CORPORATE MANAGEMENT STRATEGIES AND PERFORMANCE OF STIMA SACCO SOCIETY LIMITED IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

In the present world, the SACCO sector has become very dynamic and uncertain. Their management has to continuously strategize on how to cope with the ever-changing market forces such as customer needs, increased competition and accelerating pace of technology in order to retain and attract more members. For optimal performance, they have to constantly evaluate market dynamics and implement appropriate corporate management strategies that ensure customer satisfaction and loyalty. The essence of any organization is to gain competitive market advantage by satisfying its clients, hence a unique position in the market. Due to influx growth in numbers, Deposit Taking SACCOs (DTS) in Kenya must ensure clear corporate management strategies are in place to protect customers, promote locative and technical efficiency, and continually develop tailored products that meet their customers' needs. The SACCO sector in Kenya contributes greatly to the financial industry and consequently the economy in general, estimated at about forty-nine percent of the nation's Gross Domestic Product. The purpose of the current research was to establish the effects of corporate management strategies on performance of Stima SACCO society in Nairobi city county, Kenya. Specifically, the study sought to establish the influence of cost of operations, quality of products, management dependability and management flexibility on performance of Stima SACCO Society Ltd. The study was guided by 'Sand cone' model, Social Ecological Model and Rational Expectation Theory. The researcher used primary and secondary methods in the data collection process. The researcher utilised self-administered, semi-structured questionnaires. To enhance the internal consistency and validity of the research data, a pilot study was conducted at Stima SACCO's Nakuru branch, in Nakuru County. The study adopted a census approach from a target population of 235 employees working at Stima SACCO headquarters in four different departments namely: credit, finance, human resource and operations departments. Quantitative data collected was analysed by use of descriptive statistics using SPSS (Version 23) and presented using frequency distribution tables, standard deviation, bar charts and pie charts. The researcher further employed multiple regression analysis to estimate the model of the study. The study established that cost of operations, quality of products, management dependability and management flexibility as corporate management strategies had a positive and significant effect on performance of Stima SACCO Society Limited. The study concluded that Stima SACCO had significantly worked on reducing the cost of operations, improving the quality of its products and reduced human resource training and turnover. The study further concluded that Stima SACCO has to a great extent embraced efficiency through the use of technology and has made its products unique through product improvement and brand loyalty to meet customer needs. It was concluded that customer service and interest rates were consistent and had a standard procedure. Stima SACCO significantly embraced continuous improvement and policy modification to adjust to the ever changing customer needs and market dynamics. The study recommends that Stima SACCO should invest more on modern technology and capacity building among staff to ensure rapid uptake of the new skills and knowledge. The researcher further recommended that Stima SACCO should embrace diverse strategies to stay competitive in the SACCO industry.

Key Words: *corporate management strategies, performance, Stima SACCO Society Limited, Nairobi City County, Kenya*

INTRODUCTION

Globally, SACCOs are formed to fulfil the essential citizen's needs of borrowing and saving ina current cordial environment (Kagonia, 2017). They empower their members through savings and in turn provide them with affordable credit facilities. The members are voluntary unified to fulfil their common ,cultural , social and economic wants and ambitions through jointly owned and democratically managed enterprises (Muriuki, 2010), SACCOs are welfare driven legal institutions. SACCOs by virtue of being self-supportive and administrative cooperatives offer local communities an opportunity to reap benefits from their day to day operations.

As financial institutions, SACCOs provide opportunities for accessing credit to both low and medium level income earners in rural and urban populations that would otherwise be difficult to access through the mainstream financial institutions (Sagwa & Kembu, 2016). However, most SACCOs are dogged by problems such as inadequate managerial skills, absence of common brands, poor member participation, corruption and frauds. This has rendered them inefficient and as such lack competition (Obure& Muturi, 2015). Frank Hermann established the first credit unions in Europe in the 1850s in Germany for the sole purpose of enabling easy access to credit by members through the resources they had pooled together. The idea was a decade later taken to rural Germany by Friedrich and later moved to North America in the 1930s.

In Africa, the SACCO concept was first introduced in Ghana in 1959 and later to other African countries in the 1960s with a noteworthy incursion in the 1970s. This led to the creation of African Confederation of Cooperative Society Savings and Credit Association (ACCOSCA) in 1965. The aims and objectives of ACCOSCA was to promote SACCO principles, offer SACCO insurance and educate members on matters relating to SACCO operations. SACCOs in Tanzania operate at a relatively controlled level. The SACCOs, attain their membership from the society or the employer thus the entity's members have a common geographical area. SACCO members are the sole beneficiaries, savers and decision makers. In addition, SACCO members register improved lifestyles due to high increases of income and assets. However, many SACCOs in Tanzania are faced with problems of poor management, poor business practices, lack of working capital, embezzlement and high loan delinquency rates (Obure& Muturi, 2015).

Deposit Taking SACCOs (DTSs) in Kenya are those registered under the SACCO Society Act of 2008, licensed, and supervised by SACCO Societies Regulatory Authority, SASRA. They provide basic 'banking' services and Front Office Service Activity (FOSA) besides the savings and credit products provided by other Non-Deposit taking SACCOs (SASRA, 2013). Obure& Muturi (2015) contend that the key indicators of SACCO performance include cost of operations, quality of products, management dependability and flexibility. The current study will therefore aim at analysing the effect of corporate management strategies on performance of Stima SACCO Limited.

STATEMENT OF THE PROBLEM

The SACCO sector in Kenya contributes greatly to the financial industry and consequently the economy in general, which is estimated at about 49% of the nation's Gross Domestic Product. The performance of SACCOs is therefore of great importance for the overall stability of the financial sector, since they are a key component of the financial mobilization services within the SACCO population in Kenya (SASRA, 2013). Available data on Stima SACCO Ltd indicates that the organization has recorded continued growth and good performance over the last four years (Macharia, 2016). Changes that occur in the cooperative sector therefore have a direct effect on the development of the country and the general welfare of the members. The essence of any organization is to gain competitive market advantage by satisfying its clients thus placing itself in a unique position in the market (Gumbus & Lyron, 2008). Due to influx growth in numbers, DTSs in Kenya must ensure clear corporate management strategies are put in place that protect their customers, promote locative and technical efficiency, and continually develop tailored products that meet their customers' needs (Mulunga, 2010). However, it is not clear how corporate management practices such as cost, quality of products, management dependability and management flexibility have influenced this performance. From the foregoing, it is evident that the co-operative movement is of strategic importance in encouraging national savings and development of the country even though the sub sector is faced with a myriad of challenges ranging from corporate management practices to market driven challenges. If the status quo is not addressed, the industry is likely to be faced with issues such as; corruption and funds embezzlement, competition from established banks, political interference, loan defaulting by members and lack of qualified management personnel. The foregoing compelled the researcher to undertake an investigation on the corporate management strategies put in place at Stima SACCO and how they influence its performance.

GENERAL OBJECTIVE

The general objective of the study was to establish the influence of corporate management strategies on the performance of Stima SACCO society in Nairobi city county, Kenya.

SPECIFIC OBJECTIVES

1. To establish the influence of cost of operations on performance of Stima SACCO Ltd.
2. To assess the effect of quality of products on performance of Stima SACCO Ltd.
3. To determine the role of management dependability on performance of Stima SACCO Ltd.

4. To explore the extent to which management flexibility influences performance of Stima SACCO Ltd.

THEORETICAL LITERATURE REVIEW

The study was guided by Sand cone model, Resource based view theory, Social Ecological Model (SEM) and Rational Expectation Theory (RET). The theories explain how the organization environment can influence individual behaviour, how the individual may also influence the environment, and how organizations' may perform on multiple dimensions.

Sand Cone Model

The cumulative capability also known as the Sand Cone Model was developed by Ferdows and De Meyer in 1990. The major thesis of the approach is expressing the value that manufacturing performance is cumulative and sequential, with quality performance being the foundation. One of the implicit assumption principal to the approach is that the indirect impacts of quality leading to delivery, then to flexibility and finally costs are durable compared to direct impacts among these same performance proportions. The proponents of this organizational operations management model reject the concept of trade-offs and content that organisations management model reject the concept of trade-offs ad content that organizations can outdo their rivals on various dimensions simultaneously . This is because certain operational abilities like flexibility and quality tend to improve each other thus enabling operations quality to be built in a cumulative fashion (Slack et al, 2012). Besides, the approach outlines a perfect sequence in which the firm's operational abilities need to be developed; the base being quality upon which the organization should build excellence in reliability then elasticity, which is believed to affect the speed. Once these capabilities have been effectively put in place, the cost of operations and that of the product will be affected.

Slack, N, Brandon-Jones, A, & Johnston, R. (2012) further contend that once the operations are in place, efforts to further enhance quality should continue whilst commencing efforts to build dependability. In addition, actions on quality and dependability need to continue whilst building flexibility. Finally, efforts to reduce cost take place alongside continuing efforts to improve quality, dependability, and flexibility. The study was geared towards establishing if Stima Sacco's corporate management strategies are developed on trade-offs or they apply sand cone model in their operations.

Resource Based View Theory

The Resource Based Theory (RBVT) holds that organizations create value through utilization of unique resources that are hard to be imitated by their competitors within the market. The theory posits that through combination of its rare resources a firm is able to obtain a competitive edge over its peers (Barney, Ketchen Jr, & Wright, 2011).

The fundamental tenet of the theory is that firms will gain a competitive advantage through executing strategies that are unique to the firm (Ling & Jaw, 2011). The RBVT theory seeks to link organization characteristics and the competitive edge it achieves (Njuguna, 2009). The RBVT of the firm has stressed the importance of strategic choice in identification, development and utilization of unique capabilities towards enhancing the firm performance (Wang & Ahmed, 2007). This theory will anchor employee competencies and how specific marketing strategies enhance the financial performance of Stima SACCO.

Social Ecological Model

Urie Bronfenbrenner first introduced the Social Ecological Model as a conceptual model in the 1970's and later formalized into a theory in the 1980's. It is a theory-based framework for understanding the multifaceted and interactive effects of personal and environmental factors that determine behaviors, and for identifying behavioral and organizational leverage points and intermediaries for health promotion within organizations. It emanates from the Social and Behavioural View Theory (SBVT) that was developed by Busenitz and Barney in 1997 (Maroa & Muturi, 2015). The model focuses on helping organizations to understand factors affecting behavior and provides guidance for developing successful programs through social environments. The model emphasizes multiple levels of influence such as individual, interpersonal, organizational, community and public policy. The idea is that, behaviour shapes and is shaped by the social environment.

The model can be used by managers to design the best way to adjust and implement different operations management objectives that focus on behavioural and social phenomena (Maroa & Muturi, 2015). SACCOs need to formulate and implement operational management strategies that will attract customers while at the same time considering the needs of the customers. An organization's management must focus on programs that will conduct intensive market surveys with an aim of establishing what the customers need, and what will attract more customers to the organization. This model was linked towards establishing how the management at Stima SACCO is readjusting their corporate management strategies and how their model of implementation is affecting market performance of their products.

Rational Expectation Theory

Rational Expectation Theory (RET) was initially suggested by John F. Muth of Indiana University in the early 1960s (Slack et al., 2012). It enumerates how individuals make decisions as per there rational outlook, current information and previous experience. The model provides that the present's anticipations within the economy are correspondent to what individuals think the future state of the economy will become (Nzuve, 2007). In essence, prospective buyers and sellers of a commodity have the power to determine the market trends by valuing or devaluing the commodity.

Persons invest according to what they rationally believe will happen in the future. By doing so, the investor affects the market and their speculation is fulfilled. SACCOs can use the concept of RET to speculate future market behaviour that can help formulate current operational strategic practices for good performance. They can invest on strategies that have high returns as they gradually depart from those with low returns with an aim of raising the level of borrowing and investment for their customers. For example, they may offer short-term loans at a low interest with hopes that the borrower will gain confidence with and borrow more money in future. The borrowers invest the little amount in businesses that grow gradually. The growth forces them to borrow huge amounts at higher interests (Johnson & Scholes, 2007). The study was anchored towards establishing corporate management strategies Stima SACCO has been putting in place in relation to the increased borrowing and investment levels of its customers.

EMPIRICAL LITERATURE REVIEW

Cost of Operations and Organizational Performance

In today's business environment, organizations continuously focus on cost management with the primary purpose being to ensure impressive financial performance. Cost of operations are the expenses associated with the maintenance and administration of a business on a day-to-day basis. The total operating cost for a company includes the cost of goods sold, operating expenses as well as overhead expenses. Key areas an organization may focus on in its bid to manage costs include; reduced operational expenditure, efficient recruitment procedures (employee retention) and efficient structures.

In a study by Muogbo (2013) on the impact of strategic management on organizational growth and development (A Study of Selected Manufacturing Firms in Anambra State), it was established that corporate management practices can affect the profit, reduce the cost of operations and improve the internal efficiency of an organization. As a rule, an organization's management will look to augment benefits for the organization. Since benefits are resolved both by the income that an organization gains and the sum the organization spends on operations, benefits can be expanded both by expanding income and by reducing costs of operations. Since reducing expenses for the most part appears to be a simpler and progressively available method for expanding benefits, managers will often consider this strategy.

However, trimming operating costs too much may reduce an organization's productivity and profits as well. While decreasing a specific operating cost will as a rule increase transient benefits, it can also hurt the organization's profit in the long run. For instance, if an organization cuts its advertising costs its transient benefits will probably improve, as it is spending less cash on working expenses. The study was therefore geared towards establishing how cost of operations affects the performance of Stima SACCO limited.

Quality of Products and Organizational Performance

Quality of products may impact an organization's performance in a number of ways ranging from productivity and profitability to customer loyalty and public perception. In addition, quality affects the overall operating costs of a company hence better performance. When employees mutually participate in a work environment in which teamwork is emphasized and where quality products are the goal, the work environment flows more smoothly than one in which quality is an afterthought. The performance of an organization can be measured through offering unique products that fit their customer needs, mutual participation by employees towards achievement of quality and having a results oriented approach in their operations.

A study on factors affecting SACCO performance at Tharaka Nithi Teachers SACCO revealed that governance had enormous effect on performance of SACCOs. The study further revealed that education and training play a major role on influencing governance structure (Muriuki, 2010). The study recommended that SACCOs should diversify their products to take into account the need of the members and available market for resource mobilization. Kaynak (2003) investigated the links between different TQM practices and how they affect the performance of organizations and established that just few such as supplier quality management , products services as well a process management would have a significant impact on a firm's financial performance.

Similar activities also impact the marketing and financial performance through the firm's operational performance. In the same vein , Cho and Pucik (2005) expressed the association between development , innovation , profitability and quality and the organization's market value and found out that although quality is associated to have a direct effect on profitability rate ; its impact on development is arbitrated by innovation. The work of Sila (2007) on effect of TQM activities on a firm's progress variable established that a direct association exists between TQM practices and organizational efficiency. However, the results indicated no significant connection between TQM and financial or market performance.

When focusing on quality, it must be a joint effort where all employees of an organization are focused on executing any quality changes the management orders. In spite of the fact that the underlying expense may initially appear costly, the general expenses of guaranteeing conveyance of value items and administrations may turn out to be not as exactly anticipated. Based on the findings of the above researchers, it may be concluded that some significant association may be anticipated between quality of products and organizational performance, hence the study at Stima SACCO.

Management Dependability and Organizational Performance

Dependability of a management team refers to its ability to offer acceptable products or services on time through consistent procedures to their customers and exactly when they are needed or when they were promised. Dependability is a key aspect for any management team to possess since it promotes a wide variety of job performance categories. A dependable management shows up for work on time every day, produces consistent work, are loyal and can apply company policies and business strategies evenly to each task and assignment hence improved organization's performance.

A study by Njengah (2013) on factors affecting strategy implementation at insurance regulatory authority concluded that top management and organizational structure influences the implementation of strategy due to bureaucracy. The management of any company ought to portray dependable capabilities in formulating and implementing strategies that clearly attract and please customers, respond to changing market conditions, compete successfully and grow the business, a phenomenal the current study will seek to affirm at Stima SACCO Ltd.

According to Kiaritha, (2015), FOSA concept is one of the changes in financial environment SACCOs are adopting in Kenya. In addition to meet the needs of customers and maintain them in the ever-evolving market, SACCOs have developed products not tied to the traditional SACCO model that heavily relied on share deposits. Further, in the current hard economic times, customers want quick and easy access to financial services such as loans when and wherever in need thus SACCOs should be able to provide quality services and remain liquid at all times. Interruption caused to an organization's operations by absence of dependability goes beyond time and cost. This study therefore sought to establish the impact of management dependability on performance of Stima SACCO limited.

Management Flexibility and Organizational Performance

According to Arthur, (2000), short periods of competitive advantage, punctuated by frequent interruptions, have substituted competitive advantage. Various environmental developments have led to strong pressures for frequent strategic changes to retain a "fit" with the changing environment. In turbulent environments, the capacity to execute new approaches effectively and quickly may mean the difference between success and failure for a firm (Cole, 2007). Even slight interruptions can substantiate key in highly competitive and dynamic environments (Grazia, 2006).

The globalised micro finance is on present providing multiple services including deposit accounts, insurances, housing finance and money transfers. Various studies indicate that micro finance needs to additionally offer traditional financial services like credit (Campion, EKKA & Wenner, 2010). They should always adjust the current products to effectively fit microenterprises clients (Westley, 2006) For example, it would be expressed that clients value services, quickness and agility to be crucial compared to the cost of a microloan (Delfiner& Peron). Managers need to continuously deal with different types of flexibility in a bid to plan the marketing and operations strategies to cope with uncertainty associated with marketing and operations functions. This can be achieved through continuous improvement and periodic review and modification of policies.

Organization's that practice Just in time (JIT) aim at producing products once they are needed but not after or before. According to Slack, Chambers and Johnston (2002), JIT can be divided to various methods and philosophies. The JIT philosophy aids in guiding the practices of a firm's executives to be in a position to involve everyone in the organization for timely operations. The actions are grounded on performing duties more effectively, enhancing them constantly and avoiding wastes. JIT being a set of methods and instruments represents the means to obtain the essentials the philosophy prescribes.

Fullerton, Cheryl and Fawson (2003) conducted a survey involving 95 organizations that have executed JIT and 158 organizations that had not embraced the systems in various US manufacturing companies. According to the study, it would be expressed that organization with a wider embracement of the JIT strategy was unable to obtain better financial performance. However, there would be no significant association between exclusive JIT variable and JIT procurement and profitability. Finally, the researchers would express out that there existed no evidence that organizations with JIT would attain higher profits over the years but there is improved operations performance. Further, Fullerton et al, (2003) would express that the application of JIT is highly associated with long term performance gains. The current study sought to establish if the management at Stima SACCO is flexible, and whether it has any effect on the performance of Stima SACCO.

RESEARCH METHODOLOGY

Research Design

The study applied descriptive research technique. According to Saunders et al, (2012), descriptive research attempts to describe, explain and interpret conditions at its present characteristics. The purpose of a descriptive research is to examine a phenomenon that is occurring at a specific place and time. Further, a descriptive design approach allows for the utilization of a mixed research methodology in estimating the causal link between study variables. The technique is effective as it enables the provisions of what, how and where of a phenomenon. The techniques concern the intense investigation of problem solving circumstances in which issues are relevant to the research problems.

Target Population

The target population for this research was the 235 employees at Stima SACCO headquarters. This target population was chosen since the headquarters are most busy and represent operations occurring at the other branches and its location is convenient. The staff targeted are directly or indirectly involved in the corporate management strategies of the organization. They are distributed in four key departments namely: credit department, finance department, human resource department and operations department. The unit of observation was Stima SACCO headquarters staff while the unit of analysis was the 235 employees in various departments.

Sampling Procedure

According to Collis and Hussey (2014), regard a census as a systematic process of obtaining information from every member of the population to establish the problem under investigation. The researcher adopted the census sampling design since the population was 235 employees working at Stima SACCO headquarters drawn from four different departments.

Data Collection Instruments

This research project employed the use of own designed, semi-structured questionnaires with open-ended questions to facilitate more structured responses. The questionnaires were self-administered through drop and pick method to the selected respondents in the credit department, finance department, human resource department, and the operations department. Items in the questionnaire were divided into different sections. Section A captured data on socio demographic information of the respondents. Section B on cost of operations; Section C on quality of products; Section D on management dependability; Section E on management flexibility, while Section F contained items on performance of Stima SACCO. The rationale behind choosing the instrument was because the targeted population was assumed to be literate and thus read, understood and responded to the questions with ease. Likert scale was used in the questions to test on the degree of the respondents' agreement with particular variables of the study.

Data Collection Procedure

Before embarking on data collection, the researcher sought for authorization from Kenyatta University graduate school. Clearance was sought from NACOSTI before embarking on the main study. Data was collected by drop and pick method through help of a research assistant. Purpose of the study was explained to the respondents and their consent of participation sought before giving out the questionnaire. Collection dates of the filled questionnaires were agreed upon based on the respondents' convenience. Follow ups were made through telephone calls e-mails and personal interviews to ensure effectiveness in filling of the questionnaire and a viable response rate.

Data Analysis and Presentation

Filled up questionnaires were checked for any that the researcher deemed to contain information not relevant for the study or inaccurately filled. The questionnaires were then organized, coded and keyed into Statistical Package for Social Sciences (SPSS V23) for analysis. The researcher further utilised multiple regression analysis to examine the relationship between the dependent variable and the independent variables using the formula;

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$$

Where: Y = Performance of Stima Sacco Society; X1 = Cost of operations; X2 = Quality of products; X3 = Management dependability; X4 = Management flexibility; β1, β2, β3, β4 = Regression Coefficients; ε = Error term

The results from data analysis were used to generate results for discussion, which was based and geared towards addressing the research questions. The analysed data was then presented in form of tables, pie charts and bar graphs as deemed necessary.

RESEARCH RESULTS

The main objective of the study was to establish the effect of corporate management strategies on performance of Stima SACCO Society Limited. The study specific objectives were to establish the influence of cost of operations, quality of products, management dependability and management flexibility on the performance of Stima SACCO Society Limited. The study coefficient of correlation R of 0.871 is an indication of strong positive correlation between the variables and coefficient of adjusted determination R2 was 0.849, which changes to 84.9%.

Cost of Operations and SACCO Performance

The study established that cost of operations had a significant effect on SACCO performance. On management of administrative costs, the study respondents agreed that Stima SACCO products and services are low priced compared to other competitors in the market, there is intensive outsourcing at Stima SACCO to ensure maximum saving on cost of production and that at Stima SACCO there is more of in-house training schemes for sharing skills and acknowledge than outsourced training. The respondents were neutral on whether the cost of product at Stima SACCO is minimal, there is minimal staff turnover at the SACCO and whether Stima SACCO hires expensive staff and trans them. This indicates that the SACCO society had significantly worked on reducing the cost of operation, reducing cost of operation and reduced human resource training and turnover. On minimizing expenditure, the respondents agreed that to a great extent, Stima SACCO provides services and products to customers at minimal service cost. The respondents were indifferent or to a moderate extent indicated that on designing financial input for any service, the SACCO considers keenly what competitors are doing in the market and the SACCO also considers the financial implication on the side of the organization.

On establishing efficient structures, the respondents significantly agreed that Stima SACCO has invested on a highly efficient technological communication system. Communication at Stima SACCO is more over internet than manual. Customers can carry out their FOSA activities more via technology than manual and that the structures put in place have greatly improved the cost of doing business at Stima SACCO Limited. This indicates that the SACCO has largely embraced efficiency through the use of technology. The study established that the management at Stima SACCO had embraced modern technology with a lean human resource team that has improved capacity to handle tasks. Costs of distribution and logistics are greatly reduced. The Sacco has partnered with mobile service providers and other tech firms to reduce overhead and production costs of the products and services as much as possible and there is efficiency in production and service provision.

Quality of Products and SACCO Performance

The study established that quality products significantly influenced performance of Stima SACCO. On provision of unique products by the SACCO, the study respondents agreed that over the years Stima SACCO has been able to gradually adjust the available products and services to meet the customer's needs. Stima SACCO products are highly appealing to customers and it is very easy to sell Stima SACCO products to customers. Stima SACCO has built a strong brand loyalty amongst her customers. This indicates that the SACCO made its products unique through product improvement and brand loyalty to meet customer needs.

On uniqueness of customers, the respondents agreed that the customers at Stima SACCO do not leave for other MFIs because the products available meet their specifically defined needs and products are continuously modified to satisfy customers' expectations. Stima SACCO has a few but unique products for a defined niche of customers and the SACCO provides a variety of products and services for her broad spectrum of customers. The respondents were neutral on whether Stima SACCO provides services that are not common to other MFIs. This shows that the firm has created a niche for its customer and market base which are very unique and loyal to their products. The study further indicated that the SACCO in the last four years has embarked on advertisement, marketing, promotions and product improvement to enhance continuous improvement for her products and services to maintain her customers.

Management Dependability and SACCO Performance

The study established that management dependability had a positive and significant effect on the performance of the SACCO. On provision of acceptable services, the respondents agreed that Stima SACCO provides services that are easily acceptable in the market, there is a variety of loans with different terms that are being offered by Stima SACCO and all loan facilities have standardized loan application procedures. This indicates that the mainstream services provided by the SACCO which is mainly credit was regularized and therefore acceptable to clients.

On the consistency of procedures at the SACCO the respondents agreed that approval for customer service products at Stima SACCO is efficient in terms of time management, lead time for loan dispatch is consistent and observed at all times and that there is consistency in the interest rates charged for similar type of loans. This indicates that the customer service, SACCO services and interest rates were consistent and had a standard procedure.

Management Flexibility and SACCO Performance

It was established that the management flexibility had significantly improved performance of Stima SACCO. The study respondents agreed that Stima SACCO welcomes and acts on customers' complaints, the period for processing of loan application has reduced tremendously over the last three years, Stima SACCO Limited continuously formulates its policies to reflect its client's needs, efficient logistics have been put in place at Stima SACCO to ensure customers are served within the shortest time possible. This indicates that the SACCO significantly embraced continuous improvement and policy modification to change the ever-changing customer needs and market dynamics.

INFERENTIAL STATISTICS

The study analysed the collected data using inferential statistics to establish the extent of relationship between variables. The findings of Model Summary, ANOVA and Regression Coefficients are indicated in subsequent sections below. The summary of findings based on the coefficient of determination and coefficient of adjusted determination are as shown in Table 1.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.871[a]	0.836	0.849	1.67182

The findings established that the coefficient of correlation R was 0.871an indication of strong positive correlation between the variables. Coefficient of adjusted determination R^2 was 0.849, which changes to 84.9% an indication of changes of dependent variable can be explained by (cost of operations, quality of products, management dependability, and management flexibility). The residual of 15.1% can be explained by other factors beyond the scope of the current study.

The study carried out an ANOVA at 95% level of significance. The findings of $F_{Calculated}$ and $F_{Critical}$ are as shown in Table 2.

Table 2: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	876.237	10	87.6237	42.4554	.000[b]
Residual	361.188	175	2.0639		
Total	1237.425	185			

The findings show that F_{Cal} was 42.4554 and F_{Crit} was 8.5716, this show that $F_{Cal} > F_{Crit}$ (42.4554>8.5716) an indication that the overall regression mode was significant for the study. The p value was $0.000<0.05$ an indication that at least one variable significantly influenced performance of the SACCO.

A regression analysis was conducted to establish the individual influence of the variables on the performance of Stima SACCO. The findings are indicated in Table 3.

Table 3: Coefficients of Regression

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
(Constant)	5.817	0.781		4.612	.000
Cost of operations	0.876	.135	.011	10.041	.000
Quality of products	0.854	.123	.013	9.319	.000
Management dependability	0.801	.131	.025	10.350	.000
Management flexibility	0.795	.123	.018	8.037	.000

The resultant equation was;

$$\mathbf{Y = 5.817 + 0.876X_1 + 0.854X_2 + 0.801X_3 + 0.795X_4}$$

Where: Y = Performance of Stima SACCO Society Limited; X_1 = Cost of operations; X_2 = Quality of products; X_3 = Management dependability; X_4 = Management flexibility

The study indicated that by holding all the variables constant, SACCO performance will be at 5.817. A unit increase in cost of operations as a corporate management strategy when holding all the other variables constant, performance would be at 0.876. A unit increase in quality products while holding other factors constant, performance of the SACCO would increase by 0.854. A unit improvement in management dependability while holding other factors constant, performance would be at 0.801. A unit increase in management flexibility while other factors are held constant, performance of the firms would be at 0.795. The findings pointed out that the independent variables had a p value of 0.000<0.05 an indication that the corporate management strategies significantly influenced performance of Stima SACCO Society Limited in Nairobi City County, Kenya.

CONCLUSIONS

The study concluded that cost of operations, quality of products, management dependability and management flexibility as corporate management strategies had a positive and significant effect on performance of Stima SACCO Society Limited. The study further concluded that the SACCO society had significantly worked on reducing the cost of operations and reduced human resource training and turnover. The study further concluded that the SACCO has largely embraced efficiency through use of technology and has made its products unique through product improvement and brand loyalty to meet customer needs.

It was concluded that the customer service, SACCO services and interest rates were consistent and had a standard procedure and that the SACCO significantly embraced continuous improvement and policy modification to satisfy the ever-changing customer needs and market dynamics.

RECOMMENDATIONS

The study recommends that Stima SACCO should invest more on modern technology use and capacity building among staff to ensure rapid uptake of the new skills and knowledge. It is further recommended that Stima SACCO should embrace diverse strategies to stay competitive in the SACCO industry.

DT-SACCOs should always employ competent staff and focus on continuous training, need assessment among employees so as to improve their skills. SACCO's should also ensure that all employees are well trained about the policies governing the SACCOs to enlighten the employees on their knowledge about SACCO and their profitability. DT-SACCOS should continuously train their members to the concept of saving for prosperity so as to create SACCO members ownership.

The study further recommended that the SACCO should ensure the top management is committed to strategy management and also reports to the board for accountability and feedback. Stima SACCO should also involve all stakeholders in strategy planning, formulation and implementation.

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