Relationship between Implementation Control and Performance of Deposit Taking Saccos in Meru County, Kenya

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Abstract
Strategic control is the process used by firms to monitor and align implementation of strategic plans. This study sought to identify the effect of strategic controls on performance of deposit taking (DT) SACCOS in Meru County, Kenya. This article sought to empirically evaluate the relationship between implementation controls and performance of deposit taking SACCOS. The study employed descriptive research design and ANOVA to analyze the data. The target population for the study was 1361 employees of deposit taking SACCOS in Meru County. Cluster sampling was used to identify various clusters while in each cluster simple random sampling was used to select the respondents. The respondents for the study were: Chief Executive Officers, Branch Managers, Operations Managers, Sales managers, Human Resource Managers and other employees working under these departments. Questionnaires were used as the main tool to collect primary data. Multiple linear regression was used to explore the relationship between the variables under study. The findings of the study revealed that implementation control was statistically significant and positively related to performance of deposit-taking SACCOS in Meru County. The study recommends that SACCOSs need to adopt a systematic and robust approach in the process of strategy controls to deal with issues that may arise during implementation control evaluation as this can lead to better SACCOS results.

Key words: Implementation control, Performance of deposit taking SACCOS
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1.0 Introduction
Strategic control is the process used by firms to control the formation and implementation of strategic plans. It is a specialized form of management control which is different from other management control forms in respect of its need to handle uncertainty and ambiguity at various points in the control process (Grant, 2015). It focuses on achievement of future goals rather than the evaluation of past performance. Strategic control is a critical component of the strategic management processes and specifically in the implementation process, it involves tracking, monitoring and evaluating the effectiveness of the implemented strategies, as well as making any necessary adjustments and improvements where necessary (Baker & Anderson, 2010).

Typically, strategic control systems (SCS) are viewed as tools of strategy implementation necessary to steer an organization through the changes that take place in response to the organization’s external and internal situations while providing feedback or feed forward to the strategy management process (Hovovitz, 2009). Strategic control is the process used by organizations to control the formation and the execution of strategic plans (Raman, 2004). Strategic control focuses on the achievement of future goals rather than evaluation of past performance in organizations. Strategic control is aimed at answering the question on how well the organization is doing currently and how it will be doing in the foreseeable future based on available and reliable information (Kuye, 2013). It is aimed at identifying areas that need corrections to steer the organization in the desired direction aimed at achieving its objectives.

Strategic controls are made with respect to long range goals where control measures are put in place to ensure that any observed deviations from the expected outcomes are brought to the attention of managers for corrective interventions. The purpose of strategic control is to identify whether the organization should continue with the present strategy or modify it in light of the changed circumstances (Baker & Anderson, 2010). Strategy control and evaluation helps in pointing out areas of weakness in already implemented strategies and require the whole process to start all over again. According to Ivancic (2013), effective evaluation method is crucial because key strategic evaluation and control is essential for further action if the process reveal any problems affecting effective functioning of firms towards its goals (Hunger & Wheeelen, 2011).

2.0 Statement of the Problem
Deposit taking SACCOS in Kenya plays a fundamental role in the country’s economy by providing the shareholders with cheap and affordable credit facility which is in tandem with the country vision 2030 which, aims at making Kenya a middle-income economy. To achieve their objectives SACCOS are supposed to improve their performance both on the financial and non-financial aspects in order to meet the shareholders’ future requirements and aspirations. Based on this aspect SACCOS therefore, require the most effective strategic control that will enable them to improve on their performance (Otieno, & Oyugi, 2016).
Several studies have been carried out on the effect of strategic implementation on performance of SACCOs in Kenya (Dibrell, Craig, & Neubaum. 2014). Mathore (2016) carried a study to establish the effect of strategic implementation on performance of banks in Kenya and established that there is a significant positive relationship between strategy implementation and performance of banks. Kulei (2013) carried a study on the effect of strategic change of DT-SACCOS on their performance in Nairobi County and established a strong positive relationship between strategic change practices and performance. In another study by Saidi (2016) conducted a study on the role of core-capital on financial performance of SACCOs in Nairobi County and established a positive relationship. On the other hand, Okwach (2017) studied strategic innovations and its effects on performance of SACCOs in Kakamega county and established that strategic innovations improve performance. In his study Kahoro (2017) on challenges faced by DT-SACCOS in the deployment of enterprise resource planning established strategic controls and making a follow up on implemented strategy was inadequate.

Studies reviewed above focus on strategic controls and its effect on financial performance of deposit taking institutions in the financial sector and more so, commercial banks in Kenya. Most of the studies carried out on SACCOs in Kenya focus on factors hindering effective implementation of strategy on performance and ignores strategy control as a separate sub-construct of strategic management. Strategy control is a separate construct and the relationship between strategy control as a process and performance depend on the context in which the strategy is being implemented. Continuous evaluation of strategy and taking corrective action to adjust to the strategy must be carried out. Limited studies have been carried out to determine strategic controls taken by DT-SACCOS in Kenya. Based on reviewed literature the study focuses on effect of strategic control on deposit taking SACCOs in Meru County under the cooperative movement in Kenya. It is against this background of limited studies that the study focuses on bridging this knowledge gap. The study therefore, seeks to answer the question, what is the effect of implementation control on performance of DT-SACCOS in Meru County

3.0 Review of Related Literature

Implementation control is a type of control that makes a step-by-step assessment of implementation activities. It focuses on the incremental actions and phases of strategic implementation, and monitors events and results as they unfold. It answers the question; Is each action or project happening as planned? Are the proper resources and funds being allocated for each step? This process continually questions the basic direction of the strategy to ensure it’s the right one.

Abok (2015) carried a study to investigate strategic factors affecting performance of organizations with reference to resource allocation. The study revealed that strategic that strategic allocation of resources was found to improve performance of organizations. The study focused on strategic allocation of resources in organizations and its effect on performance. On the other hand, Kilonzo and Ouma (2013) carried a study to investigate the effect of strategic allocation of resources on planning and how it influences performance in public institutions in Kenya. The study revealed focused on strategic allocation of resource and established a positive and significant relationship between resource allocation and performance. Gaya (2013) in his study on assessment of determinants of strategic implementation and performance at Kenya Sugar Board (KSB) established that lack of proper
strategy planning affected performance at sugar board. This was caused by strain in resource allocation that led to poor implementation of strategies.

Studies by Abdul and Baroto (2016) in their studies on the effect of strategic planning on Malysian small and medium enterprises performance as well as effect of employee participation, implementation of incentives, strategy evaluation and control on planning process” and data analyzed using multiple linear regression and Karl Pearson correlation established that strategy evaluation has a significant and positive impact on strategy planning processes and performance. Wanjiru (2016) on the other hand while studying the influence of strategic management practices on corporate performance established that strategy control has a significant influence on performance. Study carried out by Muturi and Maroa (2015) on the relationship between strategy control and performance of flower firms in Kenya established a significant and positive relationship between strategy evaluation and performance of flower firms. Kumar (2015) in his study on strategy evaluation on communication firms in Malaysia established a significant and positive association with firm’s performance. This study hypothesis that strategic evaluation has a significant and positive relationship with financial performance of SACCOS in Meru County.

3.1 Theoretical Foundation
Kawulich (2016), defined a theory as a resolved statement or group of statements which are supported by evidence meant to clarify some phenomena. Theories explain existing relationships among phenomena and provide generalized justification to their occurrence. Theories are formulated in order to explain, predict, understand phenomena, to challenge and extend existing knowledge within the limits of critical bounding assumptions. A theoretical framework is a structure that can hold or support a theory of a research under a study. Various theories that are related to the study have been reviewed. These are: Systems management theory, modern management theory, contingency theory and modern scientific theory.

4.0 Research Methodology
The study applied both descriptive and explorative research designs. The study adopted a descriptive cross sectional survey research design. The target population was 1361 respondents comprising of Chief Executive Officers (CEOs), Branch Managers, Operations Managers, Sales and marketing Managers, Human Resource Managers, Credit Managers and other employees. The sample size for the respondents was 309 determined by Yumune formulae (1967)

Sample size (n) = N / 1 + N (e)²
N = Population size
n = Sample Size
e= Significance Level (0.05)

n= 1361/ (1+1361*e²)
= 309

Thus, the sample size for this study was 309 respondents
Cluster sampling was used to divide the target population into clusters depending on the hierarchy in the organization. Simple random sampling was then used to identify the sample in each cluster to avoid bias. Simple random sample is a subset of a statistical population in which each member of the subset has an equal probability of being chosen (Yin, 1994). Simple random sampling is a probability sampling means that every member of the
population has a chance of being selected. Sample size of 22.70% of the target population was used in the study. According to Mugenda and Mugenda (2003), Cooper and Schindler (2010) in descriptive research, a sample size of 10-15% when the target population is large is acceptable for this kind of study. The larger the sample, the better the representative of the mean and standard deviation of the target population. Simple random sampling was used to select the respondents from each of the identified cluster to eliminate bias (Kothari, 2003).

5.0 Findings and discussions

Response rate
The target respondents for the study were 309, and response was 260 as presented in Table 1

Table 1: Response Rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>260</td>
</tr>
<tr>
<td>Non-response</td>
<td>49</td>
</tr>
<tr>
<td>Total</td>
<td>309</td>
</tr>
</tbody>
</table>

Source: Field Data 2021
The questionnaire return rate was 84.14% which was considered satisfactory.

5.1 Descriptive Statistics
This section outlines descriptive statistics of performance of deposit taking saccos and implementation control.

5.1.1 Implementation Control effected in saccos
The respondents were requested to indicate their agreement with various statements linked to implementation control using a 1-5 Likert scale ((1= strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=strongly agree). The findings are as shown in Table 2:
Table 2: Implementation Control effected in SACCOS

<table>
<thead>
<tr>
<th>Implementation Control Item</th>
<th>D</th>
<th></th>
<th>N</th>
<th></th>
<th>A</th>
<th></th>
<th>TOTAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Focuses on unique customer needs</td>
<td>0</td>
<td>0.0</td>
<td>24</td>
<td>9.2</td>
<td>236</td>
<td>90.8</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td>Monitor strategy implemented to attract customers</td>
<td>0</td>
<td>0.0</td>
<td>18</td>
<td>6.9</td>
<td>242</td>
<td>93.1</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td>Strategic initiatives are monitored to retain customers</td>
<td>0</td>
<td>0.0</td>
<td>76</td>
<td>29.2</td>
<td>184</td>
<td>70.8</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td>We monitor cost cutting strategies</td>
<td>0</td>
<td>0.0</td>
<td>2</td>
<td>0.8</td>
<td>258</td>
<td>99.2</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td>Mechanism have been put in place to monitor operational efficiency</td>
<td>3</td>
<td>13.1</td>
<td>115</td>
<td>44</td>
<td>111</td>
<td>42.7</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td>Customer feedback on quality of service is given attention</td>
<td>4</td>
<td>18</td>
<td>12</td>
<td>4.6</td>
<td>200</td>
<td>76.9</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td>Team work is encouraged as part of strategic initiatives</td>
<td>8</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>260</td>
<td>100.0</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td>Change strategy is timely effected to minimize losses</td>
<td>1</td>
<td>6.2</td>
<td>62</td>
<td>23.1</td>
<td>182</td>
<td>70.0</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td>Products offered are closely monitored</td>
<td>6</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>260</td>
<td>100.0</td>
<td>26</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Implementation Controls and Performance of SACCO</strong></td>
<td>1</td>
<td>5.4</td>
<td>44</td>
<td>16</td>
<td>214</td>
<td>82.3</td>
<td>26</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Field Data 2021
5.2 Inferential Statistics
The inferential statistics conducted in this study is Multiple Linear Regression Analysis.

Table 3: Regression Coefficients for Implementation Controls

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-42.932</td>
<td>2.488</td>
</tr>
<tr>
<td>Implementation Control</td>
<td>1.329</td>
<td>.068</td>
</tr>
</tbody>
</table>

Source: Field Data 2021

The value of beta coefficient for implementation control is (β = 1.329, p = .000) indicating a unit change in implementation control increases performance by 1.329 holding all other factors constant. This shows that implementation control is statistically significant and positively influences performance of DT-SACCOS in Meru County.

6.0 Conclusion
Implementation controls effect on performance was investigated using a five-point Likert scale but narrowed down to three (Agree, Neutral and Disagree) during descriptive analysis. The results of descriptive analysis show implementation controls are statistically significant and positively influences performance of DT-SACCOS at (M= 82.3%, β = 1.329 when p = .000, < .05). The findings therefore indicate that implementation controls highly influence performance of SACCOS. Thus, the management of SACCOS need to keep on evaluating implementation controls to detect any deviation and make necessary adjustments in the strategy under implementation. The study therefore, recommends that SACCOSs need to adopt a systematic and robust approach in the process of strategy controls to deal with issues that may arise during implementation control evaluation as this can lead to better SACCOS results. The findings are in agreement with Wheelen and Hunger (2015) who established implementation controls increases efficiency and effectiveness in organizations hence improving performance in organizations. On the other hand, Ondoro (2017) in his study on strategic implementation controls and social organization social performance established that there is no empirical evidence on strategic control on improvement of social contract.

7.0 Recommendation
The study recommends timely communication of employees to the DT-SACCOS management on strategies that are not working as a major factor in addressing gaps identified. The study also recommends that the management DT- SACCOS should be proactive rather that reactive in detecting deviation from the strategic plans and making requisite corrective action.

**References**


