AN ASSESSMENT OF STRATEGIC LEADERSHIP ON CUSTOMER GROWTH IN SAVINGS AND COOPERATIVE SOCIETIES IN KENYA KIAMBU COUNTY

BY

Mercy Wangui Waihenya

This dissertation is submitted in partial fulfillment of the requirements for the award of a master of business administration (MBA) from St. Paul's University

August 2018

AN ASSESSMENT OF STRATEGIC LEADERSHIP ON CUSTOMER GROWTH IN SAVINGS AND COOPERATIVE SOCIETIES IN KENYA KIAMBU COUNTY

By

Mercy Wangui Waihenya

This dissertation is submitted in partial fulfillment of the requirements for the award of a Master of Business Administration (MBA) from St. Paul's university

Supervisors:

Lead supervisor - Mrs. Elizabeth Kimaru

Co supervisor - Mr. Paul Kamaku

August 2018

DECLARATION

This dissertation is a product of my own work and is not the result of anything done in collaboration. It has not been previously presented to any other institution. I agree that this dissertation may be available for reference and photocopying, at the discretion of the University.

SIGNATURE OF STUDENT…… DATE……

Word count _____21924_____

We confirm that the work reported in this thesis was carried out by the student under our supervision.

SIGNATURE OF SUPERVISOR 1 ……

DATE: ……

SIGNATURE OF SUPERVISOR 2 ……

DATE: ……

DEDICATION

I dedicate this dissertation to my daughters Joy Mutindi and Abigail Mumbi for their perseverance and understanding all through, and who bore the burden of absence from home while working on the research.

ACKNOWLEDGEMENT

First and foremost, I would like to thank the Almighty God for his faithfulness and blessings. My sincere gratitude I extend to Mrs. Elizabeth Kimaru and Mr. Paul Kamaku who are the supervisors for their professional guidance from the onset of the project to the successful completion of this dissertation God bless you.

I offer my regard and blessings to my family; my daughters Joy Mutindi and Abigail Mumbi and my parents Mr and Mrs Waihenya for their understanding, encouragement and material support during the whole period of the study. Without them I would not have completed this race successfully.

I would also like to extend my gratitude to all those who directly and indirectly contributed to the completion of these study.

TABLE OF CONTENTS

Declaration ... **iii**
Dedication ... **iv**
Acknowledgement ... **v**
Table Of Contents ... **vi**
Abbreviation & Acronyms ... **viii**
List of Tables ... **ix**
List of Figures ... **x**
Abstract ... **xi**
Chapter I ... **1**
1.0 Introduction ... 1
1.1 Background of the Study ... 1
1.2 Statement of the Problem ... 9
1.4 Research Questions ... 10
1.5 Scope of the Study ... 11
1.6 Significance of the Study ... 11
1.7 Limitations of the Study ... 11
Definition of Terms ... **13**
Chapter II ... **14**
Literature Review ... **14**
2.1 Introduction ... 14
2.2 Theoretical Review ... 14
2.3 Empirical Review ... 18
2.4 Research gaps ... 23
2.6 Conceptual Framework ... 24
Chapter III ... **28**
research Methodology ... **28**
3.1 Introduction ... 28
3.2 Research Design ... 28
3.3 Study Population ... 28
3.4 Sample Design and Sample Size Determination ... 29
3.5 Data Collection Instrument ... 29
3.6 Data Collection Procedure ... 30
3.7 Data Analysis ... 31
3.8 Ethical Consideration ... 32
Chapter IV ... **33**
Data Analysis, Interpretation and Presentation ... **33**
4.1 Introduction ... 33

4.2 Results of Pilot Study....33
4.3 Response Rate....34
4.4 General Information....34
4.5 Descriptive Analysis....39
4.6 Correlation Coefficients....49
4.7 Regression Analysis....50
Chapter V....54
Summary, Conclusion and Recommendations....54
5.0 Introduction....54
5.1 Discussion of Summaries....54
5.2 Conclusion....59
5.3 Recommendations for Policy and Practice....60
5.4 Recommendations of Further Research....61
REFERENCES....62
APPENDIX 1: Introduction Letter....69
APPENDIX II: List Of Saccos In Kiambu....70
APPENDIX III: Questionnaire....72
APPENDIX V: Nacosti Permit & Letter....76

ABBREVIATION & ACRONYMS

Chief Executive Officer (C.E.O.)

Central Bank of Kenya (CBK)

Gross Domestic Product (GDP)

Human Resource Management (HRM)

Ministry of Cooperative Development and Marketing (MCDM)

National Commission for Science, Technology and Innovation (NACOSTI)

National Industrial Credit (NIC)

Savings and Credit Co-Operatives (SACCOs)

SACCO Societies Regulatory Authority (SASRA)

Statistical Package for Social Sciences (SPSS)

LIST OF TABLES

Table 4.1: Reliability Coefficients 32
Table 4.2: Response rate 33
Table 4.3: Age Distribution Of The Respondents 34
Table 4.4: Education Level of the Respondents 36
Table 4.5: Work Experience 36
Table 4.6: Work Experience as Operations Manager 37
Table 4.7: Strategic Direction Identification 38
Table 4.8: Strategic Direction Identification Effect on Customer Growth 39
Table 4.9: Leader's Competences 40
Table 4.10: Leader's Competences Influence on Customer Growth 41
Table 4.11: Ethical Practices Adherence 42
Table 4.12: Ethical Practices Adherence Influence on Customer Growth 43
Table 4.13 Managing Human Resources 44
Table 4.14: Managing Human Resources on Customer Growth 46
Table 4.15: Customer Growth 47
Table 4.16: Correlation Coefficients 48
Table 4.17: Regression Analysis Model 50
Table 4.18: Overall Regression of Coefficients 51

LIST OF FIGURES

Figure 2.1: Conceptual Framework 24
Figure 4.2 Gender of Respondents.....34
Figure 4.4.2: Age of Respondents.....35
Figure 4.4.3: Education Level of the Respondents 34

ABSTRACT

The dynamic nature of business operating environment has called on business leaders to be strategic in their leadership roles if they are to sustain their competitiveness into the unforeseen future. Strategic leadership is important in an organization because it is future oriented establishing ways in which the organizational operations can be aligned to future changes in the business environment to ensure that competitiveness is sustained. The SACCOs in Kenya have experienced problems in the past; some even shutting down therefore there was need for customer growth to be enhanced so as to increase their incomes so as to sustain the business. These SACCOs have to look for leaders and managers who can develop future targets, direct and lead other staffs towards meeting the firm's objective and gaining a competitive edge. The purpose of this study, therefore, was an assessment of strategic leadership on customer growth in savings and cooperative societies in Kenya (Kiambu County). The study was guided by specific objectives: to determine the influence of strategic direction identification on customer growth; influence of leader's competence on customer growth; the influence of ethical practices adherence on customer growth; and influence of managing human resource on customer growth. This study used descriptive research design and data was collected from both primary and secondary sources. The study target population was 558 SACCOs in Kiambu County, and a sample of 56 SACCOs was selected from the population which is 10% of the population. The questionnaire which was given to 56 operations managers in the 56 selected SACCOs. The data collection procedure was done by the researcher and drop-and-pick strategy was applied. The data was coded and keyed in Statistical Package for Social Science (SPSS Version 22.0), and was analyzed using both descriptive and inferential statistics. Tables, figures and narratives we used to present the results. The study established that strategic direction, leader's competence, ethical practices and managing human resource have combined significant influence on customer growth of SACCOs in Kiambu County. The study recommends the regulatory bodies like SASRA should ensure effective compliance of SACCOs on established rules and regulations and also establish better mechanisms in auditing SACCOs operations, which will enhance customer growth and improved performance in SACCOs.

CHAPTER ONE

1.0 Introduction

This chapter presents the background of the study and the basis upon which the statement of the problem is derived. The research objectives and research questions are presented, and also the significance, assumption, limitation, and definition of terms.

1.1 Background of the Study

The dynamic nature of a business operating environment has called on business leaders to be strategic in their leadership roles if they are to sustain their competitiveness into the unforeseen future (Wheelen & Hunger, 2011). Strategic leadership is important in an organization because it is future oriented establishing ways in which the organizational operations can be aligned to future changes in the business environment to ensure that competitiveness is sustained. According to Northouse (2018), attaining and maintaining organizational competitiveness in a highly dynamic operating environment is not easy, hence organizational leaders have to constantly anticipate the changes in the operating environment and develop strategies that was help align organizational operations to the changing business environment if they are to remain competitive. Organizations that fail to change with the changing times are always rendered uncompetitive and if the situation persists, they are likely to shut down as customers will move on to the competitor products and services (Gavetti, 2011).

Strategic leadership is seen as the vision, direction, the purpose for growth, and context for the success of the organization; strategic leadership also initiates thinking to generate future growth (Nastase, 2010). According to, Burgelman (2014) effective strategic leadership results in top management being able to gain and maintain control of the destiny of the company that is, keep the company independent over long periods of time and maintain a level of performance that consistently meets and often exceeds the expectations of the majority of its shareholders.

According to Hitt, Ireland & Hoskisson (2012), to achieve growth the organization must not only assemble a critical mass of talent, which will require attracting and retaining an unfair share of excellent leaders, but also align these leaders roles and skills with the

company's growth strategies. The best organization is the one that conducts detailed assessments of the talent required across the organization and by business unit and geography; this creates clear leadership-development targets for executives and managers and incorporate these targets into performance-management, recruitment, succession, and reward processes. In this way, top companies systematically build excellent leaders with the skills needed to drive growth (Hitt et al., 2012).

Effective strategic leadership is the responsibility of top members of an organization to think and make decisions that would yield higher returns from the staffs and make customers satisfied (Dye & Garman, 2015). In most organizations, the Chief Executive Officer (CEO) has the key duty to make strategic decisions to create organizational success. Although in reality, other senior management is involved and bears some responsibility. In this aspect, the senior managers and the top management team are an important strategic resource for the organization: strategic leaders can make a competitive difference (Finkelman, 2015).

Strategic leadership requires significantly different techniques in both scope and skill from direct and organizational leadership. Dye & Garman (2015) noted that, in environments experiencing extreme cases of uncertainty, complexity, ambiguity, and volatility, the strategic leaders must think in several domains and ways in how to operate and manage the changes currently exhibited. One of the ways as noted by Quong & Walker (2010), on the seven principles of strategic leadership could be through interaction with other leaders from similar and different organizations in the market place. As they interact and share ideas they are able to find solutions that will enable them survive the changes in the environment. Quong & Walker (2010) further show that, the CEO can easily improve the strategic decisions through shaping the relationship context at the organization at different levels through trust and learning from their past failures.

In China, Low (2010) on applying strategic leadership the way of the dragon, the study looked at the mythical essence of the dragon as perceived by the Chinese people. In the study Low stated that the dragon signifies power and greatness; blessings and goodness and benevolence which strategic leaders should emulate. Low (2010) mentioned that, a

strategic leader should be one with compassion, showing empathy to different people, being kind, fair, justice and behaving in integrity.

In the UK, Schoemaker, Krupp & Howland (2013) investigated the strategic leadership and the essential skills. The paper noted that the more unpredictable, flexible and uncertain the environment is, the easier it is to capitalize on leadership skills, knowledge and experiences. For an organization to navigate the challenges in its environment, there is a need to allow the leaders to think strategically, effectively anticipate the challenges, interpret the situation and design and assign resources to handle these challenges.

In Ghana, Agyapong & Boamah (2013), saw that it is the role of leaders to anticipate and prepare for ambiguous situations and create avenues that would ensure the processes, procedures and activities of the organization lead to higher productivity and growth of both their market share and customer numbers. To be able to anticipate the environmental changes, organizational strategic leaders should gather information through research from both internal and external sources and to predict the competitions' moves and reactions to new trends in the market. In the relationship between strategic leadership and strategic alignment in high-performance companies in South Africa by Lear (2012); stated that when the situation changes, the skilled leaders must attend to situations strategically and they also need to be adaptable, this can be through using different styles to respond to different situations.

In Kenya, Nthini (2013) looked into the effect of strategic leadership on performance of commercial and financial State Corporation in Kenya; noting that the importance of leaders to be strategic cannot be overstated since it's their responsibility to manage the human resources the firm has. This is done by directing, coordinating and motivating subordinate staffs towards achieving the set strategic goals. They should identify and cite changes in the internal and external environment and adjust the goals to suit the uncertain environment. To insure the organization's survival in the future, top level managers are clearly responsible for the organization's current performance (Kirkpatick & Locke, 2012). Organizations with effective strategic leadership are more likely to adopt appropriate strategies, have a supportive, strong and committed management team. Thus

the ability to identify and focus on target markets developing sustainable competitive advantage, maintaining ethical standards and have excellent customer relationships.

Customers form one of the key stakeholders of any organization, they are the reason that the organization exists. It is therefore important that the needs of customers are examined and products and services meeting their needs are developed. Savings and Credit Societies Cooperatives (SACCOs) are member sponsored organization where individuals come together and save money which entitles them to take loans based on the amounts they have saved. Unlike other organizations, SACCOs are mainly focused on the welfare of their members (Kirkpatick & Locke, 2012).

1.1.1 Strategy

According to Lynch (2009), strategy is a future-oriented approach where all activities and efforts are concentrated and focused towards achieving the goals and objectives. In the business and market world, the idea of strategy often involves the organizations' management encouraging its staff to focus their efforts and energies to achieve their individual goals that would ultimately lead to meeting organizational objectives (Ortega, 2010).

According to Parnell (2011), strategy is a set of instructions made by the top management in an organization with the help of stakeholders. The instructions are meant to steer the firm towards achieving their set goals and objectives. The objectives may be growth in market shares, growth in customer numbers, expansion of service delivery in terms of quality and timeliness, returns in investments and profits. Strategic plans of a firm can only be achieved through the help of the top management leadership, its decision-making ability and resources availability (Kang, Miyajima, Mori, Inoue, Itoh & Aida, 2015).

Hassan (2010) suggests that, a strategy reflects a company's awareness of how, when and where it should compete; against whom it should compete and for what purpose it should compete. It also is a company's game plan in an effort to achieving increased performance, profitability and loyalty of customers resulting in sustained and increased market share and market growth. These plans provide a framework for managerial decisions to be made that will lead to competitive advantage and market growth.

1.1.2 Strategic Leadership

Strategic leadership is the ability by a leader to anticipate and envision the future, maintain flexibility, think strategically and initiate change that will create a competitive advantage for the organization in the future (Daft, 2011). Slack (2015) stated that, strategies are the guiding posts that lead any organization into realizing their set objectives in a timely manner. Strategic leadership is concerned with a firm's ability to maintain flexibility in its operations by being future oriented through anticipation, development of visions and empowering others to strategically position itself to deal with changes in the future operating environment (Kjelin, 2009).

Organizations are assumed to be going concerns in that they are to continue their operations into the unforeseen future. In order to achieve this, organizations have to anticipate changes in their operational environment and develop processes that will align the operations with the changing business environment. Strategic leadership provides the required recipe for forward thinking leaders to anticipate changes in the business environment, develop visions and create capability for dealing with the changes so that they emerge competitive (Finkelstein, Hambrick & Cannella, 2011). It is concerned with development of strategic directions which guide the way that an organization is supposed to follow if it has to achieve the set objectives. This involves development of vision, mission, goals and core values that are to guide the day to day activities and the long-term target goal (Eden & Ackermann, 2013).

According to Ireland & Hitt (2012) strategic leadership calls for a manager's ability in integrating both the inside and outside business environment and engaging in multifaceted information processing so that they implement formulated strategies perfectly. It is important for the leaders in an organization to identify the direction in which they wish to move. This can be done by breaking the goals into smaller parts that can easily be achieved in short period of time. Slack (2015) noted that, achieving small goals, acts as a motivating factor and boosts the morale of staff, increasing their beliefs that they can achieve the overall organization goals.

A good leader must have relevant information to be able to lead and direct staff towards effectively achieving set objectives. Gavetti (2011) noted that, strategic leaders are often relied upon in the organization to offer solutions whenever there are challenges. Through their experiences and ability to consult with others, they are able to forge ahead pulling the organization with them. To grow the business, strategic leaders must gather information and thoroughly do research work to find a competitive edge that they can exploit to grow. They must use their expertise knowledge and past experiences to anticipate and prevent problems at the firm. Gavetti (2011) showed that, strategic leaders are constantly vigilant to see any changes in the market and in the environment and they prepare accordingly.

1.1.3 Customer Growth

Growth is an aspect that most organizations strive to get, regardless of their size. Growth in organizations runs through customers whereby it can be attained by attracting new customers and also retaining the ones that are already there. Customers are the driving force for a profitable growth in organization and hence the relationship must be managed effectively (Mason & Brown, 2014). Customer growth solely depends on the number of customers that have increased in a specific time period. According to Mason & Brown, (2014), customer growth stems from strategic leadership which ensures that customer experience to offer products tailored to customers' needs and interest. Strategic leadership ensures that an organization successfully delivers customer expiring so as to increase customer growth.

Customer growth is measured by customer numbers which have increases over specific time duration. According to Mason & Brown (2014), customer growth calls for strategic leaders to be customer-centric so as to increase customer numbers by offering service quality and value of money which has a direct positive impact. SACCOs customers are identified as members, the member's growth in a SACCO is dependent on the services offered to them. Favorable members' services attract and retain members and hence customer growth.

1.1.4 Strategic leadership and customer growth

A fundamental tenet of customer growth in organizations is win by attracting and keeping most valuable customers. The art of attracting new customers and retaining existing customers is a strategy of increasing satisfaction and loyalty. The organization should ensure that the mission, vision, strategies, goals and objectives set are focused towards customer interests who are the main stakeholders in organization. Customer focus through the set goals and objectives leads to the organization attracting and retaining customers.

To achieve growth organizations should ensure that they attract and retain excellent leaders with roles and skills of developing organization growth strategies. The leaders can be developed and molded within the organization or sourced as an expert to lead an organization to success at the market place and expand to new frontiers (Jardon & Martos, 2011). Exemplary leaders are leaders who can identify a customer's current needs and anticipate their need as they change; such leaders enable the organization to stay ahead of the competition and also ensure there is customer growth.

Organizations set to grow their customer numbers must adhere to ethical practices such as code of conducts, set policies and procedures ensure there is fair trade and accountability to the society. Ethical practices limit chances of fraud and loss of organization funds through theft and misappropriation by the staff. Integrity among the staff and its leadership in an organization increases growth levels and leads to high returns (Rigby & Bilodeau, 2011)

1.1.5 Role of SACCOs in the industry

The Savings and Credit Co-Operative (SACCO) movement concept started in 1844 and has since developed globally as an economic and social movement with its own distinct history, identity, structure and purpose. SACCOs cover a range of economic activities in credit and banking, agriculture, insurance and commerce. According to International Co-operative Alliance (2014), Savings and Co-operative Society is an autonomous association of persons united voluntarily to meet common social, economic, and cultural needs and aspirations through democratically-controlled enterprise.

The role of SACCOs in Kenya is inspiration and emancipation of the individual economic wellbeing, community development and strengthening the fundamental economic foundations of the country (Kobia, 2011). The objective of the SACCOs is to encourage its members to save there by accumulating and creating capital, which then can be lent to members at a reasonable rate of interest. Introduction of SACCOs based on employment is to allow regular savings are accumulated and from this loans are given (SACCO Review 2012).

1.1.6 SACCOs in Kenya

The first Savings and Co-operative Society in Kenya was Lumbwa Co-operative Society which was formed in 1908 by the European Farmers, and its main objective of purchasing chemicals, seeds, fertilizer and other farm inputs and them marketing their produce so as to take advantage of economies of scale (Kenya Union of Savings and Credit Co-operatives (KUSCCO), 2015). SACCOs where introduced, controlled by KUSCCO since the year 2006, the number of SACCOs has continued to grow over the years since independence (SACCO Review 2012).

Savings and Credit Co-Operative (SACCO) movement in Kenya is of unique social and economic interest. The importance of the SACCOs in Kenya led to the government to enact a SACCO Act 2008 and the SACCO Societies Regulations 2010. This was done with the intention of protecting the interest of SACCO members and improving the confidence of the public in SACCOs. The government of Kenya established Sacco Societies Regulatory Authority (SASRA) under the Ministry of Cooperative Development and Marketing, whose mandate entails licensing, regulating and supervising SACCO Societies (Ministry of Cooperatives and Marketing, 2010).

According to Ademba (2010), the Kenyan SACCO Sector is the largest in Africa and seventh worldwide, it has over Kshs 230 billion in assets and a saving portfolio estimated at Kshs. 190 billion. The SACCO movement in Kenya constitutes to a proportion of about 20% of the country's savings (Makori, Munene & Muturi, 2013). The growth of SACCOs can been measured in different ways by different researchers. According to Turtiainen (2008), the size of SACCOs is measured in terms of membership which

represents the individuals being served. These are the members who participate in contributions and borrowing cash among other activities as licensed.

The Ministry of Cooperative Development and Marketing (MCDM) Conference report of 2017 indicates that there are 5200 registered SACCOs with over 5.6 million registered members in Kenya. According to SASRA Report September 2017, there are 175 deposits-taking SACCOs which are licensed to undertake deposit-taking Sacco business in the country in accordance with the Act in the operation at the end of 2017. During Ushirika Day celebrations 2017, it was noted that there is a total of 558 SACCO'S which are of key interest of interest to this study.

1.2 Statement of the Problem

According to Ademba (2010), SACCOs like other business entities in Kenya are faced with challenges in their quest for growth and survival; these challenges can be internal or external. The Government in an attempt to reduce the slow growth enacted the Cooperative Act 2008 to assess why there is slow growth and established SACCO Society Regulatory Authority (SASRA, 2010) to regulate SACCOs. According to (SACCO Review 2012), SASRA identified the slow growth in SACCOs was due to lack of strategic leadership, lack of adequate knowledge in the management, lack of policy adherence, lack of proper vision and mission, and poor recruitment and selection. According to the review, the slow growth is due to lack of growth in customer number and it was noted that there is little customer growth in SACCOs in Kiambu County and some of the SACCOs have also closed down, examples include: Ekeza SACCO, Ogeep SACCO and Metropolitan SACCO which is in a financial crisis.

According to Odero (2013), he noted that some SACCOs originated from families and few friends whose core principle is gaining employment opportunities for their kin and friends. This action often makes managing and controlling human resources a difficult task, due to the fact that most of them are friends and family members. They could also lack knowledge, skills, the ability and experience needed for operation which poses a challenge and a problem to the quest for growth of customers among the SACCOs. There have also been cases of fraud led by staff, falsification of documents and breaking codes

of conduct that govern SACCOs. This leads to loss of funds and credibility of the SACCOs and could lead to closing down due to misappropriation of funds. This may lead to withdrawal of customers from SACCOs and limit customer growth.

This study sorts to assess the role strategic leadership on customer growth in Savings and Cooperative Societies in Kenya (Kiambu County). The main focus on strategic leadership will be the strategic direction identification, leader's competences, ethical practice adherence and managing human resource which will form the objectives of this study, on assessing the level of their contribution on customer growth in SACCOs in Kiambu County.

1.3.1 General Objective

An assessment of strategic leadership on customer growth in Savings and Cooperative Societies in Kenya (Kiambu County).

1.3.2 Specific Objectives

The specific objectives of this study were as follows:

i. To establish the influence of strategic direction identification on customer growth in Savings and Cooperative Societies in Kiambu County.

ii. To determine the influence of leader's competence on customer growth in Savings and Cooperative Societies in Kiambu County.

iii. To determine the influence of ethical practice adherence on customer growth in Savings and Cooperative Societies in Kiambu County.

iv. To assess the influence of managing human resource on customer growth in Savings and Cooperative Societies in Kiambu County

1.4 Research Questions

The study sought to answer the following questions:

i. What is the influence of strategic direction identification on customer growth in Savings and Cooperative Societies in Kiambu County?

ii. How does the leader's competence affect customer growth in Savings and Cooperative Societies in Kiambu County?

iii. What is the influence of ethical practices adherence on customer growth in Savings and Cooperative Societies in Kiambu County?

iv. What is the influence managing human resource on customer growth in Savings and Cooperative Societies in Kiambu County?

1.5 Scope of the Study

The study was an assessment of strategic leadership on customer growth in Savings and Cooperative Societies in Kenya (Kiambu County). This study population was confined to 558 SACCOs Operation Managers in Kiambu County in Kenya as per the record held at the SASRA offices in the county offices. In this study, the independent variables were strategic direction identification, leader's competence, ethical practice adherence, and managing human resource and the dependent variable was customer growth.

1.6 Significance of the Study

The findings of this study would be significant to a number of stakeholders including: SACCO management, Government of Kenya through the Cooperative movement, Future Scholars, Researchers and Customers who are also members of the SACCOs. For the managers in SACCOs, it was believed that the findings of this study would inform them on the importance of strategic leadership in helping organizations plan for change thereby aligning them to the changing environment. This would help SACCOs in emerging competitive and meeting the changing needs of their customers / members which would hence increase their growth. The findings of this study would also be valuable to future scholars and researchers in the field who intend to know how strategic leadership contributes to customer growth. It would help them gather information on the variables that are important in assessing the growth of customers.

1.7 Limitations of the Study

The researcher expected that some of the respondents who were not willing to share information fearing that it may be used to victimize them or paint a negative image about

their SACCO. The researcher explained the nature of the study and its intended purpose of academic undertaking. Further, the researcher carried an introduction letter from St. Paul's University to confirm that the data requested was to be used purely for academic purposes only. The researcher assured the respondents of confidentiality and utmost privacy of the information given. In order to acquire sufficient data, the researcher applied a drop and pick method and make regular follow-ups calls to remind the respondents to fill in the questionnaires.

Chapter Summary

This chapter presents the background, the problem statement as well as the research questions of the study. It also explained the importance of the study to all stakeholders, SACCOs themselves and the academicians. The study also looked at the scope of the study and the limitation that the researcher might experience during data collection and the limitations will be managed.

DEFINITION OF TERMS

Customer Growth: It is a measure of increase in number of customers during a determined timeframe. In other words, it is a way for a company to measure how much of their customer numbers has grown during a specific time (Mason & Brown, 2014).

Leadership: A process of influencing followers to achieve the organizations' mission, goals and objectives (Yukl, 2013)

Strategic Leadership: Strategic leadership is the ability to anticipate and envision the future, maintain flexibility, think strategically and initiate change that is to create a competitive advantage for the organization in the future (Daft, 2011)

Strategy: It is a future-oriented approach where all activities and efforts are concentrated and pushed towards achieving the goals. In the business and market world, the idea of strategy often involves the organizations' management encouraging its staff to focus their efforts and energies to achieve their individual goals that would ultimately lead to meeting organizational objectives (Ortega, 2010).

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The chapter represents studies previously done that relate to this study. According to Kennedy (2007), empirical literature review is a directed research of work that has been published which includes books and journal articles. It is a comprehensive survey of previous enquiries which relate to research questions. The use of a systematic approach to previous scholarly work, allows a researcher to place his research work into a historical and intellectual context and also it enables the researcher declare why the research matters (Kennedy, 2007).

2.2 Theoretical Review

According to Kennedy (2007), theoretical review connects the researcher to existing knowledge; it demonstrates an understanding of the theories that are relevant to the topic of the research. This section reviews theories that were developed by different scholars and helped anchor the study variables. This study was guided by these three theories which are; Transformational Leadership Theory, Skills Theory of Leadership, the Matching Model of Human Resource Management Theory and Consumer Behavior Theory.

2.2.1 Transformational Leadership Theory

The transformational theory of leadership is one of the most comprehensive theories of organizational transformation, and was proposed by Burns (1978), in his analysis of political leaders. It was further expounded by Moynihan, Pandey & Wright (2011), who formulated the formal transformational leadership theory that among other things includes the model and characteristics of a transformational leader. The transformational theory of leadership postulates that transactional leadership and transformational leadership are distinct dimensions rather than opposite ends of one continuum and that, while transformational leadership are closely related parts of leadership, they remain distinct (Roueche, Baker & Rose, 2014).

According to Roueche, Baker III, & Rose (2014), leaders' ability emanates from their capability to encourage and motivate workers to yield excellent output. These leaders are in pursuit of the necessities for a transformation on the usual way of doing things, it provides visualization to the people led, integrates mission and vision to contrivance the transformation with the commitment of the employees. In this leadership, the trailblazer acts as a good example also as a promoter that provides a vision, enthusiasm, reassurance and optimism and also gratification to the employees. The leader motivates his workers to upsurge their potentials, gain self-assurance and boost improvement in the entire organization. They focus on how they can enable the people working under them to produce results. This is enabled by focusing on the potentials and helping to develop them.

Kark & Shamir (2013), viewed transformational leadership from the perspective of leaders influence on their subordinates such that they become motivated to surpass their original expectations. A transformational leader has been characterized as one who articulates a positive vision of the future that can be shared with subordinates and among peers, pays a high attention to diversity, and intellectually stimulates subordinates to perform beyond their expectations. Transformational leaders believe in the need for change and engage in a process which includes a sequence of phases: recognizing the need for change, creating a new vision and institutionalizing the change (Hancott, 2005).

To be a transformational leader, one must have the ability to change the perspective of their followers so that they can be able to see a particular situation and elevate their needs in line with those of their leaders. Transformational leadership is necessary for effective management because the effectiveness of leaders determines the success of organizations (Kark & Shamir, 2013). This theory is most suitable and relevant to the study context as it enables managers to deal with others as individuals and understand that each customer has different needs, abilities, requires personal attention and has the need to feel valued. According to Hancott (2005), transformational leaders do this through spending time teaching, coaching and developing their followers by listening attentively, recognizing and valuing each customer's contribution.

This theory helps explain how strategic direction identification is important if an organization is to achieve its objectives and mission. Through strategic direction determination, an organization is able to plan and coordinate its activities to ensure that they are achieved as planned. Determination of strategic direction enables an organization's leadership to make necessary steps to meet the customer's need and hence have a sustained growth.

2.2.2 Skills Theory of Leadership

According to David (2010), skills theory grew from the trait approach; he states that skills theory sought to discover the skills and abilities that made leaders effective. The primary theories to develop from a skills approach were Katz's three-skill approach and Mumfords's skills model of leadership. Katz's approach states that effective leadership requires three skills, technical, human and conceptual. (David 2010), also states that effective leadership is dependent on how leader competencies are affected by the leader's attributes, experiences and the environment.

Wolinski (2010), states that acquired skills/abilities and learned knowledge are significant factors in the practice of leadership. He argues that though the learned skills, developed style, and acquired knowledge are keys to leadership performance, considerable effort and resources should be devoted to leadership training and development. The skill theory of Mumford's group has five components: competences, individual attributes, leadership outcomes, career experiences and environmental influences.

This theory is important to the study as it helps in explaining the qualities that a leader should hold in order to increase the numbers of customers the firm has. The skills theory of leadership helps to anchor the study by linking best skills and leadership competences to the growth of customers in SACCOs in Kiambu County. The leaders must have technical skills that are influenced by the environment that would lead to high performance that will lead to customer growth.

2.2.3 Consumer Behavior theory

The theory was developed by Howard (1963) and was further improved by Howard and Sheth (1969), according to this theory purchasing behavior is a repetitive exercise. The consumer forms a purchase cycle depending on the frequency of purchases and the type of goods i.e. durable and perishable goods have different purchase frequency. Consumer behavior is seen to involve a complicated mental process as well as physical activity (purchase decision). Consumer behavior is a decision process and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods and services. Consumer Behavior reflects the totality of consumers 'decisions with respect to the acquisition, consumption and disposition off goods, services, time and ideas by (human) decision making units (Cheung and Lee, 2012).

The motivations and behavior are what guides a consumer to make a purchase decision, hence in this study, the theory helps in explaining the motivations that customers would have to choose one SACCO over another. Some of the factors that motivate consumers may include the leadership competences or how human resources are managed that eventually leads to growth in customer numbers in the SACCOs. McIsaac, Park & Toupint (2013) stated that, the importance of human capital cuts across all sectors in the organization, and also defined that human capital refers to the collection of skills, knowledge, competences and personal attributes that create value and bring growth in the organization.

According to Hosany and Martin (2012), every person has a model of consumer behavior in their mind, whether implicit or explicit. This implies that each person has a concept of factors that shape motivation and behavior. Without a held concept, explanation and prediction was impossible. The distinction is made with respect to the comprehensiveness of competing models and the accuracy with which predictions can be made. SACCOs should create products that shape their motivation and behavior towards purchasing services offered.

2.3 Empirical Review

2.3.1 Strategic Direction Identification

According to Mutia (2015), strategic direction entails articulating the organization vision and mission, developing the organization's strategic goals, objective and formulating a strategic plan. The vision of an organization aligns the actions of people across the whole organization (Hitt, Ireland, & Hoskisson, 2011). The mission statement describes the organization activities to be undertaken to achieve its vision. Strategic direction identification is setting direction where the management of the organization or planners come to a conclusion about what the organization must do on certain issues and opportunities facing the organization. This studies relate to this study due to their focus on strategic direction which is one of the independent variables of this study, stating that the vision, mission, objective, goals and strategies an organisation.

Kiarie and Minja (2013), studied the role of corporate governance and strategic leadership practices in mitigating risks in stock brokerage firms in Nairobi. The study found out that the majority of strategic leaders do not practice strategic leadership leading to the collapse of many companies in Kenya. Similarly, Obunga, Marangu, & Masungo (2015) studied strategic leadership and performance of cooperative societies in Kakamega County in Kenya. The study concluded that the performance of these SACCOs could be explained by strategic leadership practices. Ndunge (2014), carried out a case study on Kenya Wildlife Services and its strategic leadership practices, and the study was focused on the change management programmes. The study concluded that strategic leadership is important in change management since it helps in setting a clear vision, planning and communicating the organization direction. In relation to the studies done strategic leadership is of key importance to the organisation hence this relates to the independent variable of this study which is strategic leadership.

According to Muendo (2011), study on the effects of direct sales strategy as a strategic response to the performance of commercial banks in a changing competitive environment in Kenya. The study noted that strategic direction identification is concerned with the growth of customers expected to increase the performance of the organization and identifying new opportunities in the domestic and regional markets. The findings showed

that on the domestic arena, new opportunities are expected to be created by the adoption of agenda in savings, information sharing and mobile phone technology innovations. Cooperative societies are also expected to explore and venture into regional markets as regional integrations initiatives intensify. The cooperation's have experienced increased competition over the last few years resulting from increases in innovations among the new entrants into the market.

2.3.2 Leader's Competences

The concept of identifying and nurturing leader's competences to drive competitive advantage and future growth should apply to every organization. Odero (2013), studied the core competencies and choice of competitive strategies at Equity Bank Limited in Kenya. The study findings revealed that core competencies provide very important skill and techniques in building competitiveness and choice of competitive strategies. In addition, core competencies play an important role in the planning, developing, implementing and evaluating strategic competitive policies that result in a competitive advantage. This research relates to the current study objective since core competences plays an key role in planning and evaluating strategic competitiveness and is of key importance in SACCOs.

Leaders develop skills and perspectives which enable them to facilitate the accomplishment of work in the organization systems. Work facilitation competences include managerial skills, the ability to think and act strategically and think creatively and initiate and implement change. Mwithi (2016), studied on the effect of leadership competences on performance of state corporations in Kenya. The study revealed that strategic leadership has a positive relationship with financial performance of state corporations in Kenya.

Susita, Mohamed & Mohd (2010), studied on the influence of leadership competency and organizational culture on responsiveness and performance of firms. The findings indicated that leadership competency and organizational culture has a positive relationship with responsiveness. The findings therefore implied that leadership competency and organizational culture are important factors for hotels to be responsive to

their customers, and in turn responsiveness to customers would improve hotel revenue. Robert (2009), studied the relationship between leadership competence and employee engagement, the results indicated that integrity and collaboration are two specific competences among senior leaders that appear to have meaningful positive relationship with employee engagement. Leadership competences are leadership skills and behaviors that contribute to superior performance in the organization, hence organizations should define what leadership attributes are distinctive to the particular organization so as to create a competitive advantage.

2.3.3 Ethical Practices Adherence

Enofe, Ogbeide, & Julius (2015), studied the impact of business ethical code of conduct on corporate growth in the wake of several corporate fraud, misstatements and misrepresentation. The author stated that adoption of a business ethical code of conduct and employee adherence to the corporate rules and regulations enhance corporate growth. In the study it was concluded that there is no significant relationship between corporate growth and corporate adherence to rules and regulations. This study relates to the research objective ethical adherence that this study sorts to assess whether thre is a relationship between customer growth and ethical adherence.

Ogwoka, Namada & Sikalieh (2017), investigated the influence of ethical consumer relations on the financial performance of listed firms in Kenya. The study established that there exists a strong relationship between ethical consumer relations and financial performance. In the study it was found that financial performance is high when firms provide quality and timely services to the firm's customers. A study carried out by Shin, Sung, Choi & Kim (2015) on top management ethical leadership and firms' performance in Korea companies. The study concluded that the top management ethical leadership significantly predicts ethical climate, firm's level of organizational citizenship behavior and firm financial performance.

Ebitu & Beredugo (2015), in the study business ethics and the performance of service in Calabar Cross River State, Nigeria, studied the code of ethics guiding the performance of service industry where they examined the organization compliance on establishing the

code of ethics. The study concluded that effective performance of service industry is dependent on code of ethics and the compliance level in these industries was high. Ethical leaders should mobilize and motivate followers to engage in ethical practice since it is for the good for the organization. While factors such as the growth of the size of organizations and how they impact on competition at the local, regional and global scene have also changed the values, interventions, modifications and laws that govern the rights of employees. It is paramount to adhere to the set ethical codes of conduct for each industry to encourage fair play, growth and sustainability of the industry. These sentiments were noted by Bayraktaroğlu & Yılmaz (2012), while investigating the relationship between business ethics practices and organizational performance in human resource management.

2.3.4 Managing Human Resources

According to Armstrong (2012), human resource management is the science and the practice that deals with the employment relationships. Human resource management is the strategic and coherent approach to the management of an organization's most valuable asset the people working there who individually and collectively contribute to the achievement of its objectives of the business. Human resource management tends to treat people as resources which can be expanded and used up in the pursuit of business goals and customer growth.

Cooke, Saini & Wang (2014), assessed the talent management in China and India: A comparison of management perceptions and human resource practices. The study looked at the recruitment and noted that selection of appropriate staff is one of the most important and costly investments an organization can undertake; since the performance in terms of output, profitability, increase in market share and sales and sustainable competitive advantage was achieved by the staff that an organization employs. Recruitment and selection focuses on identifying those candidates that can enact those behaviorally defined characteristics which underpin successful performance in the role you are seeking to fill. In recruiting and selecting staff, relying on several points of reference information rather than one, will often allow for a better and clearer picture of a candidate's suitability for a position within your organization.

Mwaniki & Gathenya (2015), examined the role of human resource functions of recruitment and performance contracting on organizational performance, a case study of Kenya Power, Nairobi west Region. The study concluded that human resource functions of recruitment and performance contracting positively affect organizational performance. Similarly, Channar, Talreja, & Bai (2015), assessed the impact of human capital variables of acquisition of knowledge, skills and expertise of the employees on the satisfaction of the employees and the effectiveness of the organization. The study concluded that, developing human capital has a high significance in positive relations with satisfaction level of employees, which eventually leads to high organizational performance.

Boohene & Asuinura (2011), studied the Graphic Communication Group Limited; their recruitment and selection, performance appraisal, remuneration and training and development practices influence the company's performance. The study concluded that there is a positive relationship between effective recruitment and selection practices, effective performance appraisal practices and the corporate performance. Oforegbunam & Okorafor (2010) in a study on the effects of developing human capital on the performance of small and medium scaled enterprises in southeastern region of Nigeria, concluded that developing human capital improves the performance of small and medium enterprises.

2.3.5 Customer growth

Shahram, Mohmmad, & Mohammad (2013), assessed the impact of service quality on customer growth in dairy products distribution system in West Guilan (Iran). In the study they stated that for organization to increase the number of their customers, their loyalty, revenue, profit and market share and increase their survival, an there should be an attempt to assess customer satisfaction. The study concluded that service quality and customer satisfaction moderated the behavioral intentions of customers. The study also states that customer growth is an important element in determining the success of and enterprise service. This relates to the objective of this study which is to assess the influence of strategic leadership on customer growth.

John, Gordon, Benjamin & Florence (2016), studied customer satisfaction for customer growth: The roles, responsibilities required for the sales force and case study in Ghana Breweries Limited. The study explored the responsibilities and roles of the sales force in delivering customer value and satisfaction that lead to customer growth. The study concluded that the manager and sales person should perceive their roles, responsibilities and roles which are relevant for customer satisfaction and leads to customer growth. This study was relevant this study since it shows there is a link between customer growth and the management.

Catherine (2016), studied the relationship between customer retention strategies and organization performance at Barclays Bank of Kenya Limited. The study established that there was a positive relationship between customer relationship marketing an market share growth which is explained by customer relationship marketing. There is a relationship of this study with the current study variable since customer retention strategies lead to increased in market share growth which means increasing the customer number. Market share growth relates to increase in customer numbers which is hence used to measure the customer growth.

2.4 Research gaps

Majority of research carried out as indicated in the empirical review relates to strategic leadership and performance with little research linking strategic leadership and customer growth. More so the existing literature has put emphasis on banks and other commercial enterprises and very few studies on SACCOs. For instance, a study by Nthini (2013), on effect of strategic leadership on the performance of commercial and financial state corporations in Kenya, and confirmed that effective strategic leadership affects organization performance. Nganga (2013), investigated the effect Strategic leadership and performance of manufacturing firms in Kenya, and found out that strategic leadership attributes that are profound within the manufacturing firms included exploitation, maintenance and alignment of core competencies with strategic objectives. The study also stated that leadership also focused, encouraged and put pressure on employees to contribute to organizational goals.

2.6 Conceptual Framework

According to Mugenda & Mugenda (2009), a conceptual framework is a diagrammatical representation of the relationship between the independent and dependent variables in a study. In this study, the conceptual framework is based on the following independent variables: strategic direction identification, leader's competence, ethical practices adherence, and managing human resource, and the dependent variable customer growth. The relationship between the variables is shown in Figure 2.1:

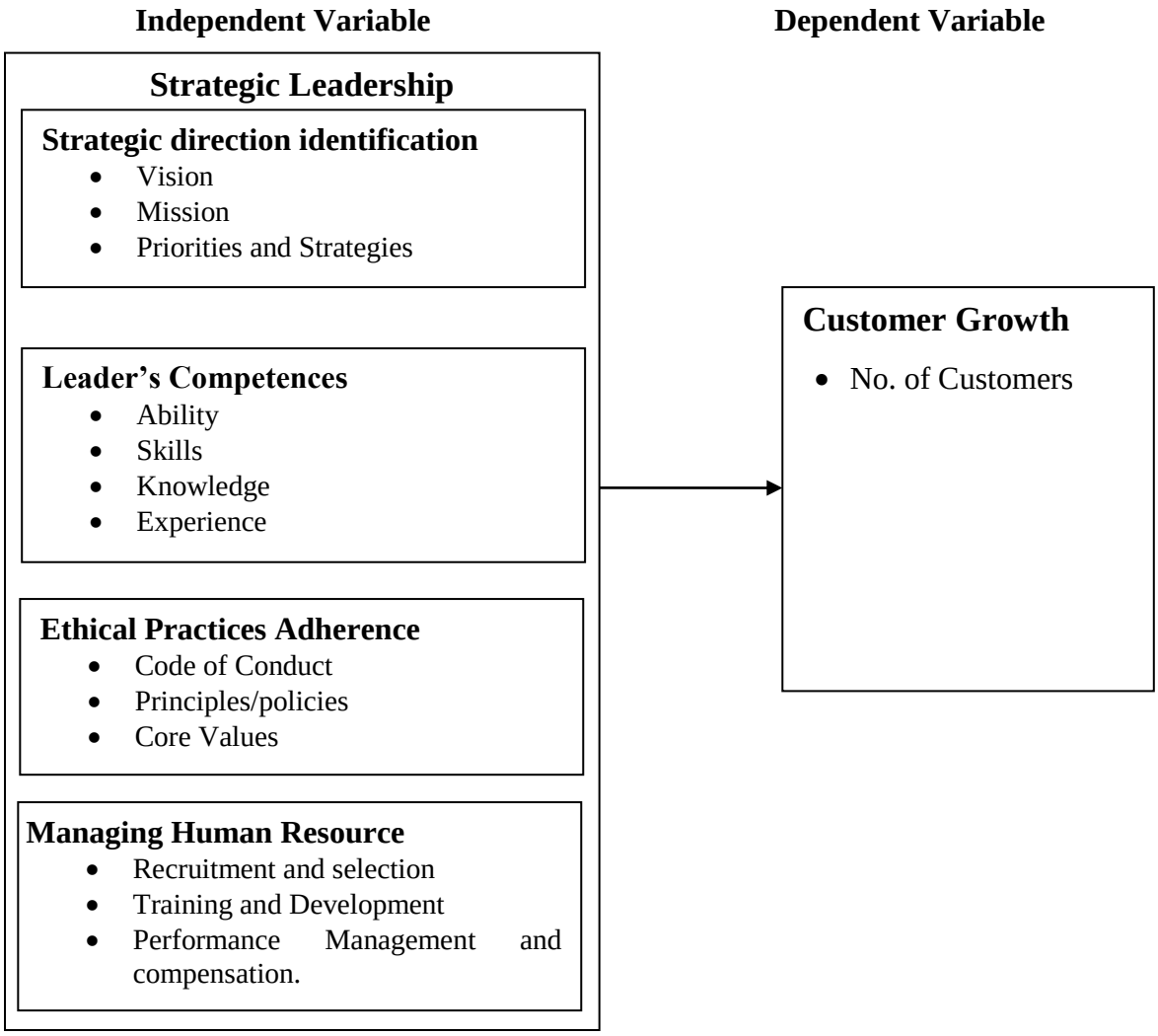


Figure 2.1: Conceptual Framework

Source (Author, 2018)

Summary on conceptual framework

The conceptual framework above depicts the independent variables that are: strategic direction identification, leader's competence, ethical practices adherence and managing human resource in SACCOs. On the other hand, customer growth in SACCOs is categorized as number of customers and share capital that are dependent on the independent variables. These are discussed in this section.

2.5.1 Strategic Direction Identification

Strategic direction identification often involves understanding the vision and mission of an organization which aides in drawing a plan that employees in an organization would follow to achieve them hence create higher returns in terms of growth, profits, high market share and more customers (Owuor, 2015). The strategies that are developed are a blue print of where the organization is and the path it will follow to achieve its goal, and in this case, customer growth. The blue print / Goals should be designed and worded as much as possible to be specific, measurable, acceptable to those working to achieve the goals, realistic, timely, and extending the capabilities of those working towards achieving them (Micheni, 2016).

2.5.2 Leadership Competence

A great leader is one able to influence all employees and mold them together to achieve growth. The leaders must exhibit their abilities, skills, knowledge and competences in the organization. The leaders can be developed and molded within the organization or sourced as an expert to lead an organization to success at the market place and expand to new frontiers (Jardon & Martos, 2011). Furthermore, exemplary leaders are leaders who can identify a customer's current needs and anticipate their need as they change; such leaders enable the organization to stay ahead of the competition and also ensure there is customer growth.

2.5.3 Ethical Practices Adherences

Any organization set to grow their customer numbers must adhere to ethical practices such as code of conducts, fair trade and accountability to the society, since every corporate must be socially responsible and give back to the community they operate in.

Ethical practices limit chances of fraud and loss of organization funds through theft and misappropriation by the staff. Integrity among the staff and its leadership in an organization increases growth levels and leads to high returns (Rigby & Bilodeau, 2011).

2.5.4 Managing Human Resources

According to Thompson, Strickland, & Gamble (2016), recruitment and selection ensures that the right personnel are employed who are going to help the organization in attaining the goals and objectives required. Training is of importance in an organization's effort to build on skills-based competences. Training and retraining are important when organizations require competitive capabilities, different skills and operating methods. Human resource is the main resource that can drive any organization to success; the top management must train the employees on the best customer relation skill and management. According to Sherman (2014), Customers require their grievances and needs addressed by the employees well since it will determine whether they will remain to be a member; that is customer retention. Employees need to be trained and developed on how to address and deal with the customers' needs.

2.5.5 Customer Growth

Customer growth is measured by the total number of loyal customers who come back again and again to do repeat purchases and transactions (Davis & Shaver, 2012). This is when the customers are satisfied with the products and services offered and become repeat customers. Internal growth of the business is only through internal investment to the business, through elements such as training staff, giving employees salary increment and bonuses to motivate them to continue working hard, promoting employees on merit to ensure you do not experience high staff turn-over (Mason and Brown, 2014). Any business should aim to achieve sustainable growth, where all the investments is done using funds from the business unit (Gill & Biger, 2012). The SACCOs can also measure their growth in terms of increase in number of members over a specified timeframe like a month or annually; an increase in share capital is an indicator of growth of a firm.

Summary

The literature reviewed in this study discussed theories that linked strategic leadership and customer growth. The focus of this chapter was to gain proper understanding of strategic leadership in and customer growth in SACCOs of previously reviewed studies. The study established that strategic leadership is paramount in SACCOs customer growth. Various studies have been undertaken as indicated in the empirical review show; there is a existing research gap which study sought to assess strategic leadership on customer growth SACCOs in Kenya (Kiambu County). The chapter also showed the relationship among the study variables.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the methods that were employed to structure the research process in gathering and analyzing information to address the research objectives. It covers; research design, target population, sampling design, the instrument to be used, data collection procedure, piloting assessing the variability and reliability of the instrument, and also the data analysis and presentation of the collected data and ethical consideration for this study. According to Sekaran & Bougie (2013), research methodology is the philosophy or the general principles that guide the research; it also deals with the description of the methods applied in carrying out research studies.

3.2 Research Design

Research design is a general plan or strategy for conducting a research study to examine specific testable research questions of interest (Sekaran & Bougie, 2013). Research design is the blue print of data collection, measurement and analysis of the data collected. It is a plan and structure of investment that is conceived so as to obtain answers to the research questions (Coopers & Schindler, 2008).

This study adopted a descriptive design to answer the research question. Descriptive research design is used when data is collected to describe persons, organizations settings or phenomena (Sekaran & Bougie, 2013). Descriptive research design in this study was used in assessing the effect of strategic leadership on customer growth in SACCOs so as to gather the information required to answer to the research questions.

3.3 Study Population

Population refers to the entire group of people, events or things of interest that the researcher wishes to investigate (Sekaran & Bougie, 2016). Population is the study of an entire group of individual or objects having common observable characteristics, it consists of necessary information that the researcher is interested in and can answer the

research questions (Yin, 2013). In this study all the 558 operations manager of the registered SACCOs in Kiambu County with SASRA formed the study population.

3.4 Sample Design and Sample Size Determination

According to Cohen, Manion & Morrison (2011), a sample of 10-30% of the population is sufficient for generalization of the findings. This study targeted 10% of the entire population which was the sample size which is 56 operations manager of the SACCOs. In selection of the sample the study used simple random sampling. The study purposely selected the Operations Manager to participate in the study due to the information they hold of their SACCOs.

3.5 Data Collection Instrument

The data collection instrument was a structured questionnaire, which contains closed question design to ensure that the responses are specific. The questionnaire is defined as an instrument for the elicitation, recording and collecting of information from the primary sources (Sekaran & Bougie, 2013). The questionnaire was divided into two broad sections: background information of the respondents and section on study variables.

3.5.1 Validity

Validity is the degree to which instituted tests measure what they are intended to measure (Sekeran & Bougie, 2013). According to Mugenda & Mugenda, (2009), validity is the degree to which study sample of test items actually fully represent desired contents that they are designed to measure. The researcher engaged the supervisors and experts in this field of interest so as to obtain opinion to be used to ascertain the validity of the designed research instruments.

3.5.2 Reliability

According to (Bryman & Bell (2015), reliability is basically the consistency of measurement items. Reliability is essentially the degree to which designed research instruments measures in the same manner each and every time under the same condition with the same subjects. A measure is deemed to be reliable if it provides consistent results with each repetition. The study adopted the Cronbach's alpha (α) which is a co-

efficient that measures internal research instruments reliability. A co-efficient value above 0.7 implied that the research instruments are reliable hence the researcher can proceed to using them in the final stage (Bryman & Bell, 2015).

3.5.3 Piloting

According to O'Connor & Kleyner (2012), a pilot test is an activity that enables the identification of ambiguous, awkward, or offensive questions in research instruments hence enabling the researcher to make necessary changes and corrections before collection of data is carried out. For this study, a pilot test was done to test the research instrument on its ability to collect valid and reliable information that responded to the research questions. According to Mugenda & Mugenda (2009), a pilot study may be taken from the range between 1% and 10% of the target population, in view of this, a pilot test of 1% which is 6 SACCOs of the population of SACCOs in Kiambu County and are not part of the sample size that has been selected for this study, was randomly selected. This was used to test the validity and reliability of the instrument using 6 respondents who are operation managers of the 6 selected SACCOs.

3.6 Data Collection Procedure

Data collection procedure is the method that is used by the researcher in the process of collecting information in response to the research topic (Maxwell, 2012). This study collected primary data, which is data collected for the first time, to respond to the research query and for the purpose of this specific study.

The researcher adopted a drop and pick method, where the questionnaire, which is the instrument, was self-administered to the respondents in the 56 SACCOs and the respondents were given a period of three days to fill the questionnaire. At the end of the time period, the researcher went through the filled questionnaires to ensure it is completely filled and also to ensure that the information collected is valid and reliable. At the point of dropping the questionnaires, the researcher asked for contact information, e-mails and cell phone numbers so as to answer any questions regarding the instrument and also to remind the respondents to fill the instrument.

3.7 Data Analysis

Data analysis is the act that brings orders, structure and meaning to the mass of information collected by a researcher (Babbie, 2015). The quantitative data that was obtained from the research was coded and keyed into the Statistical Package for Social Sciences (SPPS Version 23.0) analysis software.

Descriptive statistics were computed whereby frequencies, percentages, means and standard deviations were clearly shown in the form of both tables and figures. The study used mean, standard deviation, frequency distribution and percentages in analyzing the data. To facilitate this, graphs and charts were used for easy understanding and describing the data.

Inferential statistics using multiple regression analysis were also used to establish the level of the relationship that exists between independent variables (strategic direction identification, leader's core competence, ethical practices adherence, managing human resources) and the dependent variable of customer growth. The multiple regression equation us was expressed as follows:

$$\mathbf{Y= \beta_0+ \beta_1X_1+\beta_2X_2+\beta_3X_3+ \beta_4X_4+Ɛ}$$

Where:

Y= Customer growth

β_0 – Constant (coefficient of intercept)

β_1-Change in customer growth for each 1 increment change in X_1 that is determining strategic direction

β_2 - Change in customer growth for each 1 increment change in X_2that is determining leader's competence

β_3 - Change in customer growth for each 1 increment change in X_3that is determining ethical practice adherence

β_4 - Change in customer growth for each 1 increment change in X_4that is determining managing human resources

X_1= Score on Strategic direction identification each 1 increment change will lead to change in customer growth

X_2= Score on Leader's core competence each 1 increment change will lead to change in customer growth

X_3=Score on Ethical practices adherence each 1 increment change will lead to change in customer growth

X_4=Score on Managing human resource each 1 increment change will lead to change in customer growth

Ɛ = Error term reflecting other factors that influence customer growth

3.8 Ethical Consideration

The researcher endeavored to observe all the ethical provisions while undertaking the survey. The researcher sought permission from the management in the SACCOs in Kiambu County before commencing on data collection, and also carried an introduction letter from the university confirming that the data to be collected was to be used for academic purposes only. A research permit was applied for at the National Commission for Science, Technology and Innovation (NACOSTI) to allow for collection of data. All respondents' identity was held in confidence where names and personal information was not shared with anybody. The researcher also assured the respondents that the collected information was to be used for academic purposes only and participation in the study was on voluntary basis.

Summary

The research design the study adopted a descriptive design; the study population was operation manager of the 558 registered SACCOs in Kiambu County with SASRA. The sample size the study targeted 10% of the entire population which formed the sample size which was 56 Sacco's operation managers and they were selected randomly. The data collection instrument was a structured questionnaire, which contained closed ended questions. A pilot test was done to test the research instrument on its ability to collect valid and reliable information that responded to the research questions and data collected was analyzed using both descriptive and inferential statistics.

CHAPTER FOUR
DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 Introduction

This chapter provides data findings, analyses of responses, interpretation through figures, pie charts and tables. The data collected was fed into SPSS v.222 software, analyzed and presented in this chapter as per the questionnaire findings. The chapter covers response rate of data collection tool(s), descriptive and inferential statistics of the study variables.

4.2 Results of Pilot Study

The study sought to test the reliability of the questionnaire which is the measure of the degree to which a research instrument yields consistent results or data after repeated trials. This measure was carried out during the analysis of pilot study results using Cronbach's Alpha with a predetermined threshold of 0.7. Values above 0.7 indicate presence of reliability while values below signified lack of reliability (Cronbach, 1951; & Bryman & Bell, 2015). The results are tabulated in table 4.1 below.

Table 4.1: Reliability coefficients

Variable	Cronbach's Alpha	Comment
Strategic direction identification	0.785	Acceptable
Leader's Competence	0.716	Acceptable
Ethical Practices Adherence	0.801	Acceptable
Managing Human Resource	0.796	Acceptable
Customer Growth	0.824	Acceptable

Source: Survey Data, 2018

From the findings of the study as indicated in table 4.1 above, all the variables had a Cronbach alpha above 0.7 and thus were accepted. This represented high level of reliability and on this basis it was supposed that scales used in this study are reliable to capture the variables.

4.3 Response Rate

The researcher issued 56 questionnaires to the respondents, however out of the 56 questionnaires; only 42 were received back and were properly filled representing 75% of the sample. The results of the response rate are indicated below.

Table 4.2: Response rate

Response rate	Frequency	Percentage
Completed usable questionnaires	42	75
Un-returned and disqualified questionnaires	14	25
Total	56	100

Source: Survey Data, 2018

From the table 4.2 above, 42 questionnaires were properly filled representing 75% of the target population. According to Saunders, Lewis & Thornhill (2009), a response rate of 50% is adequate, 60% is good and a response rate of 70% and above is considered very good. Therefore, the response rate of 75% achieved was adequate and considered very good for drawing conclusions on the study objectives.

4.4 General Information

This section discusses the demographic characteristics of the respondents who participated in the research, that is, the SACCOs in Kiambu County. Analysis of various characteristics describing the respondents is presented.

4.4.1. Gender of Respondents

The study aimed to establish the gender of the respondents who participated in the study. This was deemed important as it would enable the researcher to get a balanced view from both male and female respondents. Venkatesan & Kumar (2004) assert that women participation in decision making remain low despite education advances. This made it necessary to take recognition of both women and men who participated in the research. The gender distribution is as below in figure 4.1.

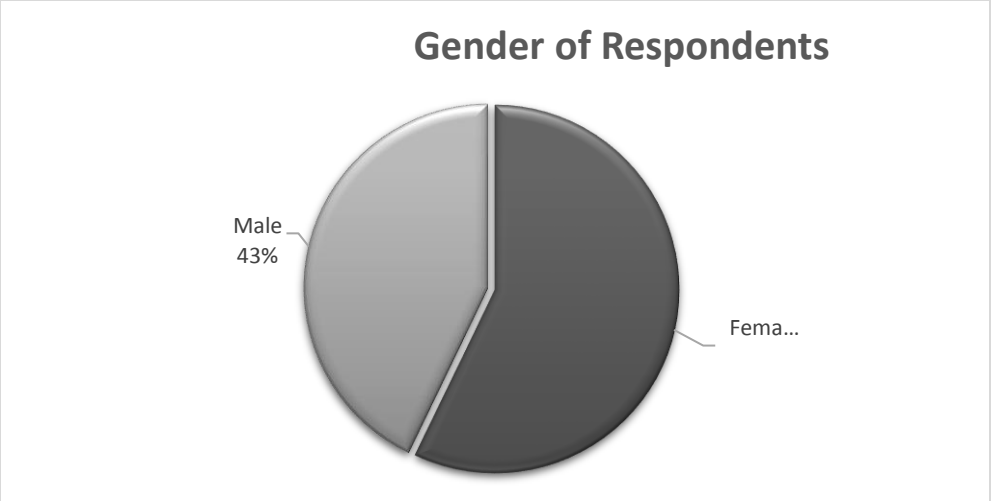


Figure 4.1: Gender of Respondents
Source: Survey Data, 2018

As presented in figure 4.1 majority (57%) of the respondents were female, and 43% were male. This indicates that in the SACCOs studied, there is gender equality of employees, with a significant high women involvement in decision making which addresses the concerns raised by Venkatesan & Kumar (2004). As the findings indicates, in the SACCOs studied in Kiambu County, gender presentation was well harmonized with no biasness towards either gender. Thus, the study findings could be generalized based on gender without any biasness.

4.4.2 Age Distribution of the Respondents

The participants were asked to indicate their age bracket. The categories for the age bracket were: 21-30 years, 31-40 years, 41-50 years, 51-60 and above 60. The results were analyzed and presented in table 4.3 and figure 4.3.

Table 4.3: Response rate

Age distribution of respondents	Frequency	Percent
21 - 30 Years	2	4.8
31 - 40 Years	8	19.0
41 - 50 Years	19	45.2
51- 60 Years	12	28.6
Above 60 Years	1	2.4
Total	42	100

Source: Survey Data, 2018

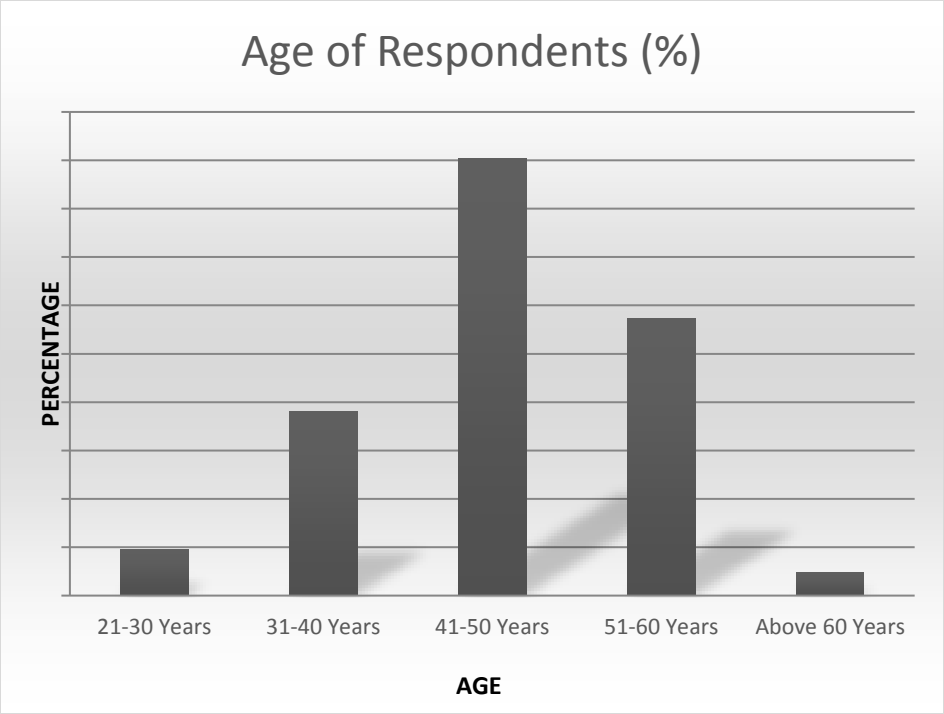


Figure 4.2: Age of Respondents
Source: Survey Data, 2018

The findings on the age of respondents as shown above shows that majority (45.2%) of the respondents were within the age bracket of 41-50 years, 28.6% of the respondents were within the age bracket of 51-60 years, 19% of the respondents were within the age bracket of 31-40 years and 4.8% of the respondents were within the age bracket of 21-30 years while only 2.4% were above 60 years. Pfeifer & Wagner (2012) posited that productivity increases for younger workers approximately until age 30 and does not significantly change up to 40 ages after which the productivity lowers. From the results, majority of the people who were involved in the study were above 40 years and thus the staff in SACCOs in Kiambu County are not at their most productive age.

4.4.3 Education Level of the Respondents

The respondents were asked to indicate their highest level of formal education. Education level was necessary in this study as it would show how the SACCOs accommodate all levels of academic qualifications for the operations managers' jobs. The computed percentages are presented in table 4.4 as follows.

Table 4.4: Education Level of the Respondents

Education Level of the Respondents	Frequency	Percentage
College Certificate/ Diploma	15	35.7
Bachelor's Degree	21	50.0
Masters Degree	6	14.3
Total	42	100

Source: Survey Data, 2018

The table 4.4 above shows the highest level of education of the respondents. The findings indicate that majority (50%) of the respondents had a bachelor's degree, 35.7% of the respondents had a college certificate or diploma and 14.3% of the respondents had master degree. None of the respondents had primary, secondary or doctorate as their highest level of education. This shows that SACCOs employ a large number of operations managers who are highly qualified professionals. This is good for the SACCOs as the quality of decisions made by the employees is high, which enables the capturing of the data on this study on strategic leadership and customer growth appropriate.

4.4.4 Work Experience of the Respondents

Work experience was deemed important as it indicated the strategic leadership and customer growth at the SACCOs studied. The experience in terms of cumulative years that the respondents had worked at their SACCO is tabulated in table 4.5 as follows.

Table 4.5: Work Experience

Work Experience	Frequency	Percent
0 - 5 Years	8	19.0
6 - 10 Years	17	40.5
11 - 15 Years	11	26.2
More than 15 Years	6	14.3
Total	42	100

Source: Survey Data, 2018

From the table 4.5, majority (40.5%) of the respondents had an experience of between 6-10 years, 26.2% of the respondents had an experience of 11-15 years; 19% of the respondents had an experience of 0-5 years; and only 14.3% had an experience of more than 15 years. This shows that most of the employees in the SACCOs have worked for more than 5 years. As noted by Levy & Weitz (2007) in SACCOs there is low employee turnover and this is supported by this study.

4.4.5 Work Experience as Operations Manager

Work experience as operations managers was deemed important as it indicated the understanding of the effect of strategic leadership on customer growth at the SACCOs. The experience in terms of cumulative years that the respondents had worked at their SACCO as operations managers is tabulated in table 4.6 as follows.

Table 4.6: Work Experience as Operations Manager

Work Experience	Frequency	Percent
0 - 5 Years	15	35.7
6 - 10 Years	20	47.6
11 - 15 Years	5	11.9
More than 15 Years	2	4.8
Total	42	100

Source: Survey Data, 2018

From the table 4.6 above, majority (47.6%) of the respondents have worked as operations manager in their SACCO between 6-10 years, 35.7% of the respondents have worked as operations manager in their SACCO between 0-5 years; 11.9% of the respondents have worked as operations manager in their SACCO between 11-15 years; and only 4.8% have worked as operations manager in their SACCO for more than 15 years. This shows that most of the operations managers in the SACCOs have worked for more than 5 years. As noted by Levy & Weitz (2007) in SACCOs there is low managers' turnover and this is supported by this study.

4.5 Descriptive Analysis

After data collection, the same was coded and entered in SPSS version 22 for analysis. The study started with descriptive analysis and the findings were presented and discussed. The analysis was carried out section by section, based on the various research variables under investigation. For descriptive statistics, the scale range included 1= no extent, 2= small extent, 3= moderate extent, 4= large extent and 5= very large extent

4.5.1 Strategic Direction Identification

To understand strategic direction identification applicable in SACCOs in Kiambu County, the respondents were given statements on strategic direction and were to rate the extent to which each of the statements describes strategic direction identification. The results are analyzed and tabulated as per the table 4.7:

Table 4.7: Strategic Direction Identification

Statement	N	Min.	Max.	Mean	Std. Dev.
Our Vision is descriptive of the SACCO ideal future state of success	42	1.00	5.00	4.01	0.890
Our Mission depicts the SACCO purpose for existence in relation to members	42	1.00	5.00	3.23	1.099
Our overall objectives are clear and specific in what we want to achieve	42	1.00	5.00	3.64	1.052
The SACCO priorities are well defined and in line with the members needs	42	1.00	5.00	3.35	1.082
The SACCO strategies match the priorities and respond to members changing needs	42	1.00	5.00	3.97	0.957
Aggregate				**3.64**	**1.016**

Source: Survey Data, 2018

From the table 4.7, the SACCO's vision as descriptive of the ideal future state of success played the greatest role in describing strategic direction identification at Kiambu County with the highest mean score of 4.01 and standard deviation of 0.890; followed by the SACCO's strategies that match the priorities and respond to members changing needs with mean score of 3.97 and standard deviation of 0.957. The overall objectives as clear

and specific in what the SACCOs want to achieve was third with mean score of 3.64 and standard deviation of 1.052; fourthly, the SACCO's priorities as well defined and in line with the members needs with mean score of 3.35 and standard deviation of 1.082; and lastly the mission that depicts the SACCO's purpose for existence in relation to members with mean score of 3.23 and standard deviation of 1.099. The aggregate scores approximates to a score of 3.64 on the five point Likert scale adopted by the study.

This implies that on average the respondents agreed with the items in the strategic direction identification of the structured questionnaire. The standard deviations are relatively small with an average of 1.016 implying that the respondents' responses closely clustered around the aggregate score of 3.64. This indicates that strategic direction identification significantly influenced customer growth in SACCOs. Thus, the findings are in agreement with previous studies that depict strategic direction identification as key in strategic leadership with firm's ability to maintain flexibility in its operations by being future oriented through anticipation, development of visions and empowering other to strategically position itself to deal with changes in the future operating environment (Kjelin, 2009, and Daft, 2011). Further, the study sought to assess the extent which strategic direction identification has an effect on customer growth. The findings are shown in table 4.8.

Table 4.8: Strategic Direction Identification Effect on Customer Growth

Extent	Frequency	Percentage
Not at All	0	0.0
Little Extent	3	7.2
Moderate Extent	9	21.4
Large Extent	24	57.1
Very Large Extent	6	14.3
Total	**42**	**100.0**

Source: Survey Data, 2018

As indicated in table 4.8 above, most of the respondents 57.1% indicated that strategic direction identification influenced customer growth by a large extent, 21.4% of the

respondents indicated moderate extent, 14.3% indicated to a very large extent and only 7.1% of the respondents indicated to a little extent. None of the respondents indicated strategic direction identification has no effect on customer growth. In assessing strategic direction identification effect on customer growth, most of the respondents (92.8%) indicated that strategic direction identification influenced customer growth by either moderate, large extent or to a very large extent.

4.5.2 Leader's Competences

The respondents were asked to indicate the extent to which each of the following statements describe the leader's competences as applicable in SACCOs in Kiambu County. The results were analyzed and tabulated as per table 4.9 below.

Table 4.9: Leader's Competences

Statement	N	Min.	Max.	Mean	Std. Dev.
The SACCO Leaders have the requisite skills to deliver the overall objectives	42	1.00	5.00	3.76	0.984
The SACCO Leaders have the essential knowledge to deliver the overall objectives	42	1.00	5.00	4.06	0.814
The SACCO Leaders have the vital abilities to deliver the overall objectives	42	1.00	5.00	3.71	0.997
The SACCO Leaders have the relevant experience	42	1.00	5.00	3.52	1.012
Aggregate				**3.7625**	**0.95175**

Source: Survey Data, 2018

From the analysis, the SACCO's leaders have the essential knowledge to deliver the overall objectives', played the greatest role in describing the leader's competences among the respondents in Kiambu County with the highest mean score of 4.06 and standard deviation of 0.814; followed by the SACCO's leaders have the requisite skills to deliver the overall objectives with mean score of 3.76 and standard deviation of 0.984. The SACCO's leaders have the vital abilities to deliver the overall objectives was third with mean score of 3.71 and standard deviation of 0.997; and lastly the SACCO's leaders have the relevant experience with mean score of 3.52 and standard deviation of 1.012.

The aggregate scores approximates to a score of 3.7625 on the five point Likert scale adopted by the study. This implies that on average the respondents agreed with the items in the leader's competences of the structured questionnaire. The standard deviations are relatively small with an average of 0.95175 implying that the respondents' responses closely clustered around the aggregate score of 3.7625. This indicates that leader's competences significantly influenced customer growth in SACCOs in Kiambu County. Therefore, the findings are in agreement with Muendo (2011) study that linked leader's competences with customer growth and stated that it's one of the firm's performance measures. Odero (2013), found out that identifying and nurturing leader's competences to drive customer growth should apply every organization. More so, Mwithi (2016) who studied effects of leadership competences on firm performance in Kenya revealed that leader's competences has a positive relationship with customer growth.

In addition, the the study sought to assess the extent to which leader's competences has an effect on customer growth. The findings are shown in table 4.10 below.

Table 4.10: Leader's Competences Influence on Customer Growth

Extent	Frequency	Percentage
Not at All	1	2.4
Little Extent	6	14.3
Moderate Extent	6	14.3
Large Extent	17	40.5
Very Large Extent	12	28.6
Total	**42**	**100.0**

Source: Survey Data, 2018

From table 4.10 above, majority of the respondents (40.5%) indicated that leader's competences influences customer growth by a large extent, 28.6% of the respondents indicated to a very large extent; and 14.3% indicated both to a moderate extent and little extent and only 2.4% of the respondents indicated not at all. In assessing leader's competences and its influence on customer growth, most of the respondents (83.4%)

indicated that leader's competences has an effect on customer growth by either moderate, large extent or to a very large extent.

4.5.3 Ethical Practices Adherence

On ethical practices adherence among SACCOs operations managers in Kiambu County, the respondents were given statements that describe ethical practices adherences and were to rate the extent to which each of the statement best describe the practices. The results are analyzed and tabulated as per the table 4.11:

Table 4.11: Ethical Practices Adherence

Statement	N	Min.	Max.	Mean	Std. Dev.
We conduct our business activities in a professional manner as stipulated by SASRA	42	1.00	5.00	3.96	0.945
Our code of conduct describes acceptable behaviour	42	1.00	5.00	3.49	1.082
The SACCO have well defined policies and procedures that guide our undertakings	42	1.00	5.00	3.27	1.126
The SACCO has shared norms and values that are practiced by the staff	42	1.00	5.00	3.84	0.997
Aggregate				**3.96**	**0.830**

Source: Survey Data, 2018

From the table 4.11 above, the operations managers conduct the business activities in a professional manner as stipulated by SASRA was highest in describing ethical practices adherence in the SACCOs in Kiambu County with the a mean score of 3.96 and standard deviation of 0.945; followed by the SACCO has shared norms and values that are practiced by the staff with a mean score of 3.84 and standard deviation of 0.997; the SACCO's code of conduct that describes acceptable behaviour was third with mean score of 3.49 and standard deviation of 1.082; and lastly the SACCO have well defined policies and procedures that guide their undertakings with a mean score of 3.27 and standard deviation of 1.126. The aggregate scores approximate to a score of 2.912 on the five point Likert scale adopted by the study. This implies that on average, the respondents agreed with the items in the ethical practices adherence of the structured questionnaire.

The standard deviations are relatively small with an average of 0.830 implying that the respondents' responses closely clustered around the aggregate score of 2.912. Therefore, the findings are in agreement with previous studies that depicts that ethical practices adherence has a positive influence with customer growth in financial institutions such as SACCOs. For instance, the study by Enofe, Ogbeide, & Julius (2015) who assessed the impact of business ethical code of conduct on corporate growth, found out that adoption of business ethical code of conduct and employee adherence to the corporate rules and regulations enhance customer growth. Further work by Ogwoka, Namada & Sikalieh (2017) who investigated the influence of ethical consumer relations on the financial performance of listed firms in Kenya found out that there is a positive significant relationship between ethical corporate adherences to customer growth. On the extent to which ethical practices adherence has an effect on customer growth. The findings are shown in table 4.12 below.

Table 4.12: Ethical Practices Adherence Influence on Customer Growth

Extent	Frequency	Percentage
Not at All	5	11.9
Little Extent	8	19.0
Moderate Extent	12	28.6
Large Extent	10	23.8
Very Large Extent	7	16.7
Total	**42**	**100.0**

Source: Survey Data, 2018

As indicated in table 4.12 above, most of the respondents (28.6%) indicated that ethical practices adherence influenced customer growth by a moderate extent, 23.8% of the respondents indicated to a larger extent; 16.7% indicated to a very large extent; 19% to a little extent and only 11.9% of the respondents indicated that ethical practices adherence has no effect on customer growth. In assessing ethical practices adherence and its influence on customer growth, most of the respondents (69.1%) indicated that ethical

practices adherence has an effect on customer growth by either moderate, large extent or to a very large extent.

4.5.4 Managing Human Resources

This study further sought the respondents' views on managing human resources in SACCOs in Kiambu County. The respondents were given statements that describe managing human resources and were to rate the extent to which each of the statements best describes the management of people in the SACCOs. The results are analyzed and tabulated as per the table 4.13 below:

Table 4.13: Managing Human Resources

Statement	N	Min.	Max.	Mean	Std. Dev.
We recruit and select qualified personnel	42	1.00	5.00	3.81	0.965
We endeavour to continuously train and develop our staff	42	1.00	5.00	4.11	0.822
The SACCO undertakes performance appraisal and seeks to reward the employees based on their performance	42	1.00	5.00	3.04	0.999
Our SACCO attracts and retains competent personnel	42	1.00	5.00	3.34	0.97
Aggregate				**3.575**	**0.939**

Source: Survey Data, 2018

From the table 4.13, the respondents indicated that the SACCOs endeavour to continuously train and develop their staff as the highest priority in managing human resources with a mean score of 4.11 and standard deviation of 0.822. This was followed up by the issue that SACCOs recruit and select qualified personnel with mean score of 3.81 and standard deviation of 0.965. Thirdly, SACCOs in Kiambu County attract and retain competent personnel with mean score of 3.34 and standard deviation of 0.970; and lastly the SACCOs undertake performance appraisal and seeks to reward the employees based on their performance with mean score of 3.04 and standard deviation of 0.999.

The aggregate scores approximates to a score of 3.575 on the five point Likert scale adopted by the study. This implies that on average the respondents agreed with the items on managing human resources of the structured questionnaire. The standard deviations are relatively small with an average of 0.939 implying that the respondents' responses closely clustered around the aggregate score of 3.575. This indicates that ethical practices adherence significantly influenced customer growth in SACCOs in Kiambu County.

Therefore, the findings are in agreement with previous studies that depicts that ethical practices adherence has a positive influence with customer growth in financial institutions such as SACCOs. For instance, the study by Enofe, Ogbeide, & Julius (2015) who assessed the impact of business ethical code of conduct on corporate growth, found out that adoption of business ethical code of conduct and employee adherence to the corporate rules and regulations enhance customer growth. Further work by Ogwoka, Namada & Sikalieh (2017) who investigated the influence of ethical consumer relations on the financial performance of listed firms in Kenya found out that there is a positive significant relationship between ethical corporate adherences to customer growth.

On the extent to which managing human resources has an effect on customer growth. The findings are shown in table 4.14.

Table 4.14: Managing Human Resources on Customer Growth

Extent	Frequency	Percentage
Not at All	4	9.5
Little Extent	9	21.4
Moderate Extent	12	28.6
Large Extent	11	26.2
Very Large Extent	6	14.3
Total	**42**	**100.0**

Source: Survey Data, 2018

From table 4.14 above, majority of the respondents (28.6%) indicated that the effect of managing human resources on customer growth was to a moderate extent; 26.2% to a large extent, 21.4% to a little extent; 14.3% to a very large extent and only 9.5% of the respondents indicated not at all. In assessing ethical practices adherence and its influence on customer growth, most of the respondents (69.1%) indicated that ethical practices adherence has an effect on customer growth by either moderate, large extent or to a very large extent.

4.5.2 Customer Growth

Finally, the study sought to find out the indicators of customer growth in SACCOs in Kiambu County. The respondents were given statements that describe indicators of customer growth and were to rate the extent each of the statement best defines customer growth in the SACCOs. The results are analyzed and tabulated as per the table 4.15:

Table 4.15: Customer Growth

Statement	N	Min.	Max.	Mean	Std. Dev.
Our customer number has grown significantly in the past five years	42	1.00	5.00	3.97	0.823
Our customers are satisfied with our products	42	1.00	5.00	3.88	0.892
We have loyal customers	42	1.00	5.00	4.08	0.791
We have added new customers in the past five years	42	1.00	5.00	3.76	0.905
The share capital has increased in the last five years	42	1.00	5.00	4.12	0.768
Aggregate				**3.962**	**0.8358**

Source: Survey Data, 2018

From the table 4.15 above, the share capital has increased in the last five years was the greatest indicator of customer growth in the SACCOs with a mean score of 4.12 and standard deviation of 0.768. This was followed up by the indicator that SACCOs have loyal customers with a mean score of 4.08 and standard deviation of 0.791. Thirdly, the customer number has grown significantly in the past five years in the SACCOs with mean score of 3.94 and standard deviation of 0.823; then customers are satisfied with the products with a mean score of 3.88 and standard deviation of 0.892. Lastly the SACCOs have added new customers in the past five years with a mean score of 3.76 and standard deviation of 0.905. The aggregate scores approximates to a score of 3.962 on the five-point Likert scale adopted by the study. The respondents agreed with the statements on customer growth of the structured questionnaire. The standard deviations are relatively small with an average of 0.8358 implying that the respondents' responses closely clustered around the aggregate score of 3.962. This implies that there is a significant change in customer growth in SACCOs in Kiambu County over the last five years.

4.6 Correlation Coefficients

To evaluate the relationship of the various study variables employed in the research, a Pearson's correlation coefficients were tabulated using SPSS and the results presented in table 4.16 below.

Table 4.16: Correlation Coefficients

		Customer Growth	Strategic Direction Identification	Leader's Competences	Ethical Practices Adherence	Managing Human Resource
Customer Growth	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	42				
Strategic Direction Identification	Pearson Correlation	.870**	1			
	Sig. (2-tailed)	.000				
	N	42	42			
Leader's Competences	Pearson Correlation	.737**	.831**	1		
	Sig. (2-tailed)	.000	.000			
	N	42	42	42		
Ethical Practices Adherence	Pearson Correlation	.532**	.615**	.651**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	42	42	42	42	
Managing Human Resource	Pearson Correlation	.907**	.885**	.791**	.872**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	42	42	42	42	42

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

Source: Survey Data, 2018

The results from table 4.64 above indicated existence of a strong correlation among the variables; an indication of their strong relationship. All the correlation coefficients were significant at P= 0.01 implying a 99% confident level. When correlated against strategic direction identification; customer growth had R= 0.870 P= 0.000 ($p< 0.01$) indicating a very strong relationship which was statistically significant. This shows that l against

strategic direction identification as an independent variable could be used to explain customer growth as a dependent variable. Leader's competences when correlated against customer growth had an R= 0.737, p= 0.000 (p< 0.01) which indicated a strong positive relationship between the two variables and hence leader's competences could be used as an independent variable to describe customer growth as a dependent variable.

The relationship between ethical practices adherence and customer growth was presented by R= 0.532, p=0.000(p< 0.01) an indication of moderate correlation which was statistically significant at 99% confident level. This clearly shows that ethical practices adherence as an independent variable could be used to indicate customer growth as a dependent variable without any biasness. The correlation results showed an R of 0.907 and p of 0.000 (p<0.01) for the relationship between managing human resources and customer growth; this indicates a very strong relationship, statistically significant correlation at the 99% confident level. Hence managing human resources were assumed to have significant role in influencing customer growth in SACCOs in Kiambu County.

The correlation analysis indicated that all the independent variables were statistically significant in defining the dependent variable and hence further analysis can be carried out testing their relationship. Therefore the study carried out regression analysis as discussed in the next section.

4.7 Regression Analysis

The data was processed through SPSS software and multiple regression was carried out to evaluate the relationship between the dependent variable and the various independent variables. The results are summarized and presented in table 4.17.

Table 4.17: Regression Analysis Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.871[a]	.758	.753	.71036		
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	281.535	4	70.384	139.483	.000
	Residual	89.820	35	.505		
	Total	371.355	37			

a. Predictors: (Constant), strategic direction identification, leader's competences, ethical practices adherence and managing human resources

b. Dependent Variable: Customer Growth

Source: Survey Data, 2018

The multiple regression was applied for its ability to analyze more than one independent variables against one dependent variable and present their independence as well as combined effects (Field, 2009). The results obtained after multiple regression indicated that the model used was good. The R squared of 0.758 shows that the model was able to explain 75.8% of the effects of relationships among the study variables. This indicates that the conceptualization of the model was well done and the study was carried out effectively.

The adjusted R squared of 0.753 indicated that 75.3% variance in customer growth can be explained using the independent variables: strategic direction identification, leader's competences, ethical practices adherence and managing human resources, under study while the remainder 24.7% can be attributed to variables not included in this study. This shows that the independent variables: strategic direction identification, leader's competences, ethical practices adherence and managing human resources employed in the study have an effect on the dependent variable which is customer growth and determines its variance to a larger extent than the variables not included in the study.

Table 4.18: Overall Regression of Coefficients

Variable	B	Std Error	t	sig
(Constant)	.688	.288	2.389	.000
Strategic Direction Identification	.491	.106	4.632	.000
Leader's Competences	.460	.125	3.680	.000
Ethical Practices Adherence	.247	.128	1.930	.001
Managing Human Resources	.423	.125	3.384	.000

Source: Survey Data, 2018

From table 4.18, the specific model was;

Customer Growth = 0.688+0.491SDI+0.460LC+0.247EPA+ 0.423MHR,

Where: - SDI is strategic direction identification, LC is leader's competences, EPA is ethical practices adherence, MHR is managing human resources. The constant is 0.688. These results indicate that strategic direction identification, leader's competences, ethical practices adherence and managing human resources have a significance positive effect on the customer growth in SACCOs in Kiambu County. This implies that a change in unit in strategic direction identification, leader's competences, ethical practices adherence and managing human resources with 0.491, 0.46, 0.247, and 0.423 respectively will lead to the change in customer growth in SACCOs in Kiambu County.

According to the regression model formula an increase of customer growth with one unit will be though one unit increase in strategic direction identification with 0.491, one unit increase in leader's competences with 0.460, one unit increase in ethical practices adherence with 0.247, and one unit increase in managing human resources with 0.423 and the contact being 0.688 which relates to elements that cannot be controlled.

Summary

The data collected was coded and keyed in Statistical Package for Social Science (SPSS Version 22.0), and was analyzed using both descriptive and inferential statistics. Tables, figures and narratives we used to present the results. The results were as follows: - To examine the influence of strategic direction identification on customer growth. The aggregate scores approximate to a score of 3.64 and a standard deviation of 1.016, this implies there is a moderate influence of strategic direction identification on customer growth. To examine the influence of leader's competences on customer growth the aggregate scores approximate to a score of 3.7625 and a standard deviation of 0.95175, this implies there is a moderate influence of leader's competences on customer growth. To examine the influence of ethical practices adherence on customer growth the aggregate scores approximate to a score of 3.64 and a standard deviation of 1.0375, this implies there is a moderate influence of ethical practice on customer growth. To examine the influence of managing human resources on customer growth, the aggregate scores approximate to a score of 3.575 and a standard deviation of 0.939, this implies there is a moderate influence of managing human resources on customer growth.

The R squared of 0.758 shows that the model was able to explain 75.8% of the effects of relationships among the study variables. This indicates that the conceptualization of the model was well done and the study was carried out effectively. The adjusted R squared of 0.753 indicated that 75.3% variance in customer growth can be explained using the independent variables: strategic direction identification, leader's competences, ethical practices adherence and managing human resources,

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The chapter comprises of the summary, conclusion and recommendations of the study and suggestions for further research. The researcher summarized the key findings and related with previous work done by other contributors in the areas of strategic leadership and customer growth.

5.1 Discussion of Summaries

The results of the study helped to address the research problem, which was, lack of definite correlation between strategic leadership and customer growth in SACCOs in Kiambu County. As noted earlier in this study; the research findings are in agreement with previous work by Hitt, Ireland, & Hoskisson (2011); Kiarie & Minja (2013); and Ogwoka, Namada & Sikalieh (2017); that there is a significant relationship between strategic leadership and customer growth in SACCOs.

The study population was operations manager of 558 registered SACCOs in Kiambu County with SASRA. The respondents of this study comprised of operations managers from each of the 56 SACCOs sampled in Kiambu County, Kenya. The study's response rate is deemed appropriate as was made up 75% of respondents. This study resonates closely with those of Finkelstein, Hambrick & Cannella (2011) on influence of strategic leadership on customer growth, operations managers understand the strategic issues of an organization. The study further indicates that women representation is high (57%). This indicates that in the SACCOs studied, there is gender equality of employees, with a significant high women involvement in decision making which addresses the concerns raised by Venkatesan & Kumar (2004) that women participation in decision making remain low despite education advances in financial institutions. Therefore, the study findings could be generalized based on gender without any biasness.

From the findings on the general background information of the SACCOs, majority 76.2% of the operations managers are aged 41 years and above; as posited by Pfeifer Wagner (2012) productivity increases for younger workers approximately until age 30 and does not significantly change up to 40 ages after which the productivity lowers, thus the SACCOs have less productive workforce (23.8%). This raises the question of strategic leadership in terms of mentoring and coaching the younger generation to drive customer growth in SACCOs. It is important to observe that all the operations managers at the SACCOs in Kiambu County have a college certificate/ diploma and above. Subsequently, the operations are well skilled and knowledgeable and thus able to respond to the strategic leadership and customer growth components in the study.

Work experience was deemed important as it indicated the comprehension of strategic leadership and customer growth at the SACCOs. Majority (81%) of the respondents had worked in SACCOs for 6 years and above; subsequently, their understanding of SACCOs was evident by the responses given. More so, majority (64.3%) of the respondents had worked as operations managers in SACCOs for 6 years and above; subsequently, their understanding of strategic leadership issues in SACCOs was evident by the responses given. As Pfeifer & Wagner (2012) posited, employees and managers who have worked in financial institutions for more than five years depict deep insight and comprehension of strategic issues and success factors relating to their institutions.

The purpose of this study was to assess how strategic leadership affects customer growth in Savings and Cooperative Societies in Kiambu County. The study was guided by the following specific objectives; to establish the influence of strategic direction identification on customer growth in Savings and Cooperative Societies in Kiambu County. To determine the influence of leader's competence on customer growth in Savings and Cooperative Societies in Kiambu County, To determine the influence of ethical practice adherence on customer growth in Savings and Cooperative Societies in Kiambu County, To assess the influence of managing human resource on customer growth in Savings and Cooperative Societies in Kiambu County. These objectives were achieved in this study as discussed below.

5.1.1 Strategic Direction Identification

The first objective of the study was to establish the influence of strategic direction identification on customer growth in Savings and Cooperative Societies in Kiambu County. On the findings drawn from data analysis, the SACCO's vision as descriptive of the ideal future state of success played the greatest role in describing strategic direction identification at Kiambu County with the highest mean score of 4.01 and standard deviation of 0.890. Other factors that define strategic direction identification are the SACCO's strategies that match the priorities and respond to members changing needs; overall objectives as clear and specific in what the SACCOs want to achieve; the SACCO's priorities as well defined and in line with the member's needs; and the mission that depicts the SACCO's purpose for existence in relation to members.

In assessing strategic direction identification effect on customer growth, most of the respondents (92.8%) indicated that strategic direction identification influenced customer growth by either moderate, large extent or to a very large extent. In addition, from regression results, strategic direction identification had a p value, (p=0.000) which is less than 0.05. This indicates that strategic direction identification significantly influenced customer growth in SACCOs. Thus, the findings are in agreement with previous studies that depict strategic direction identification as key in strategic leadership with firm's ability to maintain flexibility in its operations by being future oriented through anticipation, development of visions and empowering other to strategically position itself to deal with changes in the future operating environment (Kjelin, 2009, and Daft, 2011).

5.1.2 Leader's Competences

The second objective of the study was to examine the influence of leader's competence on customer growth in Savings and Cooperative Societies in Kiambu County. On the findings drawn from data analysis, the SACCO's leaders have the essential knowledge to deliver the overall objectives played the greatest role in describing the leader's competences among the respondents in Kiambu County with the highest mean score of

4.06 and standard deviation of 0.814. Other components of leader's competences that constitute leader's competences are the SACCO's leaders have the requisite skills to deliver the overall objectives; leaders have the vital abilities to deliver the overall objectives; and the leaders have the relevant experience in SACCOs in Kiambu County.

In assessing leader's competences and its influence on customer growth, most of the respondents (83.4%) indicated that leader's competences has an effect on customer growth by either moderate, large extent or to a very large extent. Furthermore, from regression results, leader's competences had a p value, (p=0.000) which is less than 0.05. This indicates that leader's competences significantly influenced customer growth in SACCOs in Kiambu County. Therefore, the findings are in agreement with previous studies that links leader's competences with customer growth among other firm's performance measures. Odero (2013), found out that identifying and nurturing leader's competences to drive customer growth should apply every organization. More so, Mwithi (2016) who studied effects of leadership competences on firm performance in Kenya revealed that leader's competences has a positive relationship with customer growth.

5.1.3 Ethical Practices Adherence

The third objective of the study sought to find out the influence of ethical practice adherence on customer growth in Savings and Cooperative Societies in Kiambu County. On the findings drawn from data analysis, the operations managers conduct the business activities in a professional manner as stipulated by SASRA was highest in describing ethical practices adherence in the SACCOs in Kiambu County with the a mean score of 3.96 and standard deviation of 0.945. Other ethical practices adherence include the SACCO has shared norms and values that are practiced by the staff; the SACCO's code of conduct that describes acceptable behaviour; and well defined policies and procedures that guide their undertakings in SACCOs in Kiambu County.

In assessing ethical practices adherence and its influence on customer growth, most of the respondents (69.1%) indicated that ethical practices adherence has an effect on customer growth by either moderate, large extent or to a very large extent. Furthermore, from

regression results, ethical practices adherence had a p value, (p=0.001) which is less than 0.05. This indicates that ethical practices adherence significantly influenced customer growth in SACCOs in Kiambu County. Therefore, the findings are in agreement with previous studies that depicts that ethical practices adherence has a positive influence with customer growth in financial institutions such as SACCOs. For instance, the study by Enofe, Ogbeide, & Julius (2015) who assessed the impact of business ethical code of conduct on corporate growth, found out that adoption of business ethical code of conduct and employee adherence to the corporate rules and regulations enhance customer growth. Further work by Ogwoka, Namada & Sikalieh (2017) who investigated the influence of ethical consumer relations on the financial performance of listed firms in Kenya found out that there is a positive significant relationship between ethical corporate adherences to customer growth.

5.1.4 Managing Human Resources

The fourth objective sought to assess the influence of managing human resource on customer growth in Savings and Cooperative Societies in Kiambu County. On the findings drawn from data analysis, the SACCOs endeavour to continuously train and develop their staff as the highest priority in managing human resources with a mean score of 4.11 and standard deviation of 0.822. Other components of managing human resources include the issue that SACCOs recruit and select qualified personnel; SACCOs in Kiambu County attract and retains competent personnel; and the SACCOs undertake performance appraisal and seeks to reward the employees based on their performance.

In assessing the influence of managing human resource on customer growth, most of the respondents (69.1%) indicated that managing human resources have an effect on customer growth by either moderate, large extent or to a very large extent. Furthermore, from regression results, ethical practices adherence had a p value, (p=0.001) which is less than 0.05. This indicates that managing human resources significantly influenced customer growth in SACCOs in Kiambu County. Therefore, the findings are in agreement with previous studies that depicts that managing human resources has a positive influence with customer growth in SACCOs in Kenya. For instance, the study by

Armstrong (2012) and Mwaniki & Gathenya (2015) observed that the management of human resources in an effective way have an effect on firm performance that include both revenue and customer growth. Similarly, Channar, Talreja, & Bai (2015) in their study on impact of human capital variables on performance concluded that management of human resources is correlated to customer growth.

5.2 Conclusion

Strategic leadership and customer growth have been, and continue to be, important disciplines of study for both researchers and practitioners. This study has demonstrated the importance of better integrating these areas of study. If strategic leadership is to be effective in Kenya, then there is need to more closely marry the strategic leadership and customer growth concepts. In this study, strategic leadership was conceptualized and operationalized among the operations managers at an input level, whereas customer growth was assessed at an output level. The findings as discussed per each objective above increase the confidence that the significant relationships are not spurious or based on linear forms of bias. Furthermore, although most studies of strategic leadership and customer growth are specific to each concept, this study is in keeping with a series of recent studies.

The findings indicated that strategic direction identification, leader's competences, ethical practices adherence and managing human resources have combined significant influence on customer growth in SACCOs in Kenya. As noted earlier, the research findings are in agreement with Mason & Brown (2014) and Ronald (2015) which shown a significant relations between strategic leadership and customer growth in SACCOs. Therefore, the study addressed the problem and from the findings it has helped determine the correlation between strategic leadership and customer growth in SACCOs in Kenya. In addition, the study findings conclusively helped achieve the purpose of this study was an assessment of strategic leadership on customer growth in Savings and Cooperative Societies in Kenya (Kiambu County).

5.3 Recommendations for Policy and Practice

The findings of this study have practical implications for SACCOs in Kenya. The study found several statistically significant relationships with practical applications. The study revealed that strategic direction identification significantly influenced customer growth in SACCOs. Based on this finding, the study recommends to top management of all SACCOs in Kenya to ensure that they have clearly established strategic direction for growth of their customers. Because the overall objectives greatly influenced strategic direction identification, the study recommends that the top management of all SACCOs need to improve on their overall objectives that guide their future direction.

Leader's competence had significant influence on customer growth. In view of this finding, the study recommends to top management of all financial institutions in Kenya to ensure they attract and retain competent leaders for growth of customers. The two significant factors of leadership competence were the relevant experience and requisite skills of the leader. Based on this finding, the study recommends to the Human Resourcing Department of all SACCOs to pay attention on experience and skills during hiring process of both leaders and other staffs.

From the findings, ethical practices adherence had significant influence of customer growth. In view of these findings, the study recommends to regulatory bodies like SASRA to ensure effective compliance of SACCOs on established rules and regulations. The established rules and regulations however should be conducive for growth of customers among SACCOs. The two most significant factors of ethical practice adherence were professionalism and code of conduct. Based on this finding, the study recommends that the top management of all SACCOs in Kenya should have in place codes of conduct and professionalism as core values.

Of all the variables, managing human resources had very large extent of influence on customer growth. Managing human resources also had significant influence on customer growth among SACCOs. In line with these findings, the study recommends that all SACCOs operating in Kenya should effectively manage their human resources. In

essence, human resources should be viewed as one of the assets that positively contribute towards customer growth. SASRA should also establish an office to take charge in Auditing SACCOs operations, so that the SACCOs the members of the SACCOs money is secure and holding he directors and management accountable for mismanagement.

5.4 Recommendations of Further Research

In view of the findings that emerged from this study, the researcher made the following recommendations for further research. The strategic leadership as an area of study is a dynamic field and contextual, therefore, it cannot be said to be well mastered in all sectors or industries; this calls for further research to be conducted to support these findings especially in the other SACCOs in Kiambu County besides the 56 sampled. The research recommends that further study should be done at the other 46 counties in Kenya and in other African counties with devolved system of governance and compare with the findings of this study.

This research can also be replicated in the future in Kiambu County as devolution continues to take root in Kenya and economy will continue to grow. It will be worthwhile to conduct investigations on how strategic leadership styles will have an influence on customer growth in SACCOs. Interested researchers may also carry out a study on strategic leadership influence on customer growth using different variables.

REFERENCES

Agyapong, A., & Boamah, R. B. (2013). Business strategies and competitive advantage of family hotel businesses in Ghana: The role of strategic leadership. *Journal of Applied Business Research.*

Armstrong G. M., Denize A.M., Kotler P. (2014). *Principles of Marketing.* Pearson Education. Australia.

Armstrong, M. (2012). *Armstrong's Handbook of Human Resource Management Practice*. (12th Ed). UK. Ashford Color Press.

Babbie, E. R. (2015). *The Practice of Social Research.* Cincinnati, Ohio Cengage Learning South-Western.

Bayraktaroğlu, S., &Yılmaz, S. E. (2012). The relationship between business ethics practices and organizational performance in human resource management: The Case of the Fortune 500 Turkey. *Turkish Journal of Business Ethics*.139-148.

Boohene, R. & Asuinura, E. L., (2011). The effect of human resource management practices on corporate performance: A study of graphic communications group limited. International Business Research, 266-272.

Bryman, A., & Bell, E. (2015). *Business Research Methods.* Oxford University Press USA.

Burgelman, R. A. (2014). Built to Become: Corporate Longevity and Strategic Leadership. *Stanford University Graduate School of Business Research*. SSRN: https://ssrn.com/abstract. Retrieved on 20 November 2017.

Catherine W. (2016), The relationship between customer retention strategies and organisational performance at Barclays Bank of Kenya Limited. *Nairobi University*. Kenya.

Central Bank of Kenya (2017). Bank Supervison Annual Report 2017. Nairobi. Kenya.

Channar, Z. A., Talreja, S., &Bai, M. (2015). Impact of human capital variables on effectiveness of the organisations. *Pakistan Journal of Commerce and Social Science,* 228-240.

Cheung, C. M., & Lee, M. K. (2012). *What drives consumers to spread electronic word of mouth in online consumer-opinion platforms*. Decision support systems.

Cohen, L. Manion, L. & Morrison, K. (2011).6th Ed. *Research Methods in Education.* London: RoutledteFalmer:

Cooke, F. L., Saini, D. S., & Wang, J. (2014). Talent management in China and India: A comparison of management perceptions and human resource practices. *Journal of World Business*, 225-235.

Daft, R.L. (2011). *The Leadership Experience*.5th edition. Cincinnati, Ohio Cengage Learning South-Western.

Davis, A. E., & Shaver, K. G. (2012). *Understanding gendered variations in business growth intentions across the life course.* Entrepreneurship Theory and Practice. 495-512.

Dye, C. F., & Garman, A. N. (2015). *Exceptional leadership: 16 critical competencies for healthcare executives*. HAP.

Ebitu, E. T., & Beredugo, S. B. (2015). Business ethics and the performance of service firms in Calabar Cross River State, Nigeria. *European Journal of Hospitality and Tourism Research*.3, 28-38.

Eden, C., & Ackermann, F. (2013). *The journey of strategic management*. Sage.

Enofe, A. O., Ogbeide, O.L., & Julius, O. M. (2015). *Business Ethics and Corporate Growth*. Business Ethics, 139-148.

Field, A. (2009). *Discovering Statistics Using SPSS*. 3rd ed., Sage Publications Ltd., London.

Finkelman, A. (2015). *Leadership and management for nurses: Core competencies for quality care*. Pearson, New York.

Finkelstein, S., Hambrick, D. C., &Cannella, A. A. (2011). *Strategic leadership: Theory and research on executives, top management teams, and boards*. *Strategic Management.* Oxford University.

Gavetti, G. (2011). *The new psychology of strategic leadership*. Harvard Business Review, 118-25.

Gill, A., &Biger, N. (2012). Barriers to small business growth in Canada. *Journal of Small Business and Enterprise Development*.656-668.

Gweyii, M.O., &Karanja, J. (2014). Effect of financial leverage on financial performance of deposit taking savings and credit cooperative in Kenya. *International Journal of Academic Research in Accounting, Finance and Management Science*.180-188.

Hancott, D. E. (2005). *The relationship between transformational leadership and organizational performance in the largest public companies in Canada (*3159704 Ph. D.), Capella University. Ann Arbor.

Hassan, H. (2010). The relationship between firms' strategic orientations and strategic planning process. International Journal of Business and Management. 35.

Hitt, M. A., Ireland, R. D., & Hoskisson, R. E. (2011). *Strategic management cases: competitiveness and globalization*. South-Western Cengage Learning. Mason, USA

Hosany, S., & Martin, D. (2012). Self-image congruence in consumer behavior. *Journal of Business Research*.685-691.

Howard, J. A., & Sheth, J. N. (1969). *The theory of buyer behavior* No. 658.834 H6.

http.//ministry of cooperative and development kenya.co.ke.retrieved on 20th January 2018

Ireland, R. D., & Hitt, M. A. (2012). *Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership*. The Academy of Management Executive.43-57.

Jiang, K., Chuang, C. H., & Chiao, Y. C. (2015). Developing collective customer knowledge and service climate: The interaction between service-oriented high-performance work systems and service leadership. *Journal of Applied Psychology*.1004 -1089.

John B, Gordon M, Benjamin A, & Florence M (2016), Customer satisfaction and customer growth: the roles, responsibilities and skills required of the sales force in Ghana. *British Journal of Marketing Studies*. European Centre for Research training and Development. UK.

Kang, J., Miyajima, D., Mori, T., Inoue, Y., Itoh, Y., & Aida, T. (2015). *A rational strategy for the realization of chain-growth supramolecular polymerization*. *Science*..

Kark, R., & Shamir, B. (2013). The dual effect of transformational leadership: Priming relational and collective selves and further effects on followers. In Transformational and Charismatic Leadership: The Road Ahead 10th Anniversary Edition . Emerald Group Publishing Limited. USA.

Kennedy W. (2007). *Research Techniques.* New Age International Publishers Ltd. New Delhi.

Kiarie, J., & Minja, D. (2013). The role of corporate governance and strategic leadership practices in mitigating risks in stock brokerage firms in Nairobi. *Journal of Business Administration and Management Science Research.*

Kiruri, R. M. (2013). The effect of ownership structure on bank profitability in Kenya. *European Journal of Management Sciences and Economic.* School of Business Nairobi University.

Kirkpatick, S. A., & Locke, E. A. (2012). *Leadership: do traits matter*? The executive.48-60.

Kjelin, E. (2009). *A Concept Analysis for Strategic Leadership*'s. Cincinnati, Ohio Cengage Learning South-Western.

Kobia, K. S. (2001), *The co-operative movement in Kenya-challenges and opportunities.* Nairobi, Kenya: Lukiko Consulting Trust.

Kothari, C. R. &Gaurav, G. (2014).3rd Ed. *Research Methodology-Method and Techniques.* New Delhi: New Age International Publishers Ltd.

Lear, L. W. (2012). The relationship between strategic leadership and strategic alignment in high-performance companies in South Africa. *Doctoral Dissertation School of Business leadership*, University of South Africa.

Levy, M. & Weitz, B. (2007). *Financial Management*. 8th ed. McGraw Hill/ Irwin.

Low, K. C. P (2010). *Applying strategic leadership, the way of the dragon*. E-leader Chinese American Scholars' Association (CASA) Conference. Singapore.

Lynch, R.L. (2009) *Corporate Strategy*. 4th ed. Harlow: Pearson Education.

Mason, C., & Brown, R. (2014). *Entrepreneurial ecosystems and growth-oriented entrepreneurship.* Final Report to OECD, Paris.77-102.

McIsaac, E., Park, S., & Toupin, L. (2013). Shaping the Future: Leadership in Ontario's Nonprofit Labor Force. *Mowat Centre for Policy Innovation*, University of Toronto.

McMurrian, R. C., & Matulich, E. (2016).Building customer value and profitability with business ethics. *Journal of Business & Economics Research Online*. 83

Micheni, E. K. (2016). Determinants of Employee Performance in Courier Industry in Kenya: A Case of G4s Courier Services. *Strategic Journal of Business & Change Management*.

Moynihan, D. P., Pandey, S. K., & Wright, B. E. (2011). Setting the table: How transformational leadership fosters performance information use. *Journal of public administration research and theory*.143-164.

Muendo, J. M. (2011). *Effects of direct sales strategy as a strategic response to the performance of commercial banks in a changing competitive environment in Kenya.* School of business. University of Nairobi.

Mutia, P.M. (2015). *Strategic leadership and its influence on church growth in Kenya.DBA Thesis* (Unpublished), Nairobi: USIU-Africa

Mwaniki, R., & Gathenya, J. (2015). Role of Human Resource Management Functions on Organizational Performance with reference to Kenya Power and Lighting Company-Nairobi West Region. *International Journal of Academic Research in Business and Social Sciences.* 432-448

Mwithi, J. M. (2016). Effect of Leadership Competencies on Performance of State Corporations in Kenya. *Doctoral dissertation*, COHRED, JKUAT.

Năstase, M. (2010). *Review of International Comparative Management*.454-460.

Ndunge, W. E. (2014). Strategic leadership and change management practices at the Kenya wildlife service. *Unpublished MBA Research project*. School of Business University of Nairobi, Kenya.

Nganga, U. M. (2013*). Strategic leadership and performance of manufacturing firms in Kenya*. School of business. University of Nairobi.

Northouse, P. G. (2018). *Leadership: Theory and practice*. Sage publications.

Nthini, E. K. (2013).Effect of strategic leadership on the performance of commercial and financial state corporations in Kenya.*Published MBA Project*, School of business, University of Nairobi.

O'Connor, P. & Kleyner, A. (2012).5th Ed. *Practical Reliability Engineering.* West

Sussex: John Wiley & Sons.

Obunga, C. A., Marangu, W. N., & Masungo, T. W. (2015). Strategic leadership and performance of savings and credit cooperative societies in kakamega county, Kenya. *European Journal of Business and Management*, 2222-2839.

Odero, O. E. (2013). Core competencies and choice of competitive strategies at equity bank limited in Kenya. *Doctoral Dissertation, School of Business*, University of Nairobi.

Ofergbunam, E. T., & Okorafor, G. T. (2010). Effects of Human Capital development on the performance of small and medium scaled enterprises in the southeastern region of Nigeria. *Journal of Sustainable Development in Africa.*49-58.

Ogwoka, M. D., Namada, J., & Sikalieh, D. (2017). Influence of ethical consumer relations on the financial performance of listed firms in Kenya. *Journal of Human Research and Leadership*. Nairobi, Kenya

Ortega, M. J. R. (2010). Competitive strategies and firm performance: Technological capabilities' moderating roles. *Journal of Business Research*.1273-1281.

Owuor, K. O. (2015). Customer Churn and Growth of Multichoice Kenya Limited. *Dissertation. School of business*. Nairobi University. Kenya.

Parnell, J. A. (2011). *Strategic capabilities, competitive strategy, and performance among retailers in Argentina, Peru and the United States*. Management Decision, 139-155.

Pfeifer, C. & Wagner, J. (2012). *Age and Gender Composition of the Workforce,Productivity and Profits.* Cincinnati, Ohio Cengage Learning South-Western.

Quong, T., & Walker, A. (2010).*Seven principles of strategic leadership. International Studies in Educational Administration* Common wealth Council for Educational Administration & Management (CCEAM).

Ratchford, B. T. (1975). The new economic theory of consumer behavior: An interpretive essay. *Journal of Consumer Research*.65-75.

Rigby, D., &Bilodeau, B. (2011).*Management tools & trends 2011*. London: Bain & Company.

Robert. N.S. (2009).*The relationship between leadership competence and employee engagement. Dissertation, School of Applied & Professional Psychology.*The State University of New Jersey.

Roueche, P. E., Baker III, G. A., & Rose, R. R. (2014). *Shared vision: Transformational leadership in American community colleges*.Rowman& Littlefield.

www. saccoreview.co.ke

Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research Methods for Business Students,* 5th ed. New Delhi: Pearson Publishing.

Schoemaker, P. J., Krupp, S., & Howland, S. (2013). *Strategic leadership: The essential skills.* Harvard business review.131-134.

Schwartz, M., & Harris, H. (Eds.).(2013). *Moral saints and moral exemplars. In Moral Saints and Moral Exemplars.* Emerald Group Publishing Limited.

Sekaran, U. &Bougie, R. (2011).*Research methods for businss-a skill builing approach.* John Wiley and Sonspublisher. USA.

Sekaran, U. &Bougie, R. (2016).*Research method for business-a skill building approach.* 6th Edition, Chichester, West Sussex: John Wiley and Sons:

Shahram G, Mohmmad T, Mohammad R (2013). The impact of service quality on customer growth. *Associtate Professor of Department of Industrial Management, Islamic Azad University.* Rasht Branch, Rasht, Iran.

Sherman, H. J. (2014). *The business cycle: growth and crisis under capitalism*. Princeton University Press.

Shin, Y., Sung, S. Y., Choi, J. N., & Kim, M. S. (2015).Top management ethical leadership and firm performance: Mediating role of ethical and procedural justice climate. *Journal of Business Ethics*.43-57.

Slack, N. (2015). *Operations strategy* 4th ed. John Wiley & Sons, Ltd.

Susita, Mohamed & Mohd (2010). The influence of leadership competency and organizational culture on responsiveness and performance of firms. *Published Journal. Emerald Group Publishing Limited.*

Thompson, A.A. Jnr, Strickland, AJ, III, & Gamble J.N (2016). *Crafting and executive strategy; the quest for competitive advantage; concepts and cases.*17th ed. McGraw Hill/Irwin, New York.

Tonge, R., Larsen, P. C., & Ito, M. (2011).*Strategic leadership in super-growth companies—a re-appraisal.* Long range planning. 838-847.

Turtiainen, T. (2008).*The role of co-operatives in sustaining development and fostering social responsibility.*ICA Research Conference Riva Del Garda, Trento, Italy, 16-18.

Venkatesan, R & Kumar, V. (2004). Valuing Customers,'' *Journal of Marketing Research,* London: Bain & Company.

Vinesh (2014). Role of Training and Development in an Organizational Development. *International Journal of Management and International Business Studies*.213-220.

Wheelen, T. L., & Hunger, J. D. (2011). *Concepts in strategic management and business policy*. Pearson Education India.

Whiteley, R., & Hessan, D. (2011). *Customer-centered growth: five proven strategies for building competitive advantage*. Basic Books.

Wolinski, S. (2010). *Leadership Theories.* Retrieved June 14, 2014.

Wright, P. M., & McMahan, G. C. (1992).*Theoretical perspectives for strategic human resource management. Journal of management*.295-320.

www.sasrareport2017.co.ke

Yukl, G. (2010), *Leadership in Organizations.* 7th ed. Upper Saddle River: Pearson Education.

APPENDIX 1: INTRODUCTION LETTER

Date……

To…….

Dear Sir/Madam,

RE: COLLECTION OF RESEARCH DATA

My name is Mercy Waihenya, a Masters student in Business Administration – Strategic leadership and Management at St. Paul's University. I am carrying out a research on the topic: **An assessment of strategic leadership on customer growth in savings and cooperative societies in Kenya (Kiambu County).**

I am in the process of gathering relevant data for this study and therefore I kindly request you to take some time to respond to the attached questionnaire. I wish to assure you that your responses will be treated with confidentiality and was used sole for the purpose of this study.

I thank you in advance for your time and responses. It was appreciated if you can fill the questionnaire within the next 3 days to enable early finalization of the study.

Yours Sincerely

Signed …… Date: ……

MERCY WANGUI WAIHENYA

APPENDIX II: LIST OF SACCOS IN KIAMBU

1. K-Unity SACCO
2. Tai SACCO
3. Banana Hill SACCO
4. Limuru Dairy. SACCO
5. All Churches SACCO
6. Brackehust SACCO
7. Metropolitan SACCO
8. NAKWE SACCO
9. Redhill SACCO
10. Pamoja T. SACCO
11. Githunguri Dairy SACCO
12. Fariji SACCO
13. Ukistona Ufanisi SACCO
14. Limuru Traders SACCO
15. A.C.KLimuru SACCO
16. Bibirioni Water SACCO
17. DIMKES SACCO
18. Ahadi SACCO
19. ACK Kangemi Ukristo SACCO
20. Kiambaa Dairy SACCO
21. Jacaranda SACCO
22. Jamii SACCO
23. NRS SACCO
24. Kenya Canners SACCO
25. Jijenge SACCO
26. Walokana SACCO
27. Marafiki SACCO
28. Likana SACCO
29. Humuka SACCO

30. Kiambu Inua Maisha SACCO
31. Chania Travellers SACCO
32. Fundilima SACCO
33. Flow Glow SACCO
34. Stragollen Kentmere SACCO
35. Kacose SACCO
36. Ndeiya SACCO
37. Everbest SACCO
38. Lina SACCO
39. Mamuli SACCO
40. Likabu SACCO
41. Tigaki SACCO
42. Nyakinduka SACCO
43. Matara SACCO
44. Ndumberi Dairy SACCO
45. Karirana SACCO
46. Nyara SACCO
47. Mefa SACCO
48. Conduit SACCO
49. Sigona business club SACCO
50. Marijoe SACCO
51. Terrazan SACCO
52. Mhubiri SACCO
53. Arise ad Walk SACCO
54. Memusi Group SACCO
55. Orient SACCO
56. GRAFCO SACCO

(Ministry of Cooperative Development and Marketing, 2017).

APPENDIX III: QUESTIONNAIRE

AN ASSESSMENT OF STRATEGIC LEADERSHIPONCUSTOMER GROWTH IN SAVINGS AND COOPERATIVE SOCIETIES IN KENYA (KIAMBU COUNTY)

Please fill out the questionnaire on:

Kindly tick only one response that best represents your opinion

PART A: BACKGROUND INFORMATION

1. Gender
   a) Male [ ] b) Female [ ]

2. What is your age bracket?
   21-30 [ ]
   31-40 [ ]
   41-50 [ ]
   51-60 [ ]
   Above 60 [ ]

3. What is your highest level of education
   Primary level [ ]
   Secondary level [ ]
   College Certificate/ Diploma [ ]
   Bachelor's Degree [ ]
   Master Degree [ ]
   Doctorate [ ]

4. How long have you worked with your SACCO?
   0 - 5 years [ ]
   6 - 10 years [ ]
   11 -15 years [ ]
   More than 15 years [ ]

5. How long have you held the position of Operations Manager in your SACCO?
   0 - 5 years [ ]
   6 - 10 years [ ]
   11 -15 years [ ]
   More than 15 years [ ]

STRATEGIC DIRECTION IDENTIFICATION

6. Kindly indicate the extent of agreement with these statements on strategic direction identification applicable in organizations. For each statement use the Likert scale which ranges from 1-5 where 1= Not at all; 2= Little Extent; 3= Moderate Extent 4= Large Extent; and 5= Very Large Extent to rate the extent of agreement as it applies to your SACCO.

Statement	1	2	3	4	5
Our Vision is descriptive of the SACCOs ideal future state of success					
Our Mission depicts the SACCOs purpose for existence in relation to members					
Our overall objectives are clear and specific in what we want to achieve					
The SACCOs priorities are well defined and in line with the members needs					
The SACCOs strategies match the priorities and respond to members changing needs					

7. To what extent do you agree on the influence of strategic direction identification on customer growth in your SACCO?

   Not at All [ ]

   Little Extent [ ]

   Moderate Extent [ ]

   Large Extent [ ]

   Very Large Extent [ ]

LEADER'S COMPETENCES

8. These are statements on leader's competence in SACCOs. Kindly rate the extent of agreement of each statement as an operations manager in your SACCO. For each statement use the Likert scale which ranges from 1-5 where 1=Not at all; 2= Little Extent; 3= Moderate Extent; 4= Large Extent 5= Very Large Extent to rate the extent of agreement as it applies to your SACCOs.

Statement	**1**	**2**	**3**	**4**	**5**
The SACCO Leaders have the requisite skills to deliver the overall					

objectives					
The SACCO Leaders have the essential knowledge to deliver the overall objectives					
The SACCO Leaders have the vital abilities to deliver the overall objectives					
The SACCO Leaders have the relevant experience					

9. To what extent do you agree on the influence of leader's competence on customer growth in your SACCO?

Not at All [ ]

Little Extent [ ]

Moderate Extent [ ]

Large Extent [ ]

Very Large Extent [ ]

ETHICAL PRACTICES ADHERENCE

10. Kindly indicate the extent of agreement with these statements best describe ethical practices in the SACCOs in Kiambu County. For each statement use the Likert scale which ranges from 1-5 where 1= Not at All; 2= Little Extent; 3= Moderate Extent; 4= Large Extent; and 5= Very Large to rate the extent of agreement as it applies to your SACCO.

Statement	1	2	3	4	5
We conduct our business activities in a professional manner as stipulated by SASRA					
Our code of conduct describes acceptable behaviour					
The SACCO have well defined policies and procedures that guide our undertakings					
The SACCO has shared norms and values that are practiced by the staff					

11. To what extent do you agree on the influence ethical practices adherence on customer growth in your SACCO?

Not at All [ ]

Little Extent [ ]

Moderate Extent [ ]

Large Extent [ ]

Very Large Extent [ ]

MANAGING HUMAN RESOURCES

12. These are statements on managing human resources in SACCOs. For each statement use the Likert scale which ranges from 1-5 where 1= Not at All; 2= Little Extent; 3= Moderate Extent; 4= Large Extent; and 5= Very Large Extent to indicate the extent of agreement as it applies to your SACCO.

Statement	**1**	**2**	**3**	**4**	**5**
We recruit and select qualified personnel					
We endeavour to continuously train and develop our staff					
The SACCO undertakes performance appraisal and seeks to reward the employees based on their performance					
Our SACCO attracts and retains competent personnel					

13. To what extent do you agree on the influence of managing human resources effectively on customer growth in your SACCO?

Not at All [ ]

Little Extent [ ]

Moderate Extent [ ]

Large Extent [ ]

Very Large Extent [ ]

CUSTOMER GROWTH

14. Below are several statements on customer growth in SACCOs. Kindly indicate the extent of your agreement with each. For each statement use the Likert scale which ranges from 1-5 where 1= Not at All; 2= Little Extent; 3= Moderate Extent; 4= Large Extent; and 5= Very Large to the extent of agreement as it applies to your SACCO.

Statement	**1**	**2**	**3**	**4**	**5**
Our customer number has grown significantly in the past five years					
Our customers are satisfied with our products					
We have loyal customers					
We have added new customers in the past five years					
The share capital has increased in the last five years					

APPENDIX V: NACOSTI PERMIT & LETTER

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/18/58495/21994**

Date: **28th March, 2018**

Mercy Wangui Waihenya
St. Pauls University
P.O. Private Bag - 00217
LIMURU.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"An assessment of strategic leadership on customer growth in Savings and Cooperative Societies in Kenya (Kiambu County),"*** I am pleased to inform you that you have been authorized to undertake research in **Kiambu County** for the period ending **28th March, 2019.**

You are advised to report to **the County Commissioner and the County Director of Education, Kiambu County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

DR. M.K. RUGUTT, PhD, OGW
DIRECTOR GENERAL

Copy to:

The County Commissioner
Kiambu County.

The County Director of Education
Kiambu County.

National Commission for Science, Technology and Innovation is ISO9001:2008 Certified

Approval from the County Director of Education Kiambu County

NACOSTI

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/18/58495/21994**

Date: **28th March, 2018**

Mercy Wangui Waihenya
St. Pauls University
P.O. Private Bag - 00217
LIMURU.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"An assessment of strategic leadership on customer growth in Savings and Cooperative Societies in Kenya (Kiambu County),"*** I am pleased to inform you that you have been authorized to undertake research in **Kiambu County** for the period ending **28th March, 2019.**

You are advised to report to **the County Commissioner and the County Director of Education, Kiambu County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

DR. M.K. RUGUTT, PhD, OGW
DIRECTOR GENERAL

COUNTY DIRECTOR OF EDUCATION
KIAMBU COUNTY
P. O. Box 2300-00900
KIAMBU

Copy to:

The County Commissioner
Kiambu County.

The County Director of Education
Kiambu County.