, the firm has sufficient reserves to cushion it in hard economic times (Mean = 3.88, SD = 1.48). The firms are also able to re-invest their earnings (Mean = 3.78, SD = 1.60) and the firms book ratios show a strong financial position (Mean = 3.97, SD = 1.47). As well, the firm is able to pay dividends to shareholders (Mean = 3.50, SD = 1.40) and the firm meets obligations to employees and suppliers (Mean = 4.14, SD = 1.36). Additionally, the findings showed that the cooperative is able to meet its obligations (Mean = 3.38, SD = 1.53). Overall, the items on cooperative performance summed up to a mean of 3.66 and standard deviation of 1.41. The implication is that strategic management practices could be important in enhancing coffee cooperative performance.

The study tested validation of data for strategic leadership using exploratory factor analysis and presented in table 5.

Table 5: Factor Analysis for Strategic Leadership

	Component		
	1	**2**	**3**
There is ethnic balance in the management team	0.60		
All management teams have over ten years in past experience	0.79		
The cooperatives management has gender parity	0.77		
The cooperative has consistently grown over time due to current management	0.66		
There is ethnic balance in the management team	dropped		
Management teams have both young and elderly staff		0.88	
The cooperative management has motivated staff to work hard		0.67	
Education level of the management team is at minimum post			0.72

graduate qualification			0.50
Management teams are from different public and private sectors			
Total Variance Explained			
Initial Eigen values	2.45	1.92	1.40
% of Variance	27.27	21.36	15.56
Cumulative %	27.27	48.64	64.22
KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.631	
Bartlett's Test of Sphericity Approx. Chi-Square		979.717	
Df		36.00	
Sig.		.000	

Extraction Method: *Principal Component Analysis.***Rotation Method**:*Varimax with Kaiser Normalization.*

Source:*Field Data, (2020)*

The 9 items for strategic leadership were subjected to principal components analysis using SPSS version 25.Prior to performing PCA, the suitability of data for factor analysis was assessed. Factors with factor loadings of above 0.3 were retained for further data analysis. One item did not meet this criterion and was therefore dropped. Hence, 8 items were retained for further analysis. The Kaiser-Meyer-Olkin Measure value was 0.631 exceeding the recommended value of 0.6 (Kaiser 1970, 1974) and Bartlett's Test of Sphericity (Bartlett 1954) was significant with p value less than 0.000 (Bartlett's test=979.72, $p<.05$) indicating the manifestation of factorization of 3 factors for strategic leadership.

Principal components analysis revealed the presence of three components with eigenvalues exceeding 1, explaining 27.27%, 21.36 and 15.56% of the variance respectively. This was further illustrated using the scree plot in (Appendix VI) which indicates that screes started to develop at factor 3 showing that only 3 factors explain strategic leadership. The three components explained a total of 64.22% of the variance.

Cooperative performance was tested using exploratory factor analysis and results presented in table 6.

Table 6: Factor Analysis for Cooperative Performance

	Components	
	1	**2**
The firm has sufficient reserves to cushion it in hard economic times	0.70	
The firm is able to pay dividends to shareholders	0.76	
The firm serves the largest market in most regions in the country	0.70	
The firm meets obligations to employees and suppliers	0.84	
The firms market share is on the rise	0.54	
The firms is able to re-invest earnings	0.63	
The firms products dominate the market	Dropped	
The firms products dominate the market		0.57
The cooperative is able to meet its obligations		0.73
Total Variance Explained		
Initial Eigenvalues	3.26	2.28
% of Variance	36.19	25.28
Cumulative %	36.19	61.48
KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.805
Bartlett's Test of Sphericity Approx. Chi-Square		1590.232
Df		36
Sig.		.000

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Source:*Field Data, (2020)*

The 9 items for cooperative performance were subjected to principal components analysis using SPSS version 25.Prior to performing PCA, the suitability of data for factor analysis was assessed. Factors with factor loadings of above 0.3 were retained for further data analysis. One item however failed to meet this criterion and was dropped. Therefore, 8 items were retained for further analysis. The Kaiser-Meyer-Olkin measure value was 0.805 exceeding the recommended value of 0.6 (Kaiser 1970, 1974) and Bartlett's Test of Sphericity (Bartlett 1954) was significant with p value less than 0.000 (Bartlett's test=1590.23, p<.05) indicating the manifestation of factorization of 2factors for cooperative performance.

Principal components analysis revealed the presence of two components with eigenvalues exceeding 1, explaining 36.19% and 25.28% of the variance respectively. The two components explained a total of 61.5% of the variance.

The researchers ran the correlation matrix to check the relationship between the variables. The study used Pearson product moment correlation coefficient (r) to establish a correlation between strategic leadership and cooperative performance. Correlation coefficient shows the magnitude and direction of the relationship between the variables under study.

Table 7: Correlation matrix

		Strategic Leadership	Cooperative Performance
Strategic Leadership	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	337	
Cooperative Performance	Pearson Correlation	.782**	1
	Sig. (2-tailed)	.000	
	N	337	337

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

The study findings also showed that there is a significant positive relationship between the strategic leadership and the performance of cooperative societies (r =.782, p<.01). This implies that good strategic leadership increases performance of cooperative societies in Nyanza region.

Regression Analysis

The study sought to assess the influence of strategic leadership on performance of coffee cooperative societies in Nyanza region. Through this study, it was predicted that strategic leadership has no statistical significance on performance of coffee cooperative societies in Nyanza region. Simple regression model was used to determine the relationship between strategic leadership and coffee cooperative societies' performance. Through the hypothesis:

$Y = \beta o + \beta_4 X_4 + \varepsilon$

Where:

Y = Cooperative Performance,

$\boldsymbol{\beta_o}$= Constant (coefficient of intercept),

$\boldsymbol{\beta_4}$= change in cooperative performance for each 1 increment change in X_4, that is, strategic leadership,

$\boldsymbol{X_4}$= strategic leadership

$\boldsymbol{\varepsilon}$ = the error term

The model found the following through analysis.

Table 8 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.782[a]	.612	.610	.46362

a. Predictors: *(Constant), Strategic Leadership*

Source:*Field, Data, (2020)*

Results in Table 8 showed that quality management had (R^2 = .612), implying that, strategic leadership, explain up to 61.2% of the changes in the coffee cooperative societies' performance (dependent variable)

Table 9:ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	113.340	1	113.340	527.309	.000[b]
	Residual	72.005	336	.215		
	Total	185.346	337			

a. Dependent Variable: Cooperative Performance

b. Predictors: (Constant), Strategic Leadership

Source:*Field, Data, (2020)*

Given that the F=527.309, while the $F_{critical}$ = 3.84 (1,335). Then $F \geq F_{critical} \alpha$ 0.05. This indicates that the relationship between strategic leadership and Perfomance on coffee on coffee cooperative societies in western region is significant hence rejecting the hypothesis.

The regression coefficients in table 10 established the mean change in cooperative performance for one unit of change in the strategic innovation.

Table 10 Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		**B**	**Std. Error**	**Beta**	**T**	**Sig.**
1	(Constant)	1.071	.121		8.836	.000
	Strategic Leadership	.754	.033	.782	22.963	.000

a. Dependent Variable: Cooperative Performance

Source:*Field, Data, (2020)*

Hypothesis 4 (H_{o4}) stated that there is no statistically significant influence of quality management on performance of coffee cooperatives in Nyanza region. The findings revealed that strategic leadership had coefficient of estimate which was significant basing on $\beta_4 = 0.754$ (p-value < 0.05). The null hypothesis was thus rejected and it was concluded that strategic leadership had a significant effect on performance of coffee cooperative societies in Nyanza region. This suggested that there was up to 0.782 unit increase in strategic leadership for each unit increase in cooperative performance. Based on the above results the study derived the following simple linear regression model as shown below.

$Y = 1.071 + 0.754X_4 + \varepsilon$

Strategic leadership significantly influences cooperative performance. These findings were in line with those of Serfontein (2010) who noted that through strategic leadership practice, leaders are able to understand better the organization's environment. This view is also supported by Gerras (2010) who asserted that through strategic leadership practice, the leader affects the desired organizational goals by influencing the organization's culture, allocating resources, directing policy and building consensus on the future. Further, the findings of Zaneta*et. al.,* (2014) revealed that early involvement of council leaders and employees in the strategy process helped members understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of strategy implementation. It also revealed that participation of leaders motivates the other employees thus prevents them from being taken by surprise, puts all members at the same platform, and helps the employees to own the process thus ensuring better results.

Similarly, Bowen (2016) opined that in order to attain and sustain superior organizational performance and win stakeholder confidence, strategic leadership should and must be in the best position to guide the firm in ways that result in the formation of strategic intent and mission. Kiarie and Minja (2015) opined that strategic leadership practices are important because they shape the formation of strategic intent which influences successful strategic practices in an organization. The study findings confirm the belief by previous scholars that good strategic leadership enhances cooperative performance.

V. Conclusion and Managerial Implications

Strategic leadership in coffee cooperative societies require professional diversity to enhance performance. This is because coffee cooperatives are largely organizations that require leadership that can manage the complex processes associated with these cooperatives. Leadership of a cooperative is challenging and difficult. It involves not only managing resources and business operations, as in other businesses, but also dealing with problems stemming from the cooperative's distinctive characteristics. Strategic leadership was endowed with all management teams that have over ten years in past experience and also drawn from different public and private sectors. The findings revealed also that management teams have both young and elderly staff. This creates efficiency and smooth transition.

References

[1]. Bakar, G. (2011). The Impact of Leadership Styles in Construction Companies in Malaysia.Journal for East European Management Studies, Vol. 3(14).
[2]. Bowen L. (2016). The Effectiveness of Organizational Leadership on Performance of Selected Service Industries in Britain.
[3]. Gacigi, D. K. (2018). Influence of Strategic Leadership on Performance of International Humanitarian Organizations in Kenya.International Academic Journal of Innovation, Leadership and Entrepreneurship Vol. 2, (2).Pp (42-76).
[4]. Lear L. W. (2017).The Relationship between Strategic Leadership and Strategic Alignment inHigh Performing Companies in South Africa.www.thephdconsultancy.com.
[5]. Mwendwa, D. K. (2017).Strategic Leadership Practices and Organizational Performance in Not-For-Profit Organizations in Nairobi, Kenya. International Academic Journal of Human Resource and Business Administration, Volume 4, Issue 2. (71-78).
[6]. Nthini, E.K (2013). Effect of Strategic Leadership on the Performance of Commercial and Financial State Corporations in Kenya. International Academic Journal of Information Sciences and Project Management, Vol. 1, Iss 6, pp. 406-418.
[7]. Obunga, W., Marangu, M. and Masungo, D. (2015).Influence of Strategic Leadership on the Performance of Savings Credit Cooperative Societies in Kakamega County, Kenya. Journal of Economics and Sustainable Development Vol.2, No.31, 102-142.
[8]. Ogechi R. N. (2016).Effect of Strategic Leadership on the Performance of Small and Medium Enterprises in Kenya. Science Journal of Business and Management; 3(3): 82-94.
[9]. Serfontein, G. (2010). The Relationship between Leadership Characteristics and Work Culture \ in Manufacturing Firms in Scotland. European Vol. 30, Iss 1, pp. 1-17.

MAINYA ROBERT NYABARO. "Influence of Strategic Leadership on Performance of Coffee Cooperative Societies in Nyanza Region, Kenya." *IOSR Journal of Business and Management (IOSR-JBM)*, 24(07), 2022, pp. 24-35.