STRATEGIC MANAGEMENT PRACTICES AND ORGANIZATION PERFORMANCE OF DEPOSIT TAKING SACCOS IN KERICHO COUNTY

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Abstract

Purpose: The objective of this study was to assess the influence of strategic management practices and organization performance of deposit taking SACCOS in Kericho county.

Methodology: The study was based on a descriptive research with population of the study being sampled from DT-SACCOS in Kericho County. The study adopted a census sampling technique; thus, the sample size for the study was 80 personnel drawn from the 8 SACCOS operating in Kericho County. The study further utilized primary and secondary data. The research relied on questionnaires in collecting primary data. The study used SPSS 24 in the analysis. The data was analyzed using means, standard deviation, correlation matrix and regression models. This was presented using charts, figures and tables.

Results: The findings of the research indicated that there is a positive effect of strategic management practices on the organization performance. The correlation results indicated that employee competency and organization structure had a strong effect on the performance of the SACCOS.

Distinctive contribution to theory, practice and policy contribution: The study recommends that the organization should strive to enhance the professional development of the staff members as this will enhance the overall employee productivity. The research further recommends that the financial institutions should engage the personnel in financial management workshops as this will foster the competency within the staff members

Keywords: SACCOs, Employee Competency, Organization Structure, Organization Performance
1.0 INTRODUCTION

1.1 Background of the Study

Organizational performance has drawn interest from both CEOs and researchers all over the world. Need to achieve superior performance is the top goal for every organization (Bhatti, Khan, Ahmad, Hussain, & Rehman, 2011). Organizational measurement and analysis are essential in realizing the organizational goals in financial, marketing, employment, and production. To achieve superior performance, an organization should generate outputs measured in financial and non-financial terms (Gor, Mummassabba, & Muturi, 2015).

Strategic management is long-term focused, and geared towards futuristic growth potential. It is also holistic, substantial and mainly associated with the senior most management level where company the vision, mission, and culture are determined (Pillania, 2008). This is a continuous process that controls and evaluates the firm’s operations. Strategy management has generally had positive effects on the organization’s performance in the 2000s (Hitt, Hoskisson & Ireland, 2011; Bambang, Arvand, & Ahmad, 2014). In the contemporary world the unique strategic practices within the firm lead to positive growth in the firm’s value (Speculand, 2009).

Mwito Sacco (2016) in their strategic plan indicates some key strategic pillars are key drivers of organization performance. The institution notes that key organization performance drivers are resource capability, personnel capacity, organization structure and product innovation. United Nations Sacco (2012) on the other hand posits that market development within the firm, membership drives, leadership, governance, communication and financial sustainability are key drivers of organization performance. Biblia Sacco (2012) indicates that corporate culture, management efficiency, information systems, technology adoption and HRM practices are key pillars for better organization performance. Waweru and Omwenga, (2015) carried out a study on the influence of strategic management practices on performance of private construction firms in Kenya. The researchers concluded that there is a positive association between strategic management practices and organization performance.

Amrule (2013) in his study indicated that within small and micro enterprises strategic planning is one key determinant of performance within firms. Chiuri (2015) makes similar observations about the need to carry further research on challenges of strategic management practices in different sectors in developing countries. This study contributes to fill this knowledge gap. This was aided by examination of how internal practices such as corporate culture, employee competency, and organization structure and resource capability reflect on the organization performance across deposit taking Sacco’s- DTS in Kericho County.

Mungania and Karanja, (2017) indicated that effective organization structure, resource capability and employee competency enhanced implementation of strategic plans which contributed to positive performance. Fujo and Ali, (2016) studied the factors that affect the financial performance of savings and credit societies in Kilifi County - A case study of Imarika Sacco. The results of the study showed that access to resources, leadership competency, shared values and coordination affected the financial performance of SACCOs.

According to SASRA report 2016/2017, the Kenyan Deposit Taking (DT)-SACCO segment recorded that total assets of SACCOs was Kshs.342.84 Billion in 2015. This amount grew to about Kshs.393.49, representing a growth rate of 14.8%. This increase was attributed to the fact that members’ deposits to Kshs.272.57 Billion from Kshs 237.44 Billion.
1.2 Statement of the Problem

The performance of SACCOs is important for the overall stability of the financial sector as one of the key institutions tasked with financial intermediation within the economy. More so, they a crucial role in financial sector mobilization of savings; provision of credit facilities and insurance services to a large population in Kenya (SASRA, 2013). The DT-SACCOs contribute about 78% of the total deposit and assets of the SACCO industry (Kivuvo & Olweny, 2014). In line with the SASRA 2016/2017 industry report most SACCOs have better liquidity levels; however, this has not been able to shield the institutions from facing volatility in their financial soundness. This lack of consistency in the financial performance of SACCOs in the country is a key motivator for undertaking the current study with an aim of establishing the strategic practices that can be adopted to enhance the performance of the DT-SACCOs.

Yunus (2010) in a study in Lagos concluded that strategic management practices fostered corporate performance within firms and enhanced the market share of firms. Machuki and Aosa (2011) examined how external environment influences the performance of publicly quoted companies in Kenya and concluded that the external environment, resource capacity, employee competency was influential in the decision-making strategy of the company. Mwangi, Nyachwaya, and Cheruyoit, (2015) studies the Effect of Corporate Governance Practices on Financial Performance of SACCOs In Kericho Municipality. The findings indicated that elaborate corporate structure and governance practices had positive effect on the financial performance of SACCOs. Anthony and Nzioki, (2017) examined deposit taking SACCOs in Kericho County and indicated that poor differentiation of products within the SACCOs was a result of poor unique management practices. This lack of innovativeness limited the DTS firms performance. However, from the above there is a gap in literature examining the effect of strategic management practices on performance of DT-SACCOs in Kericho County.

FSD Kenya, (2017) indicates that at least 9-deposit taking SACCOs have had their licences revoked due to failure to meet regulatory requirements within the last 3-years showing dire management problems. SASRA, (2017) acknowledges that the regulatory framework was meant to enhance the sound management practices within the Sacco movement; however not all institutions have been able to expand their prudential capacity. Hence this study was essential in further examining how the management practices within deposit taking SACCOs are faring. Further the poor performance in a number of the SACCOs has not received the empirical attention needed hence the need for the current research to expand the body of knowledge. This study seeks to establish if there is any relationship between strategic management practices employed by the SACCOs in fostering performance in Kericho County.

1.3 Objectives of the Study

The general objective of the study is to examine the relationship between strategic management practices and the organization performance of deposit taking SACCOs in Kericho County.

Specific Objectives

i. To examine the influence of organization structure on the organization performance of deposit taking SACCOs in Kericho County.

ii. To determine the effect of employee competency on the organization performance of deposit taking SACCOs in Kericho County.
1.4 Research Hypothesis

\( H_01 \) There is no statically significant relationship between employee competency and organization performance within deposit taking SACCOs in Kericho County.

\( H_02 \) There is no statically significant relationship between organization structure and organization performance within deposit taking SACCOs in Kericho County.

1.5 Significance of the Study

Findings of the research will be vital to the management of SACCOs in driving policy formulation and the strategic management practices. The findings will help to guide on the main issues on strategic management practices that can enhance the performance of SACCOs. The research findings will also foster regulatory mechanism within SASRA by indicating the main issues that will enhance the performance of the SACCO movement. The study findings will also be an important reference material for future researchers and academicians.

2.0 LITERATURE REVIEW

2.1 Complexity Theory

Complexity theory is a collection of theories but the key thread of the theory is that our world is subjective and arises out of our interactions with each other and with our environment (Keene, 2000). This implies that our reaction and the consequent results are subjective to the environment in which these actions are made. Cunha and Cunha (2006) suggest that complexity theory that combines elements of the planning approach and learning approach to strategic management, integrating the internal/equilibrium focus of the planning approach with the external/disequilibrium emphasis of the learning approach. Therefore, organizations are sensitive to their environments since the systems are adaptive in nature. Complex environments call for both planning and creativity; forces that have often been seen as contradictory (Smith & Graetz, 2006).

Complexity theories have become helpful in understanding the management of businesses in as complex adaptive systems in turbulent environments (Mason, 2008). Chaos and complexity authors argue that traditional strategy formulation and hence its execution can be condemned to ineffectiveness when the environment is turbulent (Tredinnick, 2009). Mason (2007) laments the difficulty of establishing the causation between the environmental variables and management action in view of the fact most of the actions by the leader may not directly relate to the entropy in the environments. The leaders are expected to have a superior of the organization weaknesses and strengths and come up with strategies in response to changes, irrespective of environmental condition (Mason, 2008). In line with the tenets of complexity theory there is need for organizations to implement a robust internal structure that was key to guiding and coordinating all aspects of the organization to environmental changes. This theory was integral in underlining the importance of a comprehensive organization structure and its effect on the competitiveness and performance of an institution.

2.2 The Resource-Based View (RBV) Theory

The Resource-Based View (RBV) of the organization focusses on how the internal environment of the organization drives competitive advantage and put more emphasis on the most stable capital that organizations possess to compete in the complex business environment (Ansoff, 2005). Hoskisson’s focussed on internal factors such as technology,
equipment and more importantly the human capital as critical and stable asset of the organization in the early stages of strategic development (Hoskisson, Hitt, Wan, & Yiu, 2009). Studies done by Ansoff (2005) and Chandler (2008) further contributed towards the development of Resource- Based View of strategy which the current study underscores.

RBV originate from Penrose (2009), who observed that the resources that an organization possess, such as human capital are deployed and used by the organization because they are more important than industry structure. Gregory and Pemberton (2011) established the notion of core competencies possessed by human capital and which focus attention on a critical category of strategic capabilities such as talent, leadership and performance. SevOne (2014) suggested that performance monitoring and leadership development strategies can be viewed as critical strategic tools for manipulating human capital element to improve competitiveness. Core competencies are unique and valuable to the organization and are difficult to copy (Gregory & Pemberton, 2011). The current research relied on the resource-based view theory to underline the need for employee competencies as key predictor of organization performance.

2.3 Empirical Review

Felicio, Couto, and Caiado, (2014) did a study on human capital, social capital and organizational performance and concluded that social capital is a product of the human capital and that human capital and strategic management of an organization is dependent on the experience and cognitive ability of human capital. Moreover, the study argued that effective management geared towards better organizational performance is strongly influenced by human capital through the cognitive and strategic initiatives such as leadership development, succession strategic planning and talent-based strategies.

Kakunu (2012) addressed strategic management practices among commercial banks in Kenya and recommended that the organizations should consider adopting strategic management initiatives out of human capital element to investigate its influence on management and strategic objectives of the organization. The study focussed on the commercial banks within Kenya whereas current study focusses on the deposit taking SACCOs in Kericho County. A recent study by Deloitte (2015) revealed that 76% of the executives believe that their organizations are not ready to meet today’s strategic management needs and so it requires huge amounts of money to craft relevant strategies from the most stable platform, the human capital. The above studies however did not take into consideration the performance of deposit taking SACCOs.

Mwangi (2015) examined the indicators affecting the financial performance of UNAITAS Sacco. The study adopted a descriptive case study design with a quantitative approach. The findings of the research showed that the organization resource portfolio and the effective organization structure had a positive influence on the performance of the Sacco. The study was however limited to UNAITAS Sacco whereas the current research focuses on DT-Sacco in Kericho County. Esokomi and Mutua, (2018) examined the Determinants of financial performance among Savings and Credit Co-Operative Societies in Kakamega County Kenya. The research utilized correlation analysis to examine the causality between the study variables. The findings indicated that the organization resource capacity and the structure within the institution influenced the financial performance of the study. The current study however relied on the financial and non-financial performance of SACCOs in Kericho County.
2.4 Conceptual Framework

The conceptualization of variables in academic study is important because it forms the basis for testing hypothesis and coming up with generalizations in the findings of the study (Hair, Celsi, Money, Samouel, & Page, 2011).

**Independent Variables**

- **Employee Competency:**
  - Delegation of duties
  - Employee Involvement
  - Leadership capabilities

- **Organization structure:**
  - Task allocation
  - Coordination
  - Rewards and recognition

**Dependent Variable**

- **Organization performance:**
  - Customer retention
  - Growth in loans
  - Growth in deposits
  - Better market share
  - Increased profitability

![Conceptual Framework](image)

Figure 1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

3.1 Research Design

The current study adopted a descriptive research design that will allow for hypothesis testing based on both quantitative and qualitative data. A descriptive research design will allow an examination of the research phenomena as they exist. This allowed for predictive analysis to be conducted.

3.2 Target Population

The target population for the study will be deposit taking SACCOs operating within Kericho County. There are 8 registered deposit taking SACCOs in Kericho County (SASRA, 2017). The study further considered 10 personnel members per each institution as the unit of analysis. The target population for the study was 80 personnel members.

3.3 Sampling Technique and Sample Size

The sampling frame for the research was selected from the 8 registered deposit taking SACCO. The study sampled 10 personnel members per each SACCO. Cooper and Schindler (2014) is of the view that census sampling can only be applied when the population of the study is feasible and small enough to be conducted within an appropriate time frame. The study utilized a census survey of all the sample respondents. Sample size for the study was 80 personnel members.
3.4 Data Collection Procedures

Main data source for this study was quantitative primary data which was collected directly from the respondents. The study utilized primary data. Structured questionnaires were used to collect primary data. The data collection procedures refer to the various methods that the study can rely on in collecting research data from respondents. This study employed a drop and pick method that is expected to ease the data collection process.

3.5 Data Analysis

The data collected from the respondents and the secondary data was utilized in the analysis. The quantitative data was analyzed in SPSS 24 through descriptive and inferential statistics. The study findings were presented using tables, graphs, charts and other infographics. The research adopted regression model in estimating the extent of the relationship between the research variables.

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \]

*Y* = organization performance of deposit taking SACCOs in Kericho County

*X_1* = Organization structure

*X_2* = Employee competency

*\varepsilon* = Error term

The regression model for the study will be tested at a 5% significance level.

4.0 DATA ANALYSIS AND PRESENTATION

4.1 Response Rate

The research sought to examine SACCOs within Kericho County. The research considered 10% (n=8) of the sample population in the pilot test while 72 respondents were sampled in the main study. The study recorded a 90% (n=69) as indicated in Figure below. According to Mugenda and Mugenda (2003) a response rate of atleast 60% is adequate for statistical analysis.

![Response Rate](image)

Figure 2 Response Rate
4.2 Position Held within the Firm
The study further sought to determine the position held by the respondents within the firm. The results of the research indicated that the majority of the respondents 38% were head of finance managers, 24% were the ICT managers, 16% were the managers within the SACCOs, 11% were the operation managers and 11% were internal auditors. This indicates that the sample respondents had the capacity to respond on the strategic management practices and the performance of the institution.

![Position Held in the Firm](image)

4.3 Descriptive Analysis
The main objective of the study was to determine the effect of strategic management practices on the organization performance of deposit taking SACCOs within Kericho County. The findings of the study were summarized using measures of central tendency and presented below.

4.3.1 Organization Performance of SACCOs
The dependent variable of the research was organization performance of SACCOs.
Table 1 Organization Performance Descriptive

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is higher customer retention within DTS in Kericho County</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>3.6216</td>
<td>.72078</td>
</tr>
<tr>
<td>There is increase in deposits levels within DTS in Kericho County</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>4.0811</td>
<td>.79507</td>
</tr>
<tr>
<td>There is better loan servicing within DTS in Kericho County</td>
<td>69</td>
<td>4.00</td>
<td>5.00</td>
<td>4.2162</td>
<td>.41734</td>
</tr>
<tr>
<td>Deposit taking SACCOs are reporting better profitability</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>4.1622</td>
<td>.64608</td>
</tr>
<tr>
<td>There is increased market share within DTS in Kericho County in contrast to other financial institutions</td>
<td>69</td>
<td>4.00</td>
<td>5.00</td>
<td>4.3784</td>
<td>.49167</td>
</tr>
</tbody>
</table>

With regard to the performance of Sacco there was agreement among the majority of the respondents that there is higher customer retention within the DTS as indicated by a mean of 3.6216 and a deviation of .72078 indicating minimal dispersion in the results. Concerning there is an increase in deposits levels within SACCOs there was strong agreement among respondents as shown by a mean of 4.0811 and a deviation of .79507. With regard to there is better loan servicing within the SACCOs there was strong agreement among respondents as indicated by a mean of 4.2162. The results of the study also indicated strong agreement among respondents that the deposit taking SACCOs are reporting better profitability as shown by a mean of 4.1622. In regard to there is increased market share within the deposit taking SACCOs there was strong agreement among respondents as indicated by a mean of 4.3784. The above results are in agreement with SASRA report 2016/2017 Sacco industry report that indicated there is better performance within SACCOs that is primarily driven by growing membership base, better provision of deposit services and assets mobilization within the institutions. Githaka, Kimani, and Gachora, (2017) were also of the view that enhanced resource mobilization and utilization within SACCOs had positive effect on the financial performance of the SACCOs.

4.3.2 Employee Competency

The second variable of the research was employee competency.
Table 2 Employee Competency Descriptive statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delegation of duties influences the performance of SACCOs</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>3.9730</td>
<td>.72597</td>
</tr>
<tr>
<td>Technical skills among employees foster performance within SACCOs</td>
<td>69</td>
<td>4.00</td>
<td>5.00</td>
<td>4.6216</td>
<td>.49167</td>
</tr>
<tr>
<td>Financial competency of personnel enhances the performance of SACCOs</td>
<td>69</td>
<td>4.00</td>
<td>5.00</td>
<td>4.2162</td>
<td>.41734</td>
</tr>
<tr>
<td>Involvement of personnel in decision making influence the performance of SACCOs</td>
<td>69</td>
<td>4.00</td>
<td>5.00</td>
<td>4.5135</td>
<td>.50671</td>
</tr>
<tr>
<td>Better employee retention influences the performance of SACCOs</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>4.0270</td>
<td>.68664</td>
</tr>
</tbody>
</table>

The results of the study on Table 2 above indicate that the majority of the respondents were in agreement that delegation of duties influences their performance within the SACCOs as shown by a mean value of 3.973. The above findings are supported by Al-Qatamin (2012) who indicated that effective management practices have a positive effect on the performance of financial institutions. In regard to the technical skills among employees foster performance within the Sacco there was strong agreement among the respondents as indicated by a mean of 4.6216. The findings are in line with Felicio, Couto, and Caiado, (2014) who concluded that human capital had a positive influence on the organization performance.

The findings of the study also indicated that the financial competency of the personnel enhances the performance of the SACCOs as indicated by a mean of 4.2162. Kakunu (2012) also indicated that competency of personnel within financial institutions had a positive effect on the financial performance. The results further showed a strong agreement among respondents that involvement of personnel in decision making influences the performance as indicated by a mean of 4.5135. The findings further indicated that better employee retention fosters the performance of the SACCOs as indicated by a mean of 4.027 and a deviation of .68664 indicating minimal variation in the responses. The results are in agreement with Breznik (2014) who posited that better human resource management positively influenced the performance of a firm.
4.3.3 Organization Structure

The third variable of the study was organization structure.

**Table 3 Organization Structure Descriptive statistics**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task allocation within the Sacco influence the performance of institutions</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>4.1892</td>
<td>.93802</td>
</tr>
<tr>
<td>Management control within the Sacco influences the performance</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>4.0000</td>
<td>.70711</td>
</tr>
<tr>
<td>Coordination within the SACCOs influence the performance of DTS institutions</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>4.2973</td>
<td>.84541</td>
</tr>
<tr>
<td>Better rewards and remuneration influence the performance of SACCOs</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>4.2703</td>
<td>.65186</td>
</tr>
<tr>
<td>Employee recognition systems influence the performance of SACCOs</td>
<td>69</td>
<td>3.00</td>
<td>5.00</td>
<td>4.1622</td>
<td>.76425</td>
</tr>
</tbody>
</table>

The result of the study indicated that there was strong agreement among the respondents that task allocation within the Sacco influences the performance as indicated by a mean of 4.1892 and a deviation of .93802. These results are in line with observations made by Rajasekar (2014), that coordination and control within a firm enhanced its performance. The findings of the study further showed that the management control within the Sacco influences the performance as shown by a mean of 4.00 and a deviation of .70711 indicating moderate variation in the responses obtained. Mwangi (2015) also indicated that effective management had a positive influence on the financial performance of SACCOs.

The study findings further indicate that the coordination within the Sacco influences the performance as shown by a mean of 4.2973. In regard to better rewards and remuneration influences the performance of the Sacco there was strong agreement among respondents as shown by a mean of 4.2703. Anthony and Susan, (2017) also indicated that coordination between the leadership and personnel of the organization was key to better firm performance. The study findings further indicated that employee recognition systems influence the performance of the SACCOs as indicated by a mean of 4.1622. Esokomi and Mutua, (2018) were also of the view that better personnel recognition and rewards systems positively influenced the financial performance of SACCOs in Kenya.

4.4 Correlation Analysis

The study sought to determine the effect of strategic management practices on the organization performance of deposit taking SACCOs. This was conducted using correlation analysis
4.4.1 Effect of Employee Competency on Organization Performance

Table 4 Employee Competency and Organization Performance

<table>
<thead>
<tr>
<th>Employee competency</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.586**</td>
<td>.000</td>
<td>37</td>
</tr>
</tbody>
</table>

The first research objective sought to examine the effect of employee competency on the organization performance. The findings of the study indicated that there is a positive and significant effect of employee competency on the organization performance as indicated by a $P$-value $= .586$; Sig. $= .000 < .005$. Abhilasha and Jyoti (2015) also indicated that there is a positive link between organization performance and employee capabilities. Delloitte (2015) report also indicated that enhancing employee capabilities had a positive effect on organization performance.

4.4.2 Effect of Organization Structure on Organization Performance

Table 4 Organization Structure and Organization Performance

<table>
<thead>
<tr>
<th>Organization structure</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.650**</td>
<td>.000</td>
<td>37</td>
</tr>
</tbody>
</table>

The second research objective sought to examine the effect of organization structure on the organization performance. The findings of the study indicated that there is a strong positive and significant effect of organization structure on the organization performance as indicated by a $P$-value $= .65$; Sig. $= .000 < .005$. The above findings are in agreement with Esokomi and Mutua, (2018) who concluded that organization structure had a positive effect on financial performance of SACCOs.

4.5 Regression Analysis

The main premise of the research was to establish the effect of strategic management practices on the organization performance of DTS within Kericho County. The findings of the regression results are presented below;

Table 5 Regression Model

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.598a</td>
<td>.358</td>
<td>.386</td>
<td>1.26544</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant) Employee competency, Organization structure

The regression results above presented the estimate of the relationship between strategic management practices and organization performance. The findings indicated that 35.8%
variations in organization performance are explained by strategic management practices as indicated by $R^2 = .358$. The above findings are in line with Kakunu (2012) who also indicated that there is a positive association between strategic management practices and the performance of organizations.

**ANOVA Analysis**

**Table 6 ANOVA Model**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>56.856</td>
<td>3</td>
<td>18.952</td>
<td>9.428</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>66.333</td>
<td>66</td>
<td>2.010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>123.189</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization performance  
b. Predictors: (Constant) Employee competency, Organization structure

The results above present the ANOVA model which sought to examine the statistical significance of the model in determining the association between the study variables (strategic management practices*organization performance). The results indicated that the $f$-statistic = 9.428, $p$-value = .000<.005. This indicates that the model was statistically significant and fit in explaining the effect of strategic management practices and organization performance. Mungania and Karanja, (2017) indicated that strategic practices had a positive effect on organization performance.

**5.0 CONCLUSIONS AND RECOMMENDATIONS**

**5.1 Conclusions**

In regard to the employee competency the study concludes that defining the roles and responsibilities of the personnel will enhance the firm performance. The research further concludes that better personnel management couples with higher employee retention rate will contribute positively to the organization performance. The study further concludes that recruiting employees with strong financial competency and technical skills will results in better firm performance.

Concerning the influence of organization structure on the organization performance the study concludes that effective management control will result in better firm performance. The research further concludes that coordination within the firm will enhance the performance of the institution. The study further concludes that better employee recognition system will foster the institutional performance.

**5.2 Recommendations**

The study recommends that the organization should strive to enhance the professional development of the staff members as this will enhance the overall employee productivity. The research further recommends that the financial institutions should engage the personnel in financial management workshops as this will foster the competency within the staff members.

The study further recommends that the management should routinely engage in delegation of duties as this will expand the scope of the personnel. The study further recommends that the organization should develop an elaborate rewards and recognition system as this will boost the personnel morale which is key to better organization performance.
REFERENCES


