FACTORS AFFECTING THE PERFORMANCE OF LIVESTOCK BASED COOPERATIVE SOCIETIES IN ISIOLO COUNTY, KENYA

BY

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THIS DISSERTATION IS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTERS IN DEVELOPMENT STUDIES FROM ST. PAUL'S UNIVERSITY.

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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.

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I confirm that the work reported in this dissertation has been done by the student under my supervision.

Signature.....

Date.....20/08/2018.....

Dr. John Muhoho



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DEDICATION

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ABSTRACT

The study examined factors affecting the performance of livestock based cooperatives societies in Isiolo County. The specific objectives were: to find out the effect of organizational systems, to examine corporate governance, to identify the effect of leadership and to investigate organizational structure affects performance of the Livestock Based Cooperatives in Isiolo County. The study adopted descriptive research design. It was aided by the use of a questionnaire as the research instrument, specifically in relation to collection of primary data. The questionnaire was pre-tested for validity and reliability. The target population were cooperatives members, boards and clients situated in Isiolo county, central sub-county with active membership. In total, 205 questionnaires were distributed but only 152 successfully filled and returned giving a response rate of 74 percent. The data collected were edited and coded before analysis to check for consistency and completeness. Statistical package for social sciences (SPSS) and MS Excel was adopted for analysis. Data analysis was conducted descriptively (using frequency and percentages) and inferential (Chi square test) statistics to realize the set objectives. The respondents were selected using simple random sampling. The study revealed that 68 percent of the respondent on the organizational systems have no clear understanding of boundaries between departments. The study established further 91.4 percent of the interviewed alluded to adherence to the by-laws hence that there was a significant association ($p<0.05$) between adherence of bylaws with the board and staff dealings and members obtaining relevant information. The outcome of the study also disclosed that 74.4 percent of the interviewed showed leadership affect organizational performance of the cooperatives. In addition, 49.3 percent of the respondent shows cooperative receives funding from the donors that influences the organizational performance. The research concluded organizational systems, corporate governance, leadership and organizational structure are not well understood by the members and boards hence have effects on organizational performance of the cooperatives. Also, corporate governance and leadership are highly associated with the performance of the livestock based cooperatives. The study recommended for the triangulation with other non-deposit taking societies performance and review of the policies. The study also suggested for an organization's review and its interrelationship in order to improve efficiently of each sub-unit. Further, the study called for the need to strengthen and build the capacity of members to appreciate its contribution towards ensuring fairness, equity and equality in the prosperous Sacco's, need for training programs on leadership and associated and regulating dynamics.

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DEFINATION

Performance: This is an accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. It is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract.

Organizational Systems: This is a collection of organisations parts (or subsystems) integrated to accomplish an overall goal.

Corporate governance: Is the process by which organisations are directed, controlled and held to account.

Leadership: is the ability to influence people to willingly follow one's guidance or adhere to one's decisions. It refers to the way the organization administration plans, organizes and controls an organization.

Organizational structure: The typically hierarchical arrangement of lines of authority, communications, rights and duties of an organization. Organizational structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management

ACRONYMS

ASALs	Arid and Semi-Arid Lands
CAADAP	Comprehensive Africa Agriculture Development Programme
CAK	Co-operative Alliance of Kenya Limited
FAO	Food and Agriculture Organization
GDP	Gross Domestic Products
GoK	Government of Kenya
ICA	International Co-operative Alliance
KES	Kenya Shilling
LBCS	Livestock Based Cooperative Societies
NACOs	National Co-operative Organizations
SASRA	Sacco Societies Regulatory Authority
SDG	Sustainable Development Goals
UNESC	United Nation- Economic and Social Council
WCM	World Cooperative Monitor
WOCCU	World Council of Credit Union

CHAPTER ONE

INTRODUCTION

1.0 Background

Pastoralism, simply defined as a large, mobile keeping of livestock on communal rangelands, is often regarded as one of the most sustainable food systems in the world's arid and semi-arid lands (ASALs) (Majekodunmi, Fajinmi, Dongkum, Shaw &Welburn, 2014). A total of 120 million people worldwide, out of which 50 million reside in Sub-Saharan Africa (SSA) are pastoralist. It is also estimated that more than 60 percent of the total surface area are found in the ASALs of the Horn of Africa and pastoralists range from 12 million to 22 million people (Hunter, 2015). According to the recent statistics, the number of pastoralists in the world stands between 200 and 500 million, and this include nomadic communities and trans-human herders as well as agro-pastoralists (Girei, Haruna & Adamu, 2017).

Unfortunately, many of the pastoralists are facing various challenges in both developed and developing countries (Osman, 2009). The key challenges is the deeply entrenched prejudice that pastoralism is primitive, unviable and outmoded (Majekodunmi et al., 2014) and portrayed generally and viewed as unproductive and environmentally destructive (Coppock, Tezera, Desta & Gebru, 2012). It is because of this that many local and regional authorities are opposed to this kind of lifestyle especially in Africa (Kiaritha, Mouni & Mung'atu, 2013).

Globally, Cooperative movements bring together various classes of people regardless of their socio-economic status. According to United Nations estimates, the cooperative movement has brought 800 million people together globally. The first co-operative in the world was formed in 1844 in a village in England known as Rochdale, when Britain was undergoing the industrial revolution, (Girei, Haruna & Adamu, 2017). In United State of America, dairy cooperatives were among the first type of agricultural societies beginning in the early 1800s, (Girei, Haruna & Adamu, 2017) and played a very significant role in the procurement, processing and marketing of milk and dairy products and in representing farmers politically at both the state and national level.

In India, livestock production is a key economy activity. The dairy industry in India is spread over the entire country in innumerable small units in a much disorganized form. Its contribution to Gross Domestic Product (GDP) decreased from 5.22% in 1999-00 to 4.36% in 2004-05 at current prices. According to Central Statistical Organization estimates, this rose to Rs 1239 billion during 2004-05 with 24.72% share in agriculture and allied GDP. In recent years, the Indian dairy industry is on its peak that has totally transformed the dairy scene and give the needed thrust to its rapid growth to meet the challenges ahead.

In Africa, Ethiopia and Liberia, cooperatives have similar history. Schwettmann (2011) indicates that livestock based cooperatives in Africa have a bearing on the traditional systems economically and socially and still in the informal state. The modern cooperatives in Africa were introduced by the colonial governments and were supported as a priority in the economic growth. From the same study, despite the withdrawal of state over cooperatives in 1990s, there is evidence of increased and sustained cooperative movements and membership in Africa.

Pollet (2009) in his research also indicates that cooperatives in Africa are expanding and increasing. Kobia (2011) says that the history of cooperatives in Kenya dates back to the beginning of 20th century. According to the Ministry of Cooperative Development (1987), Cooperatives in Kenya are engaged in all sectors of the national economy and are diversified across many activities. Therefore, cooperatives in Kenya and other countries are considered to be a developmental tool that assists in promoting socio-economic goals in development, key driver of alleviation of poverty and improved livelihoods in dry land of Kenya (Najamuddeen et al 2012 & GoK, 2015).

In Kenya, these cooperative societies control about 43 percent of the country's gross domestic product (GDP). They are more than 14,000 registered cooperative societies spread across the country. The co-operative members are over 10 million with mobilized savings of over Kshs. 250 billion creating employment in the sector for over 555,000 persons (CAK, 2014).

Livestock Based Cooperative Societies therefore form a network which needs to be explored and understood since they present the potential to contribute effectively to the country's growth. Besides, achieving the ambitious targets of 2030 Agenda requires a revitalized and enhanced global partnership that brings together government, civil societies and the private sectors (UNESC, 2016).

In Kenya, arid and semi-arid areas (ASALs) occupy 89% of the total land mass of the country and home to about 14 million people and supports approximately 70 percent of the national livestock herd. The ASALs are characterized by the lowest development indicators and highest incidences of poverty (GoK, 2012). In addition, they are often subject to erratic weather, famine, poor infrastructure, underdeveloped facilities, harsh environmental conditions (Coppock et al., 2012). Livestock is therefore critical in these areas particularly for nutrition and food security, provision of incomes, employment, and environmental services. Estimated population of 7 billion in the world is projected to rise to 9 billion by 2050 henceforth increasing demand of cereals and livestock products which is to be approximated to be running into billion tonnes every year (FAO,2011).

In Isiolo County, about 80 percent of the residents depend on livestock for their livelihood either directly or indirectly. Therefore, this calls for a comprehensive understanding of the importance of cooperatives in pastoralist development and its performance in bringing them together to market their products and by-products efficiently to have proportional advantages in this global village.

1.1.1 Cooperative Movement in Isiolo

According to International Co-operative Alliance (ICA), 2012) cooperative is self-governing relationship of person; voluntary integrated to meet their common economic, social and cultural aspirations and need through a jointly owned and democratically controlled enterprise.

They are more than 14,000 registered cooperative societies spread across the country. The co-operative members are over 10 million with mobilized savings of over Kshs. 250 billion creating employment in the sector for over 555,000 persons (CAK, 2014).

There main purpose of the is to pool their members' savings and shares to finance their loan portfolios rather than rely on outside capital. Members benefit from higher returns on savings, lower rates on loans and fewer fees on average (Kiaritha, et al., 2013).

The Isiolo County has registered 57 cooperatives out of this 17 cooperative are dealing with the livestock and livestock products such as Kinna Livestock Marketing Cooperative and Isiolo camel milk cooperative society which trades in camel milk among others (CAK, 2014). The intensive livestock marketing has increased competition along the livestock and livestock products value chain that demand coming together for pastoralist to respond to dynamics of markets. Hence, this competitiveness is endearing large number of people to cooperative societies (World Council of Credit Unions, 2014).

1.2 Problem Statement

The cooperative societies play a significant role in any country's economy. However, like many other business entities and organization in Africa, cooperatives are faced with various challenges in their quest towards both survival and growth. For instance, most of them failed because of state interference as witnessed in the early 1990s and which called for the liberalization to make them operate in the market principle (Wanyama, 2009).

Despite the cooperative advantages, with the improvement of asset base for both urban and rural areas in Kenya, livestock based cooperative is not matching up to the growth realized across the societies and in particular the ones in Isiolo County. The performance of the cooperatives in the county is negligible with more donors driving these cooperatives without assessing its capability of management. Many people especially members and shareholders have lost confidence in the investment hence leading to collapse of the many cooperatives in the country (Kratli & Swift, 2014).

The livestock based cooperatives in Isiolo like many parts in the country have also not been equal to the task of performing to their optimum. Jagongo and Mbewa (2013) highlighted on various issues such as inadequate managerial competitiveness, poor governance, poor investment decision, let down by membership and leaders to exercise fiduciary responsibility and lack of technical knowledge and branding of their products. However, all these studies did not focus on livestock based cooperative societies. So far,

there has not been any particular study which has been carried on LBCS within Isiolo County.

In Isiolo County the livestock based cooperative societies have faced various challenges especially after liberation and most of the cooperative societies are not performing well compared to other cooperative societies in similar regions in the country. According to Odera (2012), factors that could influence poor performance of cooperative societies particularly in the liberation era include lack of training and unpreparedness by cooperative societies to modernize and embrace change, poor marketing strategies and competition from other stakeholders, lack of essential services and poor management and leadership since majority of cooperative leaders are either illiterate or with low education levels, exposure and trainings.

Various studies have been done. For instance Njagi (2014) did a study on factors influencing performance of co-operatives based on a case of Mbeere North Sub-County, Kenya and Mwangi (2013) examined the factors influencing dairy cooperative society's performance in Mathira and Kieni constituencies, Nyeri County, Kenya. Further Kigathi (2016) did a study on motivating factors dairy cooperatives membership based on small holder dairy farmers in Kiambu County. However, none of these studies focused on organizational factors affecting performance of livestock based cooperative societies Therefore, the study sought to bridge this gap by analyzing the factors affecting the performance of livestock based cooperative societies in Isiolo County, Kenya.

1.3 Objective of the Study

1.3.1 Broad Objective

The broad objective of the study was to analyze factors affecting the performance of livestock based cooperative societies in Isiolo County in Kenya.

1.3.2 Specific Objectives

The specific objectives were to:

i. To find out the effect of organizational systems on the performance of the Livestock Based Cooperatives in Isiolo County

ii. To examine the effect of corporate governance on the performance of the Livestock Based Cooperatives in Isiolo County
iii. To identify the effect of leadership on the performance of the Livestock Based Cooperatives in Isiolo County
iv. To investigate the effect of organizational structure on performance of the Livestock Based Cooperatives in Isiolo County

1.3.3 Research questions

What factors affect the performance of Livestock Based Cooperatives in Isiolo County, Kenya?

1.3.4 Specific Research Questions

The specific research questions to be address included:

i. What is the effect of organizational systems on the performance of the Livestock Based Cooperatives in Isiolo County?
ii. How corporate governance does affects the performance of the Livestock Based Cooperatives in Isiolo County?
iii. What are the effects of leadership on the performance of the Livestock Based Cooperatives in Isiolo County?
iv. Does organizational structure affects performance of the Livestock Based Cooperatives in Isiolo County?

1.4 Justification

The findings of the study will benefit various stakeholders with knowledge on factors that are currently affecting performance of livestock based dairy cooperative societies in Isiolo County. The national and county governments through the relevant ministries and department can use the findings of this study for policy formulations and develop support strategies for implementation of the various reforms regarding livestock based cooperative societies. The livestock based cooperative societies and service providers will use the report to enhance linkages with farmers and identify areas of training and capacity building. The farmers can use the report to lobby for support from the other players in the value chain. The study will provide empirical findings on factors that

influence dairy cooperative performance and form basis for further research by other scholars.

This research work will provide a basis upon which the cooperative stakeholders can use to restructure and effect changes effectively to ensure success. The findings will also be useful to other relevant departments such as Ministry of Industrialization and Enterprise Development (MIED) in strengthening the cooperative advocacy in marginalized areas and formation of effective policy framework for different cooperatives. To the donors interested in community development through cooperative approach, the study will be valuable to inform on actual situation on the ground for the intervention.

1.5 Scope

The study was limited to factors affecting the performance of Livestock Based Cooperatives in Isiolo County, Kenya. There are approximately 14,000 cooperatives registered in the country with 57 of them in Isiolo county and 17 classifed as dealing with livestock and livestock related issues. Co-operatives are generally distributed countrywide and share similar operating environment, this study was strictly restricted to Isiolo County. The decision was based on the limited time as well as high cost involved when the study is carried out in whole country. Although there are many cooperative societies in the county, and by extension the entire country, the emphasis was on registered and active livestock based cooperative societies. The study was also restricted to organizational systems, corporate governance, leadership and organizational structure.

1.6 Limitations

The cooperatives in the Northern Kenya are operated as a family business and complex to get accurate and factual information with the mindset of donor support. As the first study on the cooperative in the arid and semi-arid area, as a new subject, there were some resistance in answering the questions posed thus at the end can affect the outcome of the findings. This were addressed by creating awareness during the piloting to the Anolei, Tawakal, Isiolo livestock, Ibsemo, Gaadis and Kambi ya Juu livestock based cooperatives members and cooperative officers on the importance of the study to their livelihoods. Also, the unit of analysis of the research are members, boards and clients across the

hierarchical within the cooperatives hence fear of answering of some questions can bring biases was reduced by interpreting the study outcome and benefits.

Consequently, time for returning and collection of the questionnaires due to the high illiteracy and depth of inquiry can comprise the members in their routine. As a result the researcher trained enumerators to reduce the fatigues with data collected in less than 2 months' time. The effort yielded fruits but the response rate was not 100% with all the follow up.

1.7 Summary of the Chapter

This chapter covers the background information, statement of the problem, objectives, justification of the study, scope of the study and the limitations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter entails the review of related literature, theoretical framework; conceptual framework and conclusion remarks on the factors affecting the performance of livestock based cooperatives in Isiolo County, Kenya. The chapter assesses organizational systems, corporate governance, leadership and organizational structures in the performance of livestock based cooperatives. It looked at the degree the variables affect the performance of the livestock based cooperatives and its gaps that the research seeks to address.

2.2 Theoritical Literature Review

2.2.1 Organizational Systems

An organizational system shows interrelationship within the association set up. That structure defines how each division of a business is set up and its hierarchy. With a well-defined systems in place, all employees know what is expected of them and to whom they report (Hunter, 2015).

Most of the cooperatives are unable to reach its peak in the operation due to conflicting interest of different stakeholders in the systems. The understanding of the systems is becoming vital for the success of the organizations. The consistent use of different structures in the running of organizations appears to improve the job and employees output (Kratli & Swift, 2014).

This system features several specialized divisions where the reporting flow is clear. Senior management oversees the entire structure. This causes a clear path for promotion and growth. However, the divisions can have trouble communicating with one another. This makes the functional organizational system slow to adapt to change (Girei, Haruna & Adamu, 2017).

The public and private sectors across the world are inquest for the best and efficient ways of expanding the micro-macro climate by successful piloting of business opportunities to

increase boosting the volume and value of trade, and fostering innovation and entrepreneurship for as elements of successful growth strategies (WB, 2015).

Mose, Njihia and Magutu (2013) in their study argued that the top management was mainly charged with various responsibility of coming up with goals and visions of the organization, improving commitment to bring changes within the organization's structure and processes as well as in formulating appropriate strategies and policies required in the improvement of organizational performance. Amemba et al. (2013) also supports these sentiments by explaining that management had a big role in improving organizational performance. Although the two studies are not directly related to livestock based cooperative societies, they provide useful insights about factors which affect performance of organization.

2.2.2 Corporate Governance

Governance deals with structures and processes for; accountability, decision making, control and behavior at the top of organizations. Corporate governance reflects the interaction among people and groups, which provide resources to the company and contribute to its performance such as shareholders, employees, creditors, long- term suppliers and subcontractors (Brownbridge, 2007).

Good corporate governance shields a firm from vulnerability to future financial distress. The governance structure of any corporate entity affects the firm's ability to respond to external factors that have some bearing on its financial performance (Kiaritha, Mouni & Mung'atu, 2013). In this regard, it has been noted that well governed firms largely perform better and that good corporate governance is of essence to firms' financial performance.

The emphasis placed on the role of cooperatives in national development varies from one country to the other and from one environment to another. According to Odera (2012), governance problems specific to the SACCO pose challenges not faced by many other forms of organizations. The well-defined institutional rules of governance, internal controls, service adequacy, prudential management disciplines and external supervision, the problems can be overcome to produce a stable and balanced financial intermediary.

Allen (2015) argue that corporate governance in emerging markets has lately attracted much attention due to the weaknesses of corporate governance in developing countries, which was an important reason for a series of economic crises that affected these countries. These differences lead to greater uncertainty and risk, and they enhance the international diversification possibilities for investors from all countries in the world (Kearney, 2012). These governance issues are related hence guides to investigate its effects on the organizational performance.

2.2.3 Leadership

Leadership has been identified as an important subject in the field of organizational performance. Lee and Chuang (2009), explain that the excellent leader not only inspires subordinate's potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Fry (2013), explains leadership as use of leading strategy to offer inspiring motive and to enhance the staff's potential for growth and development.

Several studies have shown that there is a relationship between leadership and organizational performance. The findings shows that effective leadership behaviors can facilitate the improvement of performance when organizations face these new challenges. Understanding the effects of leadership on performance is also important because leadership is viewed by some researchers as one of the key driving forces for improving a firm's performance (Girei, Haruna & Adamu, 2017).

Organizational performance can also be used to view how an enterprise is doing in terms of level of motivation, task allocation, innovation and creativity in relation to other enterprises in the same industry. The first is that today's intensive and dynamic markets feature innovation-based competition, price/performance rivalry, decreasing returns, and the creative destruction of existing competencies (Kearney, 2012).

Effective leadership is seen as a potent source of management development and sustained competitive advantage for organizational performance improvement (Rowe, 2001). This would enhance the competency of every individual employee in delivering more quality

services besides, fighting or reducing misconducts at work place especially when they are answerable and not for self- interest of their jobs (Schwettmann, 2011).

Therefore, the studies shows that leadership influences the performance of the organizations and guides to analyze the effect on the organizational performance.

2.2.4 Organization Structure

Organizational structure is normally described as the way responsibility and power are allocated, and work procedures are carried out among organizational members. Robbin and DeCenzo (2009) argue that the organizational structure performs a significant role in the achievement of organization's set objectives and accomplishment of its strategic goals and direction. The organizational structure becomes more relevant when it is in harmony with the objective, mission, competitive environment and resources of the organization.

Najamuddeen (2012) conclude that to attain desired superior performance by an organization, adequate attention is required that can match the prevailing environment dynamism in place. These structures are characterized with different attributes such as control, communication, organizational knowledge, task, prestige, governance and values. Hajipour (2011) findings indicated that industry structure determine organizational characteristics. Mansoor (2012) contended that ideal organizational structure is a recipe for superior performance.

The main feature of new organizational structures is the flexibility and the ability to acclimatize to the changing environment (Lenz, 1009). Mintzberg (2011) indicated that an organic structure, with its low degree of formality and high degree of information sharing and decentralization, improves an organization's flexibility and ability to adapt to continual environment change.

According to Oyewobi (2013) organization structure had no direct impact on both financial and non-financial performance. This will guide to show the organizational structures affect the performance.

2.3 Empirical Literature

Pastoralist are adopting to alternative income generation to substitute on the shrinking livestock reliance. The deviations in the distribution of livestock ownership within the pastoral economies, as well as increased investment in arid areas flora and fauna by all sectors of society, meant that the significance of pastoral production approaches is no longer limited to herding households or even to pastoral groups (Kratli &Swift, 2014).

Further, pastoralists in the Horn of Africa have struggled for centuries with different calamities such as famine, skirmishes and change of weather effects. They are creative, innovative and enterpreneurial peoples in making secure livelihoods for themselves and generations with a lot of significant successes in utilizing the environment (CAADP, 2012).

The performance of cooperative was taken to mean the significant contribution to its membership as a major driver of the economy, creation of employment and alleviation of poverty from the larger population on livestock production. Since independence government had invested heavily in the cooperative formations but few have grown into a viable enterprise. The belief is based on the fact that these organizations are usually owned and controlled by the people with objective to provide service instead of making a profit (Kratli & Swift, 2014).

Study carried by the World Bank (2015) on the performance shows the cooperatives support local investment and caution the wellbeing of the savers. The savings and investing in long term permits households to address life-long challenges thus ensuring safeguarding the financial benefits of economic growth are shared within the society.

Most of the cooperatives are unable to reach its peak in the operation due to conflicting interest of different stakeholders in the systems. The understanding of the systems is becoming vital for the success of the organizations. The consistent use of different structures in the running of organizations appears to improve the job and employees output (Kratli & Swift, 2014). The public and private sectors across the world are inquest for the best and efficient ways of expanding the micro-macro climate by successful piloting of business opportunities to increase boosting the volume and value of trade, and

fostering innovation and entrepreneurship for as elements of successful growth strategies (WB, 2015).

According to Chari, Onias and Kandenga (2016), leadership and management influence all aspects of performance ranging from establishing new systems and as well as improving levels of transparency. Lack of leadership and management support has also been responsible for the failure of many initiatives.

Madanchian, et al. (2016) argue that the main aim of any institution including cooperatives is to achieve and maintain competitive edge and considered to be effective between the various demands of stakeholders and the needs of the workers. The authors have highlighted that leadership has a key role in the improvement of organization's performance.

The above sentiments are shared by Kemunto and Ngugi (2014) whose research showed that leadership and management support play a critical role in enhancing organizational performance. Specifically, leadership and management support collaborative relationships between a company and its suppliers, facilitating transparent negotiations and also long term relationships to enhance organizational performance.

Mose, Njihia and Magutu (2013) in their study selected large scale manufacturing companies within Nairobi, observed that for any initiative to be successful, it must enjoy full management support. The authors argued that the top management was mainly charged with various responsibility of coming up with goals and visions of the organization, improving commitment to bring changes within the organization's structure and processes as well as in formulating appropriate strategies and policies required in the improvement of organizational performance. Amemba et al. (2013) also supports these sentiments by explaining that management had a big role in improving organizational performance. Although the two studies are not directly related to livestock based cooperative societies, they provide useful insights about factors which affect performance of organization.

Sharma and Gupta (2012) study on corporate governance in India observe that the adoption of enhanced governance in the organization setup has been demonstrated to improve the level of confidence in both shareholders and employees with increased earnings for all in the value chain. They conclude that the failure to follow the rules and regulation gives the standoff and escalation among the stakeholders that can occasionally have disastrous consequences not only for the cooperative also to its clients and general business environment. The same sentiments have been supported by previous studies (such as Omolo, 2015; Awino, 2014) indicating that poor corporate governance has significantly impacted to loss and inefficiencies that have a bearing on the sustainable prosperity of the cooperatives in Kenya. Further, these are complicated by donor's influences. The assurance by donors to support cooperatives has to be structured around technical assistance for building and enhancing capacities of the members, staffs and board with restriction on tied loans (Awino, 2014).

Odera (2012) advances that cooperatives are usually characterized by multiple objectives that occasionally affect the end result and goal of the cooperative with mixture of product line development and marketing in the same market segments to maximize profits. Cooperatives have experienced major crises, such as more recent crises happening in countries like Benin, Morocco and Kenya; which clearly suggests the importance of controlling institutional development. Therefore, cooperatives in the process became mouth piece of the government in power, by being conduit for executing policies on socio-economic and cultural, to the degree of state failures establishing roots in the cooperative movement.

In the ideal organization, management has conflicting functions that are to be balanced for the success and achieving its goals. These are structures and process that have defined limits for the staffs, members and clients to perform their administrative functions without any hindrances. They also allow the systems to be in tandem with future innovation and creativeness (Bock, et al., 2012).

In addition, low investments help explain the high unemployment rate, high staff turnover, closing up of companies and frequent labor unrest that affect all factors of

production across the production chain. This is being complicated by rapid youth populations that are not equal to the task of agricultural value chain development and aging groups in denial of staff progress hence bringing institutional weaknesses (IMF, 2015).

The study by Gweyi, et al (2013) on the investigation of the impact of cooperative movement in rural development in Kenya established the digital divide between government and the movement in terms of capacity building and resource allocation continues to widen. This is caused mainly by inadequate education, training, inadequate investment, and over-reliance on external assistance and lack of guidelines.

These have made most of organizations the cooperatives included to involve in the process of re-evaluating their existence by scanning the environment they are operating in. These changes make them constantly adjust and perfect the instrument to achieve their core purposes in rearranging their structure of roles and relationships and their managerial processes (Bock, et al., 2012).

2.4 Theoretical Framework

The theoretical framework is the structure that can back philosophy of a research study. It leads and articulates the theory to elucidate the research problem under study exists and the likely roles to be assumed and tools to be engaged consequently by the researcher in the work (Swanson, 2013). The theory helps researcher to ascertain the limits to those generalizations and explain why and how hypothetical structure specifies which key variables influences phenomena importance. The theory selected for the study is Systems Theory, Management Theory and Institutional theory.

2.4.1 Systems Theory

A system can be viewed as an entity that is a coherent whole such that a boundary is perceived around it in order to differentiate between internal and external elements and to identify input and output associated with it and emerging from the entity (Keraro, 2014). Systems theory, propounded in the 1940s by Ludwig von Bertalanffy and advanced by Ross Ashby, hence a theoretical framework which analyzes a phenomenon often seen as a whole and not as simply the sum of elementary parts (Hanson, 2014).

Fundamental notion of systems theory is its focus on interactions (Mele, Pels & Polese, 2010). The theory holds that at the center of the relationships is one which sustains the behavior of a single autonomous element that is different from its behavior when the element interacts with each other. The second principle is that there is a distinction between open, closed and isolated systems. In isolated system there is no exchange of elements. The theory holds that organizations consist of both internal and external parts which must interact with one another to help the organization towards achieving their objectives (Keraro, 2014). The theory support and assist the organization to increase their outlook as a whole and define the roots to determine each sub-set effects on their outputs to minimize conflicts for greater performance (Lee, 2012).

The theory has been criticized for more emphasis on goals before established basic foundations, lack of critical dialogue which occurs both among systems adherents and between those utilizing traditional perspectives and those using systems framework (Kemunto & Ngugi, 2014). The criticisms notwithstanding, the theory is relevant to the current study as it explains the role of various components in enhancing organizational performance. Kinyua (2016) explains organizations is a composition of its components that together make a "whole system". The main identifiable variables, based on this theory were the leadership, structures, processes, governance and systems. All these are viewed by the systems theory as the parts that, if coordinated strategically, can bring forth improved organization's performance (Hanson, 2014). The systems theory upholds the idea that the different parts of a system/organization should not be managed independently or in isolation.

The theory advocates for changes within the organization is highly dependent on the support of the whole system. The theory contributes to the analysis of the current research question about various factors that influence organization performance. The theory has assisted the researcher to visualize how performance of the livestock based cooperatives in Isiolo County is a product of interconnected network of related issues within the organization in question.

2.4.2 Management Theory

Management theory utilizes the process of planning, organizing, leading and controlling (Hanson, 2014). The theory is used to improve the productivity of organizations. Pioneered by Fredrick Winslow Taylor considers management when approached scientifically would lead to success (Mose et al., 2013). Management in the context of this theory is defined as the process of maximizing the use of materials and human as well as financial contributions for the achievement of societies' goals. The theory is used to develop managers capacity precisely, defining procedures clearly jobs of different cadre, selection and building appropriate abilities of workers, training and planning with the end result of staff remuneration and incentives for increased output (Daft, 2013).

Although the theory has been hailed in the effective use of resources and at same time criticized on the increase of employee exploitation, unemployment, weakening of the union and exposing health risk over excess use of the machines. Hence, the theory has grown over decades with a new invention to improve and inform the practice for efficient organizational outputs within the management and employees. It means performance can be gained through new learning from job rotations, leadership, motivation, creativeness and innovation; promotions, rewarding and formal education. The study looked at the relationship of management practices on the performance of the livestock based cooperative (Mose et al., 2013).

The basic concepts and premises of the management theory provided very useful framework for this study. The theory holds that success or performance of an organization depends on the efficiency of its management. In this study, livestock based cooperative societies in Isiolo is an example of organization hence a good case for examining factors affecting its performance.

2.4.3 Institutional Theory

An Institution can be defined as social structure which has attained some high level of resilience. The institution is viewed as composed of cultural-cognitive, normative and regulative elements which together with associated activities and resources, offer meaning and stability to social life (Adebanjo et al., 2013). An institutions can also be

defined as one whose stability are subject to change processes, both incremental and discontinuous (Kinyua, 2016). Therefore, institutions are generally transmitted by various types of carriers such as relational systems and symbolic systems routines as well as artefacts. There is also the thinking that an institutions operates at different levels of jurisdiction, from the world system to localized interpersonal relationships.

Institutional theory holds the assumption that environment in which organizations operates puts pressure on the organizations (Kinuu, 2014), that provokes a wide range of responses as firms seek legitimacy with the aim of survive and prosper in their environment. According to the theory, adoption of both environmental and organizational practices is an institutional process that is subject to the effect of three pressures or forces namely: mimetic, coercive, and normative. The theory further explains that these forces can encourage organizations to adopt or use similar strategic actions thus leading to homogeneity within the organization (Adebanjo et al., 2013). Much of the existing pressure put on organizations has been as a result of social expectations in relation to response to various scandals within the corporate world (Kinyua, 2016).

Institutional Theory was relevant to the current study as it explains that management and control structure within organizations tend to conform to social expectations. According to the theory, structures and leaders were viewed as institutional actors and causal agents which had the ability to interpret strategic stimulus and craft as well as implement strategic based responses. The theory therefore advances argument for improved governance in management of organizations resources for improved performance.

2.5 Conceptual Framework

The goals of a conceptual framework are threefold. Firstly, to describe existing practice, secondly, to prescribe future practice; and thirdly, to define key terms and fundamental issues (Magali & Lang'at, 2014).

In addition, the concept provides linkages between variables which play an integral role in defining the reality, defining the research problems with how to investigate and interpret the data collected. The study looked at independents and dependent variables that will lead to relationships that will either be accepted or rejected.

The dependent variable in the study was performance of livestock based cooperative societies while independent variables are organizational systems, corporate governance, leadership and organizational structure. These as operationalized in the conceptual framework suggest there is a relationship between organizational systems, corporate governance, leadership and organizational structure and performance of the livestock based cooperatives.

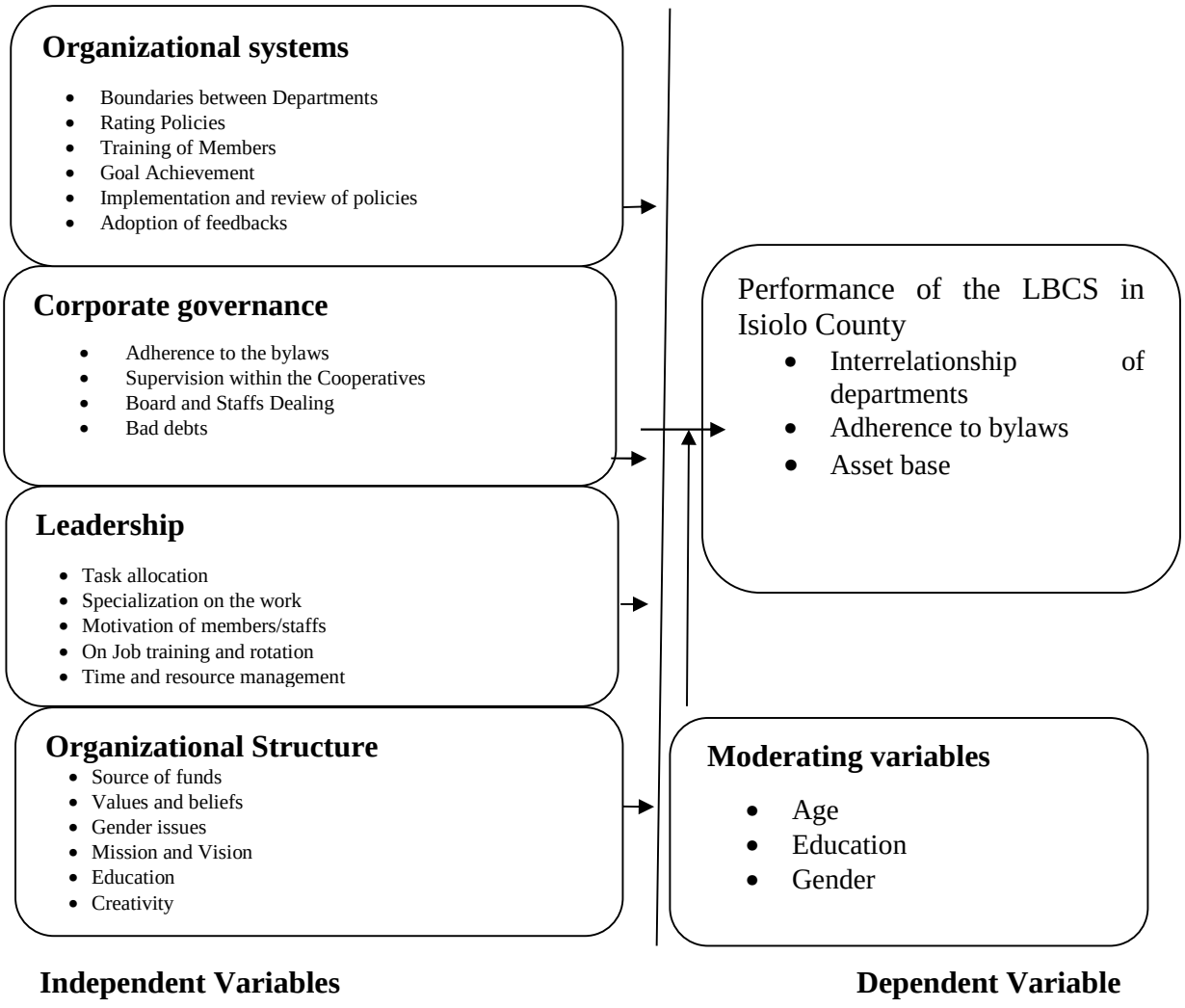


Figure 2. 1: Effects of Organizational Factors on Performance of Livestock Based Cooperatives in Isiolo County, Kenya

2.6 Research gaps

Studies have been carried out on the Dairy Based Cooperatives across in Kenya and globally. Cooperative movement in Kenya plays a vital role in the resource mobilization for improving the livelihood of many people who are not within reach of established financial institutions. Most studies have concentrated on the Dairy Based Cooperatives in Kenya in the more established areas in major towns and upcoming rural areas where there are improved infrastructures hence with limited on livestock based societies. Omolo (2015) in his study on in Nairobi established corporate governance is significantly associated with performance.

Chari, Onias and Kandenga (2016), showed leadership and management influence all aspects of performance ranging from establishing new systems and as well as improving levels of transparency. Lack of leadership and management support has also been responsible for the failure of many initiatives.

Madanchian, et al. (2016) argue that the main aim of any institution including cooperatives is to achieve and maintain competitive edge and considered to be effective between the various demands of stakeholders and the needs of the workers. The above sentiments are shared by Kemunto and Ngugi (2014) whose research showed that leadership and management support play a critical role in enhancing organizational performance.

In conclusion, there are a lot of studies carried on cooperative across Kenya with researcher prompted to approach the area to add knowledge and fill the gap for the benefit of livestock based cooperative in arid and semi-arid areas that is gaining momentum as a foundation of marketing and an alternative competitor in the financial sector for income generation. The study assessed organizational systems, corporate governance, leadership and organizational structure variable to analyze its effect on the performance of the pastoral cooperative.

2.7 Summary

This chapter reviewed the variables of the study. These included organizational systems, corporate governance, leadership and organizational structure. The chapter also presented the empirical literature where related studies were presented. Further the chapter presents the theoretical framework and conceptual framework.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter set the procedure that was followed during collection of primary data. These was restructured in detail sequentially from the research design, population, sampling, sampling techniques; sample size, data collection, questionnaire, data analysis and pilot testing.

3.2 Research Design

The study employed an explanatory research design and qualitative approach. Explanatory study seeks to establish causal relationships between variables as recommended by Saunders, Lewis and Thornhill (2009). Hence, qualitative approach is a function of researcher's insights and impression for critical assessment of attitudes, opinions and behaviour as noted by Kothari (2004). This study sought to establish the factors affecting the performance of livestock based cooperative societies in Isiolo County, Kenya.

3.3 Study Area

Isiolo County is in eastern and located at the center of Kenya with geographical coordinates of 0º 21′ 0″ north, 37º 35′ 0″ East. There are 57 registered cooperatives in Isiolo County. It is categorized as saving and credit for salaried employees, faith based; bodaboda operators, housing, gum resins, sand loaders and transporters totaling to 40. Livestock based have registered 17 cooperatives with 7 active and 10 semi-actives.

Out of the seven active cooperative, Kulamawe Dedha cooperative is involved in planning of livestock grazing hence excluded from the study. The questionnaire was administered to the six cooperatives Analoei, Tawakal, Isiolo Livestock, Ibsemo Livestock, Gaadis livestock and Kambi ya Juu dairy cooperative membership, boards and clients. Table 3.1 presents 6 active Cooperatives in Isiolo County

Table 3. 1: Isiolo County Livestock Based Co-operative

	NAME	REG NO.	YEAR	Membership	Remarks
1	ANOLEI W.D. CAMEL	13016	2010	110	Exist and interviewed
2	TAWAKAL FARMERS	19862	2016	40	Exist and interviewed
3	ISIOLO LIVESTOCK	10788	2003	80	Exist and interviewed
4	IBSEMO LIVESTOCK	16720	2014	90	Exist and interviewed
5	GAADIS LIVESTOCK	16065	2014	75	Piloted, Exist and interviewed
6	KAMBI YA JUU DAIRY	13834	2011	46	Exist and interviewed
	Total			441	

Source: Cooperative office- Isiolo, 2016

3.4 Population of the Study

The unit of study for the research were the members, boards and clients of livestock based cooperative in Isiolo County as they fit the category of research as accessible population and considered to have the relevant information to address the research problem. The study focused on 441 members, boards and clients as per registered livestock based cooperatives with department of cooperative in Isiolo County.

Table 3. 2: Population of the Study

	Target Population	Percent
Members	202	45.8
Boards	116	26.3
Clients	123	27.9
Total	**441**	**100**

3.5 Sampling Design and Sample Size

3.5.1 Sampling Frame

This is a list of the items or people forming a population from which a sample is taken. In this study the sampling frame was members, boards and clients.

3.5.2 Sampling Techniques

The quality of any research is influenced by the appropriateness of methodology, instrumentation and suitability of the sampling strategy that has been adopted (Rubin & Babbie, 2011). The study relied on simple random sampling to recruit the respondents.

This was first achieved by getting the list of livestock based cooperative societies in the county together with the members and boards and with assistance of the members their clients. Simple random sampling technique was then used by choosing or picking small pieces of paper with names of the members from each specific cooperative with assistance of recruited enumerators.

3.5.3 Sample Size

The sample size for this study is calculated using the Yamano Taros formula (quoted in Otieno, 2016, p.16) as shown here below:

$$n=\frac{z^2pq}{d^2}$$

Where

n- The required sample size

Z-standard normal deviate at the required confidence level (1.96) at 0.05

p- Is the proportion of target population estimated to have the characteristics of being measured when one is not sure, so one takes middle ground (0.05)

q- 1-p

d- Is the level of statistical significance

$$n=\frac{1.96^2 \times 0.5 \times 0.5}{0.5^2}=384.16$$

These give a sample of 384 which could be adjusted when the population is less than 10,000 using the Yamano Taros formula (quoted in Otieno, 2016, p.16)

$$nf = \frac{n}{1 + n/N}$$

Taking N as the population size, and n as the sample size hence

$$384.16 = \frac{384.16}{1 + 384.16/441}$$

This translated to 205 respondents as representative sample for the study. This is in line with Mugenda and Mugenda (2003) who suggest that 100 and more is adequate for the study. The sample size in each category was obtained by multiplying the target population in each category with 0.465.

Table 3. 3: Sample Size

	Target Population	**Ratio**	**Sample size**
Members	202	0.465	94
Boards	116	0.465	54
Clients	123	0.465	57
Total	**441**		**205**

3.6 Data Collection Procedures

Primary data was used in this study because it gave the researcher complete control of the process to meet the research objectives. The data was collected by the use of semi-structured questionnaires that were administered to the target population through trained enumerators and "drop-and-pick-later method" for the literate.

The researcher preferred this methods because it ensured adequate time for the respondents to fill-in the questionnaires for both semi-literate and literate. The study was targeting members, boards and clients of livestock based cooperative in Isiolo county and specificaly in Central sub-county.

3.7 Data Collection Instruments

In this study, semi-structured questionnaires were used to collect the data. The questionnaire was the preferred data collection instrument since it allowed a standardized

procedure of primary data collection. It contained both open-ended and closed-ended questions. It was also structured in five sections as follows: Section A had questions on general demographics about the respondent; Section B-E comprised questions on the organizational systems, corporate governance, leadership and organizational structures extent to which it affect the performance of livestock based cooperatives in Isiolo.

3.7.1 Test of Validity

Bhattacherjee (2012) observes that data validity is the measure of research instrument's accuracy when measuring variables of the study. It is used to indicate whether the research instrument really measures what it purports to measure. Validity refers to the match between a construct, or the way the study conceptualizes the idea in conceptual definition and the data (Mugenda and Mugenda, 2003). The researcher piloted the research instrument to clarify the wording and grammar of the research instrument; to avoid misinterpretations; to avoid research bias; detect ambiguity in the questions and to pick out any other issues in advance before deploying the instrument to the respondents. Piloting was done by subjecting 6 questionnaires to peer-review. This ensured the validity of the data collected.

The study used construct validity to evaluate the instrument. This is achieved when empirical evidence generated by a measure is consistent with the theoretical logic about the concept (Zikmund, 2003). The rationale of the instrument was conducted by four raters who are familiar with the construct of interest and recommendations incorporated in the final questionnaire. Additionally the study applied face validity to determine whether the instrument measured what it was supposed to measure (Anastasi & Urbina, 1997). Content validity was achieved by ensuring the content of the instrument were harmonized with the objectives of the study (Cooper & Schindler, 2008).

3.7.2 Test of Reliability

Data reliability refers to the consistency of the research findings if the same data is subjected repeated trials. A research instrument is deemed reliable if its outputs have consistence results even after repeated trials (Mugenda & Mugenda, 2003). The researcher ensured that the research instrument is internally consistent using Cronbach's

Alpha co-efficient of $\alpha \geq 0.7$ as the minimum requirement for an internally consistent research instrument.

The researcher carried out a reliability test of the questionnaire using Cronbach's Alpha so as to establish its internal consistency. The researcher considered a Cronbach's Alpha co-efficient of $\alpha \geq 0.7$ as the minimum required co-efficient for an internally consistent questionnaire according to Lee Cronbach. The results of the reliability tests are as shown on table 3.4

Table 3.4 Results of Reliability Test

Variable	Cronbach Alpha	Number of items	Comments
Organizational systems	0.766	10	Reliable
Corporate governance	0.767	6	Reliable
Leadership	0.804	5	Reliable
Organizational structures	0.711	9	Reliable
Aggregate score	**0.762**	**30**	**Reliable**

Source: Pilot Study (2016)

The research questionnaire used in this study was found out to be internally consistent based on the 0.762 established to be adequate as compared to the recommended Cronbach's Alpha co-efficient of $a \geq 0.7$. This implies that the questionnaire can be relied on to establish the extent to which various effects on organizational factors affect the performance of livestock based cooperative in Isiolo County, Kenya.

3.8 Data Analysis and Presentation

The collected questionnaires were sorted for completeness and then serialized in preparation for coding. Once coded, the responses were keyed into a statistical package for social sciences and analyzed. Descriptive statistics such as mean scores, standard deviation and frequency distribution was used to analyze the quantitative data collected using closed-ended questions.

Arinanye (2015) successfully used descriptive analysis in his research. Qualitative data was collected using open-ended questions and were analyzed through content analysis

where the findings were organized into common themes. Cooper and Schindler (2008) observe that content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of data collected. The study findings were presented using figures and tables. In testing the significance the coefficient of determination (95% confidence level) was used to measure the extent to which the variables affect the performance of the Livestock Based Cooperatives in Isiolo County.

3.9 Ethical Consideration

Ethics refers to the norms or standards of acceptable behaviour that dictate choices about our moral behaviour especially on how we relate to each other. According to Cooper and Schindler (2008), the role of ethics in research is to ensure that nobody suffers adverse consequences or gets harmed during the course of the research exercise. On the other hand, Mugenda and Mugenda (2003) argue that, protecting the welfare and rights of the respondents is the main ethical consideration for the researchers. To ensure the privacy of the participants, the researcher sought permission and got approval from the relevant institutions and also from St. Paul's University. The researcher also assured the respondents that the data collected was to be used for academic purposes only, and would be treated with utmost confidentiality.

3.9.1 Chapter Summary

This chapter focused on research design, population, sampling, sampling techniques; sample size, data collection, questionnaire, data analysis and pilot testing as well the ethical considerations.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The chapter presents the result from members, boards and clients of the livestock based cooperative societies sampled with the primary intent of establishing the factors affecting the performance of livestock based cooperative societies in Isiolo County, Kenya. The chapter covers section on response rate, demographics, organizational systems, corporate governance, leadership and organizational structure. The analysis is conducted to determine influences of independent variables on the dependent variable.

4.2 Response Rate

The questionnaires were administered to the 205 respondent selected using simple random from accessible active livestock based cooperatives. However, only 152 of the respondent returned the questionnaires since other literate respondents cited time and lack of incentives as their limitation to participate in the study. Others claimed to have lost the questionnaires. However this gave a response rate of 74 percent. Table 4.1 illustrates the response rate.

Table 4. 1: Response Rate

Response	**Frequency**	**Percent**
Returned	152	74
Unreturned	53	26
Total	**205**	**100**

Source: Own Computation (2016)

Mugenda & Mugenda (2003) supported the percentage of response for analysis, the rate of 50% and above is adequate, and Babie (2013) reinforced with 50% response rate is acceptable to analyze and publish, 60% and 70% good and very good respectively.

4.3 Demographic Characteristics

The section gives an overview of the number of the respondent, gender, age, position and level of education in the cooperatives.

4.3.1. Respondents' Gender

The study sough to find out composition of respondents according to their gender. The study reveals that most of the respondents (81%) of the respondents were females while the rest, (19%) were males.

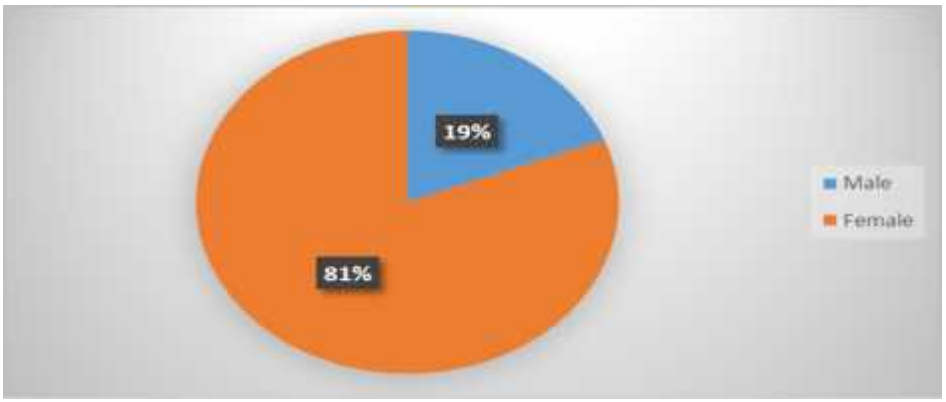


Figure 4. 1: **Gender**

Source: Field Data (2016)

The findings provide important information which shows that there is a high number of female than male in membership and ownership where culture as impending factors is being overcome. The distribution however does not represents a fair gender balancing which may be an indication that efforts of various gender mainstreaming campaigns in relation to cooperatives have not been successful. Consequently, the findings concurs with the conclusions made by previous studies (such as Kratli & Swift, 2014; Okwany, 2010) which suggested that there was misconception of exclusion of youth and women from cooperative movement which was attributed to their creditworthy compared to their explicit potential is widely accepted in this era. Hence, efforts were made to include women and young people in the society's movement in order to bring wider transformative agenda for the marginalized groups.

4.3.2. Age

Respondents were asked to specify on their respective ages. Accordingly, Figure 4.2 disclosed that 84 members (55%) aged 36-50yrs, 38 members (25%), aged 25-35yrs, 26 members (17%), aged 51-65yrs, 4 members (3%) aged > 66yrs. The significance of using age is to have varied responses from the different clusters, but at the same time, it is an indication that most respondents fall within active and prime age group.

Source: Field Data (2016)

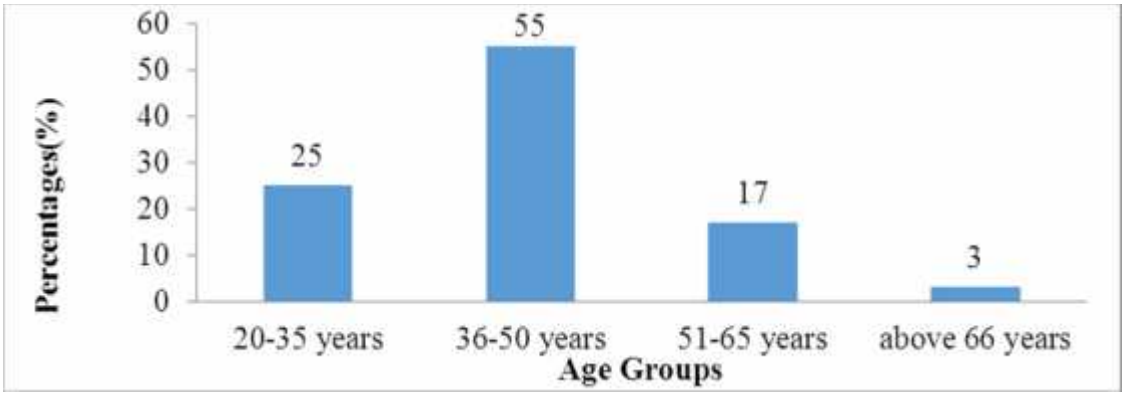


Figure 4.2 Respondents' Age

4.3.3. Position of Respondents and their Education Levels

The research was geared to find out the position of respondent and their educational level as an important indicator of judging and understanding of the subject matter by all interviewed with the intention of minimizing influences to reducing biases. Table 4.2 displays distribution of respondents according to various positions held within the cooperative.

Table 4.2 Position In Cooperative

Designation of Respondents	Frequency	Percentage (%)
Board of Directors	17	11.2
Clients	15	9.9
Members	120	78.9
Total	**152**	**100.0**

Source: Field Data (2016)

Overwhelming 78.9% of the respondents were just members with 11.2 % indicating board of Directors and 9.9% being clients as indicated in Table 4.2 above. This provided a very important information on distribution for the study as the respondents were deemed the right people equipped with adequate information relevant to current study hence best placed.

The findings implies that members form the greatest majority. This is not a surprise because one may not expect everybody to hold higher positions like board of directors within the cooperative.

Distribution of respondents according to their educational levels was sought and majority 81 members (53.3%) indicated that they had not attended school, while sizeable 59 members (38.8%) possess primary level education, 7 members (4.6%) with secondary level and 5 members (3.3%) with certificate level of education (Figure 4.3).

Source: Field Data (2016)

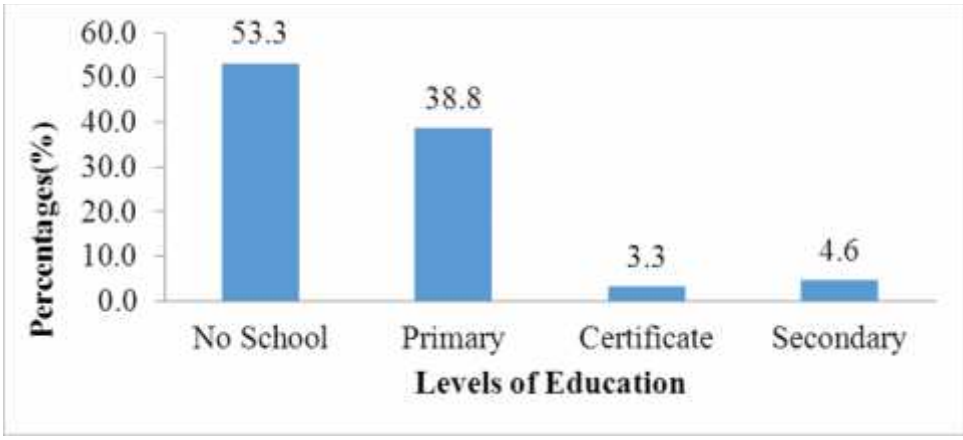


Figure 4.3 Level of Education

This is highly expected since most of the respondents did not occupy higher positions where the skills, knowledge and competencies was supposed to be relatively high. The other probable reason is that most of the respondents were females who are generally disadvantaged in terms of education and the fact that the study was conducted in Northern Kenya which has remained back in terms of education and literacy levels.

Okwany (2010) support the outcome of the study on the degree of education where the majority of poor people in most African countries are female and young, but they are also the majority of those who lack education and employment security thus exposed them to risks, shock and stress. The result by Makena, et al.(2014) on the challenges facing women entrepreneurs in accessing business finance in Kenya: Case of Ruiru Township, Kiambu County support the findings that very few female entrepreneurs have a high qualification in education. Perhaps this is because most of the women are in small business and could be the fact that they do not have enough entrepreneurial skills to manage large-scale businesses.

The current findings however contradict the study by Patrick,et.al (2014) where majority of the respondents had college and university level of education. Kinyua (2016) also observed that most of his respondents had post-secondary education. The low education level is perturbing and result in affecting the critical decision making organ of the cooperatives.

4.1. Organizational systems and performance of Isiolo's LBCS

4.4.1. Boundaries and Evaluation

The study sought to find out boundaries were well defined between departments in the cooperative. It's a variable looked at the 'whole' first with its fit and relationship to its environment as a primary concern. Hence, used to help in the understanding of how systems work and how people can deal with them more effectively. Figure 4.4 below shows the finding of whether the cooperatives have defined organizational systems within their set up and frequency of evaluation of department.

Source: Field Data (2016)

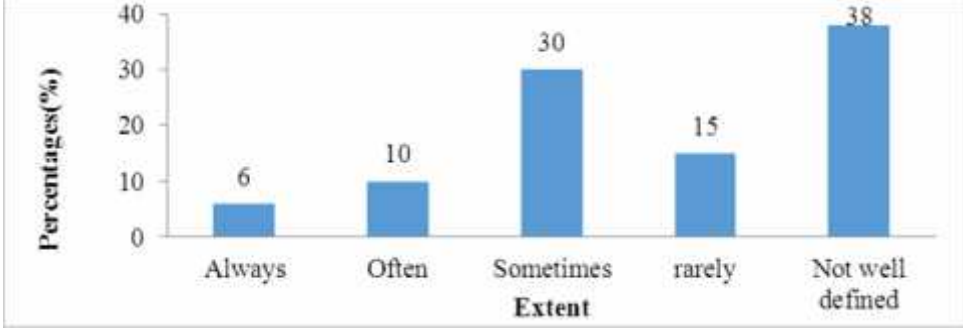


Figure 4.4 Boundaries between Departments

The response of the members interviewed indicated that understanding of systems and boundaries of the cooperatives using the Likert scale (not well defined, sometimes, rarely, often and almost). Majority of the respondents (38%) indicated the boundaries were not well defined, (30%) indicated sometimes, (15%) rarely, (10%) often while only (6%) indicated that the boundaries are always well defined between the various departments. The findings imply that the cooperatives have department with blurred territories. This partly reflects the descriptions of systems where the various departments are viewed as whole and not as independent parts of the whole organizations. The current

findings concur with those of Dawidowicz (2012) where most of the respondents disclosed that there was no clear boundary between the various departments. These agree with research by Pourdehanad & Bharathy (2004) stating systems thinking brings about a reasonable balance by focusing on synthetic thinking, but it does not negate the value of an analytical approach where it is appropriate. The percentage of response was average but of significant concern hence influences performance.

In terms of evaluation, (72.4%) of the respondents indicated it was done on yearly basis, (15.1%) said it was carried out after every 6 months , (1.3%) of the respondents said on monthly basis, while (11.2%) indicated it was done on quarterly basis (after 4 months) as shown in Table 4.3 below.

Table 4.3 Evaluation Intervals

Intervals	**Frequency**	**Percentages (%)**
Yearly	110	72.4
6 Months	23	15.1
Monthly	2	1.3
Quarterly(after 4 Months)	17	11.2
Total	**152**	**100**

Source: Field Data (2016)

As it can be seen, most of the respondents indicated that evaluation was done on yearly basis. This is one of the common practice for most organizations owing to the fact that it is an expensive exercise. The current findings concur with the results by Lee (2012) in the study of "Using systems thinking to improve organizational learning in the public sector: the perspective of public officials" where evaluation was seen to occur once every year.

4.4.2. Rating Policies

The research result shows policy operations ratings across the cooperatives. Most of the respondents, (51.3%) said that adherence of policy was fair, (26.4%) indicated it was good, (7%) excellent, (13.3%) poor and (2%) very poor. Figure 4.5 illustrates the findings.

Source: Field Data (2016)



Figure 4.5 Customer Service and Rating Policies

The current findings imply that there is some fair level of adherence to cooperative policies and in concurrence with Mwanja, et al (2014) who also made the same observations.

4.4.3. Cooperative Competiveness

The findings from the 152 respondent interviewed using the Likert scale from very low to high shows policy reviews rated between (8-24%), customer satisfactions rated between (4-52%) environmental scanning measured between (2.6-59 %) and investment estimated between (10-32%) as shown in Figure 4.6.

Source: Field Data (2016)



Figure 4.6. Cooperative Competitiveness

The current findings imply that investment is a significant determinant of the performance of the livestock based cooperative societies. The findings are in line with previous studies (by Gicheru, Migwi & M'Imanyara, 2011; Karagu and Okibo, 2014) that

revealed that investment affected organization's performance. However, the current study contradicts that of Kiaritha (2015) which demonstrated that people tend to investing so much in organizations or cooperatives in order to access loans as per the amount of their savings and this had nothing to do with the performance of the non-deposit cooperatives.

4.4.4. Training of Members

The study also sought to find out training of members have effect on performance of the cooperative. The result of the study using the Likert scale reveals that training of the members of the cooperative indicate the response of sometimes (53.9%), rarely (25.7%), Often (11.8%), Never (5.3%) and almost always (3.3%). It targets specific topics of record and book keeping, management and leadership. The training is mainly done by the donors with government extension services extremely extinct after the advent of the devolution. Table 4.4 illustrates the finding above.

Table 4.4 Trainings

Training	**Frequency**	**Percentage (%)**
Almost Always	5	3.3
Often	18	11.8
Sometimes	82	53.9
Rarely	39	25.7
Never	8	5.3
Total	**152**	**100**

Source: Field Data (2016)

The importance of training was also reiterated by one of the respondents who said that:

> *"Training of cooperative members and organization's performance is closely linked and therefore every staff requires it."*

Another respondent had this to say about training of members.

> *"From my observation, most of the members who attend trainings sponsored or facilitated by cooperatives are usually more enlightened…besides, most of them are capable of making informed investment decisions on the importance of the societies and what is expected of them."*

All the above quotes are an indication that training remains a vital aspect for improved performance. The current findings are in tandem with those of Mungai (2012) who revealed that most of the respondents who had received training in their areas of business reported that their enterprises were doing well. The current findings are also consistent with the findings by Uluma (2013) where most of the respondents revealed that cooperative training providers offered relevant training and lack of training led to mismanagement of the Sacco.

The current findings is in contrary to the study by Makena, et al (2014) where training did not play any significant role in the performance of the organizations. The authors observed that many of the women who have attained the formal training did not have any exposure to entrepreneurial training. The many courses that offered do not equip the learners with proper skills to operate businesses.

The findings of the current study reveals that training play a fundamental role in the performance of livestock based societies. However, it can only be effective if it's adequate and tailored towards the existing gaps identified by the members.

4.4.5. The level of Interaction

The researcher further used the two-tailed test to look at whether members and staffs interaction with the level of coordination of cooperative have effect on the performance of the societies. Table 4.5 summarizes the findings.

Table 4.5 Members and staffs interaction

Level of coordination of cooperatives	No extent	Small extent	Moderate extent	Large extent	Very large extent	Chi-sq	P-value
Excellent	2(50.0%)	1(25.0%)	0(0.0%)	0(0.0%)	1(25.0%)	68.12	0
Good	7(21.9%)	14(43.8%)	8(25.0%)	2(6.3%)	1(3.1%)		
Fair	21(38.9%)	15(27.8%)	11(20.4%)	2(3.7%)	5(9.3%)		
Poor	0(0.0%)	5(18.5%)	5(18.5%)	10(37.0%)	7(25.9%)		
Very poor	1(2.9%)	2(5.7%)	9(25.7%)	16(45.7%)	7(20.0%)		

Source: Field Data (2016)

The majority of cooperatives with an excellent level of coordination had no members and staffs interaction, while those with the poor and very poor level of coordination had large (33.3% - 53.3%) to very large (33.3%) extent of members and staffs interaction. There was a significant association between level of coordination and members and staff interaction (p= 0.00). The level of coordination and interaction of members and staffs have a significant effect on the performance of the livestock based cooperative societies and concurs with the study by Makena, et al (2014) and Uluma (2013).

4.4.6. Goal Achievement

Goal achievement was not significantly associated with the level of coordination (p>0.35). The cooperatives with a fair level of coordination had no to a small extent of goal achievement (31.5% – 46.3%). A minority of cooperatives with the poor level of coordination had a large extent of goal achievement (11.4%). In inference, it's deduced that coordination and goal achievement is not associated with the performance of the livestock based cooperative societies. Table 4.6 summarizes the results.

Table 4.6: Goal Achievement

Levels of coordination within various department	No extent	Small extent	Moderate extent	Large extent	Very large extent	Chi-sq.	P-value
Excellent	2(50.0%)	1(25.0%)	0(0.0%)	0(0.0%)	1(25.0%)	68.1	0.00
Good	7(21.9%)	14(43.8%)	8(25.0%)	2(6.3%)	1(3.1%)		
Fair	21(38.9%)	15(27.8%)	11(20.4%)	2(3.7%)	5(9.3%)		
Poor	0(0.0%)	5(18.5%)	5(18.5%)	10(37.0%)	7(25.9%)		
Very poor	1(2.9%)	2(5.7%)	9(25.7%)	16(45.7%)	7(20.0%)		

Source: Field Data (2016)

4.4.7. Implementation and review of policies

The implementation and review of policies were significantly associated with the level of coordination of cooperatives (p= 0.00). The majority of cooperatives regardless of the level of coordination had no or a small extent of implementation and review of policies. The results reveal, excellent to no extent (75%), good to a small extent (65.6%), fair to a

small extent (64.8%); poor to a small extent (40.7%) and very poor to no extent (57.1%). Table 4.7 illustrates results.

Table 4.7. Implementation and reviews of policies

Level of coordination of departments in the cooperative	Implementation and Review of policies							
		No extent	Small extent	Moderate extent	Large extent	Very large extent	Chi-sq	P-value
	Excellent	3(75.0%)	0(0.0%)	0(0.0%)	0(0.0%)	1(25.0%)	70.86	0
	Good	4(12.5%)	21(65.6%)	6(18.8%)	1(3.1%)	0(0.0%)		
	Fair	13(24.1%)	35(64.8%)	4(7.4%)	2(3.7%)	0(0.0%)		
	Poor	11(40.7%)	11(40.7%)	5(18.5%)	0(0.0%)	0(0.0%)		
	Very poor	20(57.1%)	7(20.0%)	8(22.9%)	0(0.0%)	0(0.0%)		

Source: Field Data (2016)

Some of the respondents had the following sentiments about the review of policies within the cooperatives.

> *In my opinion, I think there is need to have a review of policies if at all we want to improve on the performance of these organizations. My reason is especially informed by the current business environment which is ever changing.*

> *"Though review of policies is often done rarely or once in a while, it is nonetheless very important especially in staying up to date with the demands of the modern society."*

The findings from both the quantitative and qualitative analysis imply that the coordination and review of policies have a significant effect on the performance of the livestock based cooperative societies. The findings concurs with those in Awino (2014) recommends for the need for policy review for improved performance. The findings also coincide with those in the study by Odera (2012). Both authors explained that for cooperatives to succeed, they need enabling legislative environment which obviously include proper policies.

4.4.8. Adoption of feedbacks

The adoption of feedbacks was associated with the level of coordination of departments of cooperatives (p=0.030). Majority of cooperatives with an excellent level of coordination had no extent of adoption of feedbacks while the very poor level of coordination was associated mainly with moderate (40%) adoption of feedbacks. Table 4.8 gives the results.

Table 4.8. Adoption of Feedbacks

How do you rate the coordination of departments in the cooperative	No Extent	Small extent	Moderate extent	Large extent	Very large extent	Chi-sq	P-value
Excellent	2(50.0%)	1(25.0%)	0(0.0%)	0(0.0%)	1(25.0%)	28	0.03
Good	5(15.6%)	18(56.3%)	8(25.0%)	0(0.0%)	1(3.1%)		
Fair	16(29.6%)	29(53.7%)	8(14.8%)	1(1.9%)	0(0.0%)		
Poor	10(37.0%)	12(44.4%)	5(18.5%)	0(0.0%)	0(0.0%)		
Very poor	9(25.7%)	9(25.7%)	14(40.0%)	1(2.9%)	2(5.7%)		

Source: Field Data (2016)

The current findings contradict that of Mwanja, et al (2014). The findings imply that adoption of various feedbacks by the organization and its impact can be diverse depending on the targeted market segment. Therefore, there is an association of coordination and adoption of feedback on the performance of the cooperative societies.

4.4.9. Service to the Clients and Policy Operations

The service to the clients was associated with the level of coordination of cooperatives' departments (p=0.000). The cooperatives with poor coordination had very high extent of service to the client (74.1%), while those with the excellent coordination had no extent of service to clients (50%). The finding shows coordination and service to the client are associated with the performance of the livestock based cooperative societies. Table 4.9 gives as explained.

Table 4.9. Service to client

How do you rate the coordination of departments in the cooperative	No extent	Small extent	Moderate extent	Large extent	Very large extent	Chi-sq	P Value
Excellent	2(50.0%)	0	0	1(25.0%)	1(25.0%)	84.73	0
Good	2(6.3%)	16(50.0%)	7(21.9%)	5(15.6%)	2(6.3%)		
Fair	13(24.1%)	15(27.8%)	10(18.5%)	7(13.0%)	9(16.7%)		
Poor	1(3.7%)	4(14.8%)	1(3.7%)	1(3.7%)	20(74.1%)		
Very poor	1(2.9%)	1(2.9%)	2(5.7%)	2(5.7%)	29(82.9%)		

Source: Field Data (2016)

In terms of policy operations, the finding shows that there was a significant association between policy operations within cooperatives and boundaries limitations between departments (p=0.000). The response rate showed majority who responded with almost always well-defined boundaries between departments had good in the cooperative (55.6%) to fair (44.4%) policy operations within their cooperatives, while cooperatives with boundaries sometimes defined between departments had fair policy operations (68.8%). Cooperatives with no boundaries well defined between departments had fair to poor policy operations (43.3% - 30%). The Table 4.10 illustrates the result.

Table 4.10. Policy Operations

How do you rate the policy operation within cooperatives	Excellent	Good	Fair	Poor	Very poor	Chi-Square	P-value
Almost always	0(0.0%)	5(55.6%)	4(44.4%)	0(0.0%)	0(0.0%)	41.5	0.00
Often	0(0.0%)	6(40.0%)	7(46.7%)	2(13.3%)	0(0.0%)		
Sometimes	0(0.0%)	13(27.1%)	33(68.8%)	1(2.1%)	1(2.1%)		
Rarely	0(0.0%)	1(5.0%)	8(40.0%)	10(50.0%)	0(0.0%)		
Never	1(5.0%)	14(23.3%)	26(43.3%)	18(30.0%)	2(3.3%)		

Source: Field Data (2016)

The finding agrees with Awino (2014) on the study sought to obtain the extent to which the board of directors reviews and monitor some of the critical policies and procedure of the SACCOs. There is a significant association of coordination and policy operation on the performance of the livestock based cooperative societies.

4.10 Customer Feedback

Figure 4.7 reveals customers feedback is considered in planning by the majority of respondents rate with the great extent and significant (28.9%), moderate (57.9%), small and no extent (13.2%).

Source: Field Data (2016)

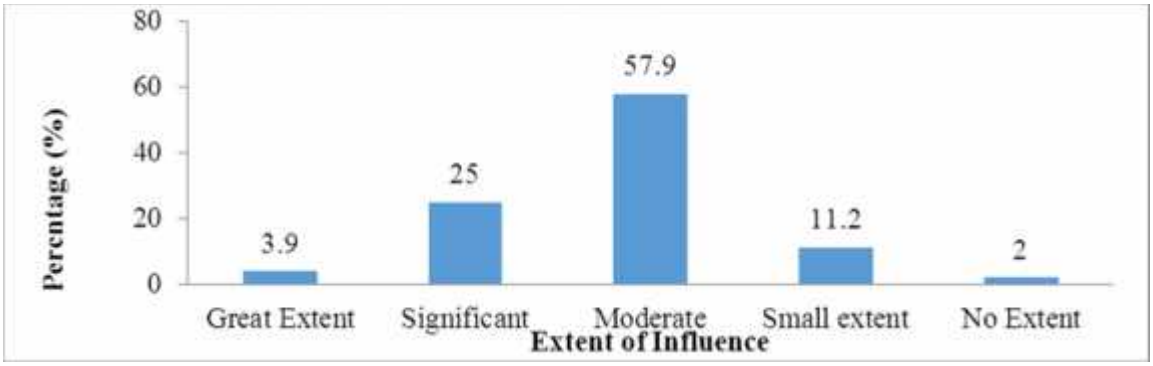


Figure 4.7. Customers Comments

The finding implies that customer comments have an influence on the performance of the livestock based societies. Based on the findings the cooperative management has an obligation to takes into consideration the customer views as it affects the performance of the livestock based cooperatives.

4.2 Corporate governance's effects on performance of LBCS in Isiolo County

4.2.1 Adherence to the bylaws

The study findings illustrated in figure 4.8 show the response to the adherence to the bylaws as good (50%), fair (41.4%), very poor (4.6%), poor (2.6%) and excellent (1.3%) respectively.

Source: Field Data (2016)

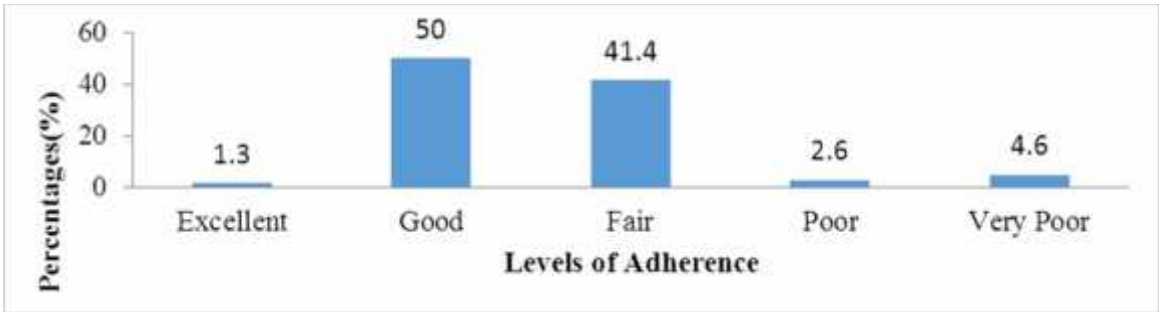


Figure 4.8. Adherence to By-laws and Members' Rights

The findings are in agreement with the study by Muriuki (2010) who also observed that there was adherence to the bylaws where member's right are fundamentally protected by the managements.

The researcher also made enquiries on whether members received any relevant information from the cooperative. From the findings, (33%) of the respondents said they received the information most of the time, (30%) sometimes while (26%) indicated they always received the information. Boards resolutions were not always and sometimes implemented rated as (43%) and rarely (25%) respectively. Disclosing of boards/staff dealings by respondents rated as sometimes (34%), most of the time (28%) and always (18%). The majority of cooperative mentioned they have never been hit by bad debts (81%). Figure 4.9 shows the findings.

Source: Field Data (2016)

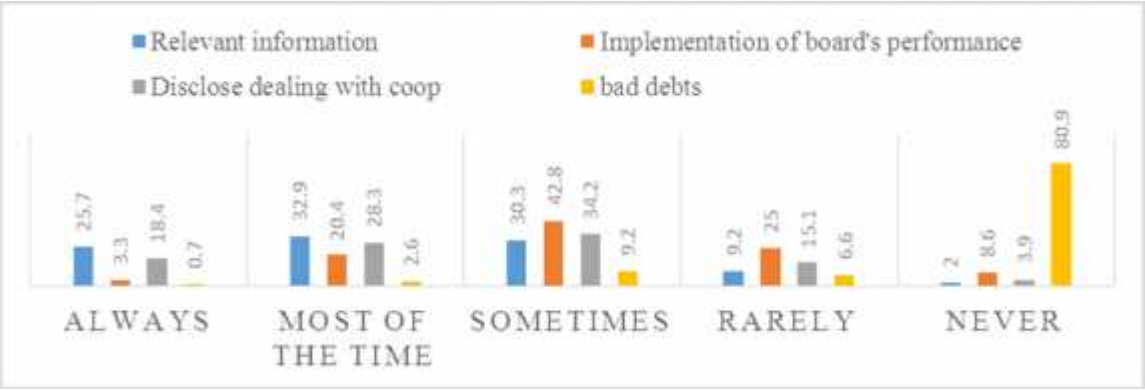


Figure 4.9. Implementation of Internal Policies

The results concur with the study in Patrick, et al (2014) where (55.4%) of the respondents at least disagreed and (40%) at least agreed that the cooperative operating policies and procedures and expenditure control are followed. From the study that almost half of cooperatives operates without strict internal control, therefore, compliance with rules, regulation and procedure remain the wishes of the management. The cooperative under study showed that they never been hit by the bad debt (80.9%). This is due to most of the cooperative are non-deposit taking Sacco's minimizing their risk of the loan default. Likewise, the livestock based cooperative has to move away from being the business for survival to grow towards profit based for the sustenance and economic development.

4.2.2 Supervision within the Cooperatives

The response rate was based on a five-point scale from very high to none. The respondents rated election of the officials to be very high to none (85.5%), opinion on gender very high to none (94.1%). Respondent rated attendance of meetings, very high to none (88.2%) and the recruitment of staff rated as very high to none (59.2%) respectively. The dispute resolution opinion was very high to none (89.5%); social corporate response very high to none (66.5%) and stakeholder participation very high to none (84.9%) respectively. The finding reveals that election of officials, meetings and gender as the most important compared to recruitment, dispute resolution, social corporate and stakeholder participation.

In overall, combined indicators shows that the variables can be used as a measure of performance of the cooperative greatly and affect the performance of the societies. Figure 4.10 explains the above finding.

Source: Field Data (2016)

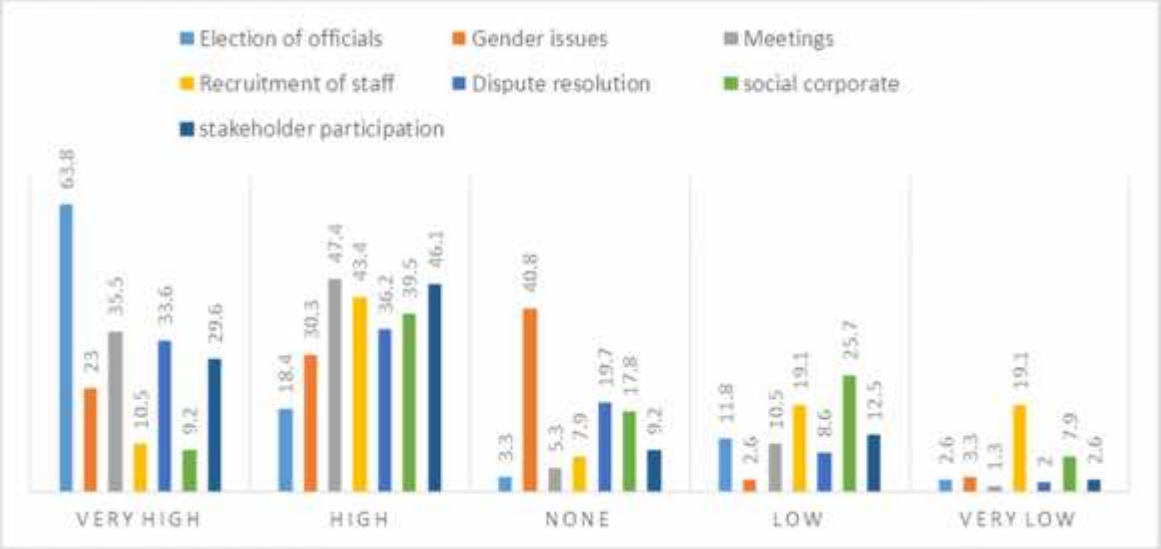


Figure 4.10. Supervision of Cooperative

The information on the supervision helps in determining the fairness, openness, and transparency in the electioneering process of the societies. The figure 4.11 illustrates the findings.

Source: Field Data (2016)

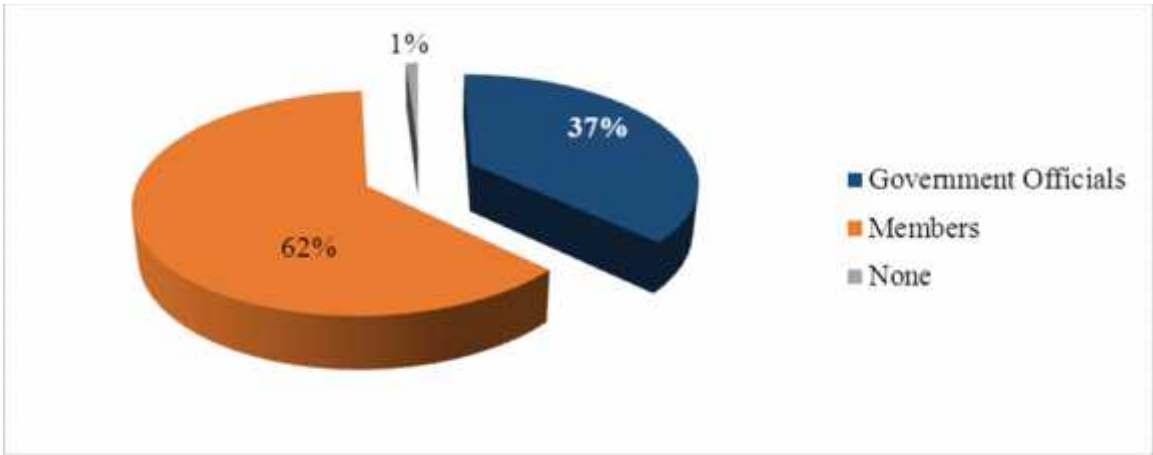


Figure 4.11. Supervision of election

The respondent interviewed showed the election is being overseen by members (62%), government officials (37%) and none (1%). The Cooperative Act, 2004 is not clear on the supervision of election and the procedures for the appeals in the case of the election fraud. Therefore, there is need to review the Cooperative Act to be in tandem with new constitution 2010 and sprit of openness and transparency.

4.2.3 Board and Staffs Dealing

Further, the study used chi-square to verify adherence to bylaws affect board/staff dealings, bad debt and members obtaining relevant information affect the performance of the cooperatives. The researcher went further to look at adherence to bylaws and board/staff dealings on the performance of the cooperatives. Adherence of members to cooperative by-laws was significantly associated with the frequency of disclosing board/staff dealings ($p<0.05$). The Table 4.11 gives the results.

Table 4.11. Board and Staffs Dealing

How do you rate the member's adherence to its cooperative by-laws	How frequently does the board/ staffs disclose their dealing with cooperative						
	Almost always	Most of the time	Sometimes	rarely	Never	Chi-sq	P-value
Excellent	0(0.0%)	0(0.0%)	0(0.0%)	2(100.0%)	0(0.0%)	54.98	0
Good	25(32.9%)	23(30.3%)	22(28.9%)	4(5.3%)	2(2.6%)		
Fair	2(3.2%)	19(30.2%)	25(39.7%)	15(23.8%)	2(3.2%)		
Poor	1(25.0%)	0(0.0%)	3(75.0%)	0(0.0%)	0(0.0%)		
Very poor	0(0.0%)	1(14.3%)	2(28.6%)	2(28.6%)	2(28.6%)		

Source: Field Data (2016)

From the findings, it was observed that cooperatives with excellent adherence to bylaws rarely disclosed dealings (100%). Cooperatives with good adherence to bylaws almost always (32.9%), most of the times (30%) or sometimes (29%) disclosed dealings. Cooperatives with fair adherence disclosed most of the time (30%) and sometimes (40%). Cooperatives with poor adherence disclosed sometimes (75%). The adherence to bylaws, board, and staff dealing is established as a variable that affects the performance of the livestock based cooperatives.

4.2.4 Bad debts

There was no significant association between adherence to bylaws and cooperative debts ($P=0.21$). The cooperatives with excellent adherence to bylaws have never (100%) been hit by bad debt, same as Good (81.6%), Fair (82.5%), poor (75%) and very poor (57.1%) respectively. Most respondents interviewed mentioned their respective cooperatives had never been hit by bad debts. Due to the nature of non-deposit cooperatives bad debt is not affecting the performance of the livestock based societies as the business is not offering

any credits to its members. Going forward, the cooperatives need to develop policies that cushion them against the bad debt and Table 4.12 explains.

Table 4.12. Bad Debts

How do you rate the member's adherence to its cooperative by-laws	In your opinion, has the cooperatives been hit by bad debts						
	Almost always	Most of the times	Sometimes	Rarely	Never	**Chi-sq**	**P-value**
Excellent	0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	2(100.0%)	20.17	0.21
Good	1(1.3%)	2(2.6%)	6(7.9%)	5(6.6%)	62(81.6%)		
Fair	0(0.0%)	1(1.6%)	5(7.9%)	5(7.9%)	52(82.5%)		
Poor	0(0.0%)	1(25.0%)	0(0.0%)	0(0.0%)	3(75.0%)		
Very poor	0(0.0%)	0(0.0%)	3(42.9%)	0(0.0%)	4(57.1%)		

Source: Field Data (2016)

Adherence to bylaws was significantly associated with members obtaining relevant information from the cooperative ($p<0.05$). The excellent adherence to bylaws was associated with either obtaining relevant information most of the time (50%) or rarely (50%). Good adherence was mentioned when members obtained the relevant information almost always (46.1%). Fair adherence was mentioned when the relevant information was obtained sometimes (47.6%). Poor adherence was associated with never obtaining relevant information (50%). This shows that obtaining relevant information by members affect the performance of the livestock based cooperative. Table 4.13 illustrates the findings.

Table 4.13. Members Obtaining Relevant Information

How do you rate the member's adherence to its cooperative by-laws	How often are the members obtain relevant information of the cooperative						
	Almost always	Most of the time	Sometime	Rarely	Never	**Chi-sq**	**P-value**
Excellent	0(0.0%)	1(50.0%)	0(0.0%)	1(50.0%)	0(0.0%)	113.56	0
Good	35(46.1%)	25(32.9%)	14(18.4%)	2(2.6%)	0(0.0%)		
Fair	3(4.8%)	23(36.5%)	30(47.6%)	6(9.5%)	1(1.6%)		
Poor	0(0.0%)	1(25.0%)	0(0.0%)	1(25.0%)	2(50.0%)		
Very poor	1(14.3%)	0(0.0%)	2(28.6%)	4(57.1%)	0(0.0%)		

Source: Field Data (2016)

4.3 Leadership's effect on the performance of the LBCS in Isiolo County

Leadership was one of the important indicators selected for study due to the influences management have on the growth of the organization.

4.3.1 Leadership Interaction with various Departments/Groups

In order to find out if leadership had any influence on performance of the livestock based cooperatives (LBCs), the respondent were first asked to rate leadership interaction with departments/groups in the cooperative. Table 4.14 shows the responses.

Table 4.14. Influence of Leadership on selected Items

Items	No Extent	Small Extent	Moderate Extent	Large Extent	Very Large Extent	M	SD
Task Allocation	13(8.6%)	15(9.9%)	30(19.7%)	43(28.3%)	51(33.6%)	3.16	1.38
Specialization on the work	89(58.6%)	45(29.6%	14(9.2%)	3(2.0%)	1(0.7%)	1.57	0.79
Motivation of members	17(11.2%)	39(25.7%)	22(14.5%)	17(11.2%)	57(37.5%)	3.38	1.48
On Job training and rotation	46(30.3%)	37(24.3%)	26(17.1%)	26(17.1%)	17(11.2%)	2.55	1.37
Time and resource management	34(22.4%)	68(44.7%)	31(20.4%)	19(12.5%)	0	2.23	0.94
Rewards	65(42.8%)	26(17.1%)	22(14.5%)	28(18.4%)	11(7.2%)	2.3	1.37

Training of the members	86(56.6%)	27(17.8%)	34(22.4%)	3(2.0%)	2(1.3%)	1.74	0.96
Adoption of technology	32(21.1%)	35(23.0%)	3(2.0%)	40(26.3%)	42(27.6%)	2.47	1.16
Product promotion and branding	27(17.8%)	51(33.6%)	24(15.8%)	8(5.3%)	42(27.6%)	2.91	1.48
Communication	28(18.4%)	50(32.9%)	18(11.8%)	24(15.8%)	32(21.1%)	2.88	1.49

Source: Field Data (2016)

In this study, motivation of employees/staff was rated highly as being influenced by leadership (M=3.38, SD= 1.48). The results indicate (37.5%) of respondents believed that leadership influenced motivation to a very large extent, (11.2%) indicated a large extent. On the other hand, (25.7%) of the respondents were of the opinion that leadership only influenced motivation of employee to a small extent and (14.5%) indicated moderate extent. However, according to (11.2 %) of the respondents, leadership had not influence on motivation of employees. The following are sample quotes which illustrate the influence of leadership in employee motivation.

> *"One of the important qualities of a good leader is the ability to motivate or influence his or her followers. In my opinion, I believe leadership is one of the most important aspects of any organization including motivation of employees "*

> *"I think leaders play significant role in so far motivation of employees is concerned. However, there are many factors which comes into play; not leadership alone. "*

> *"Leadership generally defines that act of leading other through various ways especially by motivating them towards a particular direction."*

Both the quantitative and qualitative findings confirm what was observed by previous studies (such as Otieno, et al, 2015; Naile & Selesho, 2014) on the link between leadership and motivation of employees. Their studies have generally shown that motivation of employees was a function of leadership. Indeed, this is a confirmation that leadership has a key role or function in the overall performance of organization. Motivation of employees is but one of the ways in which this can be achieved. However, this depends highly on the quality relationship between the leaders and employees. In the context of this study, gains from deliveries of the products may have a bearing in motivating members of the cooperatives.

The second most rated item believed to be influenced by leadership was task allocation (M=3.16, SD= 1.38). The result were as follows: (33.6%) of the respondents indicated the influence of leadership was to a very large extent, (28.3%) large extent, (19.7%) moderate extent, (9.9%) small extent while (8.6%) indicated there was no extent. These findings are consistent with those of Mwangi (2016) shows that most of the respondents (75.5%) strongly agreed that leadership influenced organization performance through implementing appropriate work allocation. In the study by Lee (2012) disclosed that leadership was important in task allocation where (79.1%) of the respondents believed that leaders were important in applying systems thinking to improve organizational learning.

The issue of product promotion and branding came third in terms of its relationship with leadership (M=2.91, SD= 1.48). The result was as follows: (17.8%) of the respondents responses (no extent), (33.6%) (small extent), and (15.8%) (moderate extent), and 5.3% (large extent), and 27.6% (very large extent). The findings are similar to those of Uluma (2013) which concluded that product promotion and branding were important in the survival of organization. In Uluma's study, the organization's survival (SACCO) depended highly on the kind of products offered and how differently they offer them to the members compared to similar providers of the product. Further, it was observed that leadership played a crucial role in the product promotion and branding. The findings partly contradict that of Tlhomola (2008) where the author concluded that leadership did not directly encouraged product promotion and branding, but increased the chances of increasing market intelligence for the success of the cooperatives.

The findings also reveal that leadership has some influence on communication (M=2.88,SD= 1.49), In this case, (21.1%) of the respondent indicated that leadership influenced communication to a very great extent, (15.8%) indicated the influence was to a large extent, (11.8%) suggested that there was a moderate influence, (32.9%) small extent while (18.4%) said leadership did not influence communication.

The study also shows the rating between leadership and on job training and rotation (M=2.55, SD= 1.37) where about (11.2%) of the respondents said the influence of

leadership was to a very large extent, (17.1%) said large extent, (17.1%) were of the opinion that the influence was moderate and (24.3%) of the respondents indicated there was only a small influence. However, (30.3%) of the respondents said there was no influence at all.

Overall, the findings clearly show that leadership does not have a very strong influence on job training and rotation significant role in the motivation of employees/staff. Other ratings include the influence of leadership in adoption of technology (M=2.47, SD= 1.16) with no extent (21.1%), small extent (23.0%), moderate extent (2.0%), large extent (26.3%) and (27.6 %) very large extent; rewards (M=2.30, SD= 1.36) where no extent (42.8%), small extent (17.1%), moderate extent (14.5%), large extent (18.4%) and 7.2 % (very large extent). Time and resource management (M=2.23, SD= 0.94), training of the members (M=1.74, SD= 0.96), and specialization on the work (M=1.57, SD= 0.79).

Both the quantitative and qualitative findings confirm what was observed by previous studies. For instance, in terms of the link between leadership and motivation of employees, Otieno, et al, (2015) observed that motivation of employees was a function of leadership. Indeed, this is a confirmation that leadership has a key role or function in the overall performance of organization. Naile and Selesho (2014) also noted that motivation of employees is but one of the ways in which leadership is actualized. However, this depends highly on the quality relationship between the leaders and employees. In the context of this study, gains from deliveries of the products may have a bearing in motivating members of the cooperatives.

4.3.2 Auditing of Cooperative books and Members' Reactions

When asked to respond to the question, when has the cooperative carried out auditing of its books? The responses were as follows. About (26.3%) of the respondents disclosed that auditing was carried out often, (20.4%) said almost always, (22.4%) indicated sometimes, (20.4%) disclosed it was rarely done while (10.5%) of the respondents disclosed it was never carried out. The findings are summarized in Table 4.15.

Table 4.15. Frequency of Auditing the Cooperative Books

Level of Interaction	Frequency	Percent
Almost always	31	20.4
Often	40	26.3
Sometimes	34	22.4
Rarely	31	20.4
Never	16	10.5
Total	**152**	**100**

Source: Field Data (2016)

The researcher also probed the respondents to find out their reactions towards the auditing. The respondent reactions; very satisfied (19.7%), satisfied (21.7%), neither (11.2%), dissatisfied (32.2%) and very dissatisfied (15.1%) as summarized in Table 4.16.

Table 4.16. Member's Reaction on the Auditing

Level of satisfaction	Frequency	Percent
Very satisfied	30	19.7
Satisfied	33	21.7
Neither	17	11.2
Dissatisfied	49	32.2
Very dissatisfied	23	15.1
Total	**152**	**100**

Source: Field Data (2016)

The findings concurs with the study by Otieno, et al. (2015) on the effect of corporate governance on financial performance of SACCOs in Kenya where most of the members were not satisfied with issues to do with auditing within the organization. The implication is that the users of Sacco financial reports such as Sacco members, government, and potential new members are protected because the opinion of a third professional party on the financial reports is regularly sought.

4.4 Organizational Structure and performance of LBCS in Isiolo County

The organization structure is found both in a formal and informal defined by its simplicity and complexity to serve their clients. The findings of the respondent interviewed on the organizational structure of the cooperative societies show as functional (58.6%), matrix (22.4%), Simple (15.8%), and divisional (3.3%). Figure 4.12 summarizes the findings.

Source: Field Data (2016)

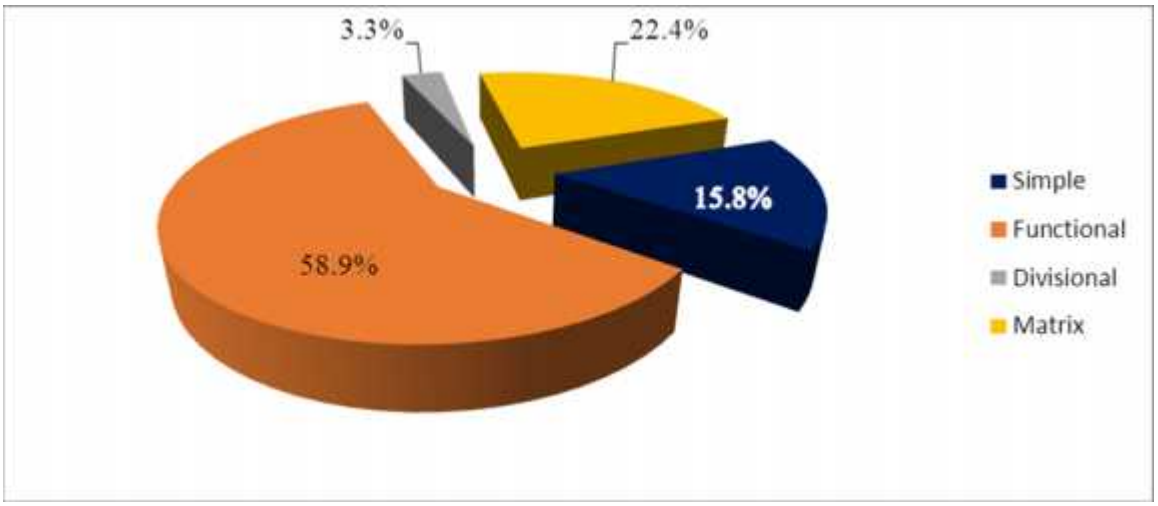


Figure 4.12: Organization Structure and Performance Rating

Prior research shows as an organization grows structure becomes more formalized and bureaucratic. The current findings are in line with those of Kanten, et al (2015) where it was also disclosed that the perception of organic organizational structure is higher than mechanistic organizational structure. Therefore, the relationship between organization structures and its performance from the findings is slightly related and affect the performance of the societies.

The study also sought to establish the level of donor influence on the performance of the cooperatives. Findings show most of the cooperative societies have been influenced by donors to carry out investment with good (42.8%), fair (34.9%), poor (11.8%), excellent (5.3%) and very poor (4.6%). The respondent has shown that cooperatives got support from the donor's rated as (49.3%), did not receive support from donor’s (50%) and (0.7%) did not respond to the question. This shows that donors have the influence on the performance of the livestock based cooperatives. The figure 4.13 below illustrates the findings.

Source: Field Data (2016)

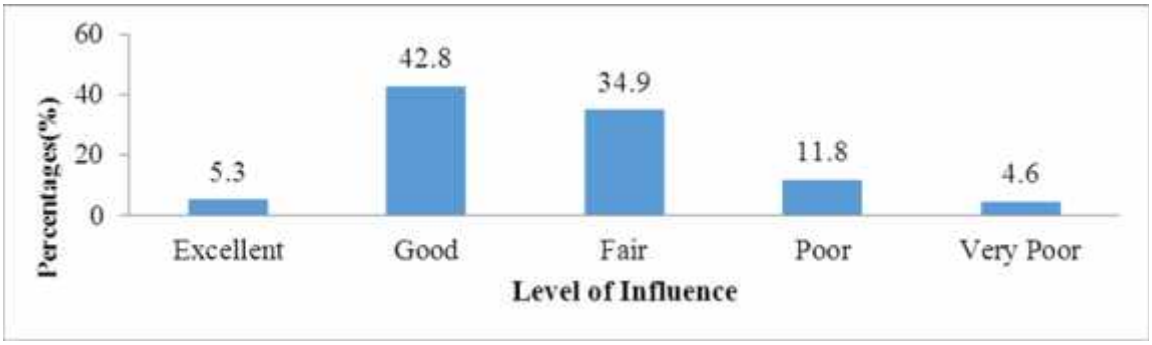


Figure 4.13 Influence of Donors and Support

The study to establish how the cooperative raise their resources affects the performance of the cooperatives. The respondent rated the investment effect on performance in terms of excellent, good, fair, poor and very poor. Majority of the cooperative society's respondent shows the proportion of resources through membership subscription (59%), donors (27%), profit (7%), investment (5%), and loans (2%) respectively. The findings show that member contribution as one of large source of the revenue followed by donor's supports taking the second biggest portion. Therefore, the donor support influences the cooperative administration making it over reliance compromising their decision making. The figure 4.14 shows.

Source: Field Data (2016)



Figure 4.14 Source of Funds

Enquiries were also made by the researcher to find out whether there was improved cooperative business and premises. The findings are summarized in Table 4.17.

Table 4.17. Improved Cooperative Business and Premises

Responses	Has it Improved the Cooperative Business?	Does they own the premise it is using?
Yes	48	42.1
No	52	57.9
Total	**100**	**100**

Source: Field Data (2016)

The respondent on the cooperatives performance improvement with the support of the donors shows that (52%) opinion agrees not improved their competitiveness and agreed (48%). The premises cooperative operate from are owned rated as (42.1%) and (57.9%) on the rental premises. The result reveals that performance is highly affected by reliance on the donors as most of the cooperative are on rented premises with one owning being the member's endowment. Mostly the cooperatives have no plans to build or purchase as their membership contribution is only financing recurrent expenditure such water, electricity and rents.

The sought to find out factors affecting factors affecting operation of the cooperative. The response rate was rated on a five-point scale from very low to very high and the findings displayed in Figure 4.15 below.

Source: Field Data (2016)

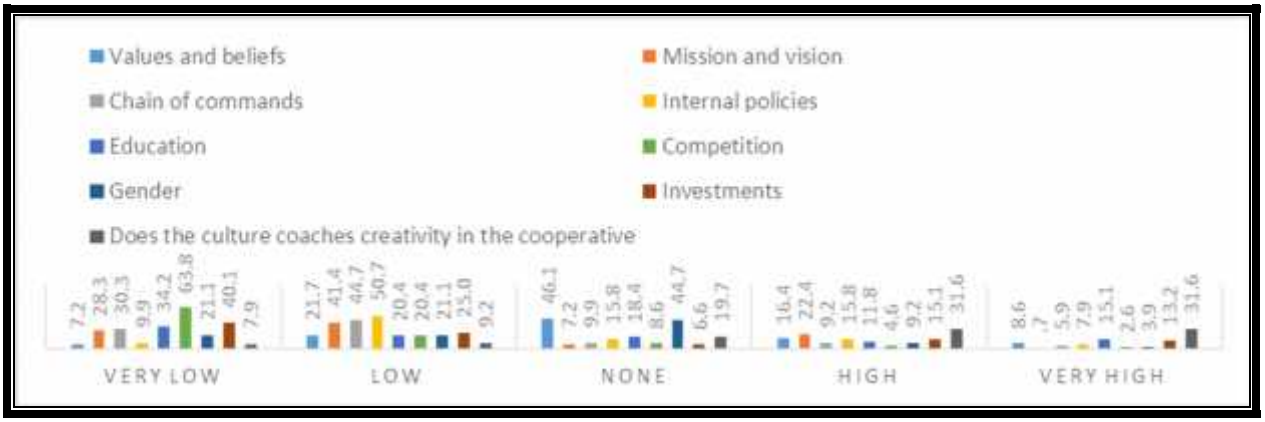


Figure 4.15: Factors affecting operation of the cooperative

The respondents rated values and beliefs to be very low to very high (7.2%, 21.7%, 46.1% 16.4% and 8.6%) and opinion on mission and vision very low to very high (28.3%, 41.4%, 7.2%, 22.4% and 0.7%) respectively. Respondent rated chain of

command from very low to very high (30.3%, 44.7%, 9.9%, 9.2% and 5.9%) and internal policies from very low to very high (9.9%, 50.7%, 15.8%, 15.8% and 7.9%). Education is rated from very low to very high (34.2%, 20.4%, 18.4%, 11.8% and 15.1%) and competition rated from very low to very high (63.8%, 20.4%, 8.6%, 4.6% and 2.6%). The gender is rated from very low to very high (21.1%, 21.1%, 44.7%, 9.2% and 3.9%), investment rated from very low to very high (40.1%, 25%, 6.6%, 15.1% and 13.2%) and creativity rated from very low to very high (7.9%, 9.2%, 19.7%, 31.6% and 31.6%) respectively. The finding concurs with Wirtenberg,et al (2007) and Kwamboka (2010) shows respondents noted particular challenges in conflicting internal philosophies regarding talent recognition, problems in defining, recognizing and rewarding leadership competencies, lack of time and resources. Hence, the variable has a significant effect on the performance of the cooperative.

The study also sought to establish the values and beliefs with cooperative structure affect their performance. Table 4.18 gives the summary of the findings.

Table 4.18. Values and Beliefs

How do you rate the cooperative structure in the performance of its	Values and beliefs						
	Very low	Low	None	High	Very high	Chi-sq	P-Value
Very important	3(10.0%)	3(10.0%)	23(76.7%)	1(3.3%)	0(0.0%)	43.99	0
Important	4(5.2%)	15(19.5%)	38(49.4%)	11(14.3%)	9(11.7%)		
Fairly important	3(8.6%)	9(25.7%)	7(20.0%)	12(34.3%)	4(11.4%)		
Slightly	0(0.0%)	5(62.5%)	2(25.0%)	1(12.5%)	0(0.0%)		
Not important 5	1(50.0%)	1(50.0%)	0(0.0%)	0(0.0%)	0(0.0%)		

Source: Field Data (2016)

The findings in Table 4.18 above show that ($P< 0.05$), hence values and beliefs significantly affect the cooperative structure performance. The specific results were as follows: very important and no beliefs (76.7%), important and no belief (49.4%), fairly important and high (34.3%), slightly important and low beliefs (62.5%). This shows values and beliefs affect the performance of the cooperative. The finding is consistent

with that of Elkana (2012) who while investigating the challenges facing the uptake of the SACCO link system using a case of selected cooperatives in Nairobi County, Kenya observed that employees' values and beliefs had a bearing on the overall organization performance.

The researcher also made enquiries on whether the organization's mission /vision together with structure had any effect on the performance of the cooperatives. Table 4.18 shows the results.

Table 4.19. Mission and vision

How do you rate the cooperative structure in the performance of its work?	Mission and vision						
	Very low	Low	None	High	Very high	Chi-sq	P-Value
Very important	15(50.0%)	3(10.0%)	3(10.0%)	9(30.0%)	0(0.0%)	32.6	0
Important	17(22.1%)	34(44.2%)	5(6.5%)	21(27.3%)	0(0.0%)		
Fairly important	11(31.4%)	18(51.4%)	2(5.7%)	3(8.6%)	1(2.9%)		
Slightly	0(0.0%)	7(87.5%)	1(12.5%)	0(0.0%)	0(0.0%)		
Not important	0(0.0%)	1(50.0%)	0(0.0%)	1(50.0%)	0(0.0%)		

Source: Field Data (2016)

From the findings displayed in Table 4.19, 50% of the respondents showed very important and very low, there was also low and slightly important (87.5%), high and not important (50.0%). The results confirm observation made by Awino (2014) which indicated that the SACCO structure was regularly monitored , reviewed and approved 14 (39%) agreed to a very large extent, 7 (19%) large extent, 6 (17%) moderate extent, 2 (6%) small extent and 7 (19%) No extent. Therefore, the study results show the ($P<0.05$) hence, mission and vision significantly affects cooperative structure performance.

The study also aimed at establishing the chain of command with cooperative structure affect the performance of the cooperatives. The result shows that ($p>0.05$) hence chain of commands does not significantly affect cooperative structure performance. The results;

very low and very important (50.0%), fairly important and low (62.9%), not important and none (50.0%) as shown in Table 4.20.

Table 4.20. Chain of commands

How do you rate the cooperative structure in the performance of its work?	Chain of commands						
	Very low	Low	None	High	Very high	Chi-sq	P-Value
Very important	15(50.0%)	10(33.3%)	3(10.0%)	2(6.7%)	0(0.0%)	24.69	0.76
Important	22(28.6%)	31(40.3%)	6(7.8%)	9(11.7%)	9(11.7%)		
Fairly important	6(17.1%)	22(62.9%)	4(11.4%)	3(8.6%)	0(0.0%)		
Slightly	3(37.5%)	4(50.0%)	1(12.5%)	0(0.0%)	0(0.0%)		
Not important 5	0(0.0%)	1(50.0%)	1(50.0%)	0(0.0%)	0(0.0%)		

Source: Field Data (2016)

There was also need to establish whether internal policies affect the performance of the cooperatives. Table 4.21 below summarizes the findings.

Table 4.21. Internal Policies

How do you rate the cooperative structure in the performance of its work?	**Internal policies**						
	Very low	Low	None	high	Very high	Chi-sq	P-Value
Very important	2(6.7%)	15(50.0%)	6(20.0%)	4(13.3%)	3(10.0%)	10.08	0.86
Important	7(9.1%)	41(53.2%)	12(15.6%)	11(14.3%)	6(7.8%)		
Fairly important	5(14.3%)	17(48.6%)	4(11.4%)	7(20.0%)	2(5.7%)		
Slightly	1(12.5%)	3(37.5%)	2(25.0%)	2(25.0%)	0(0.0%)		
Not important	0(0.0%)	1(50.0%)	0(0.0%)	0(0.0%)	1(50.0%)		

Source: Field Data (2016)

The findings show the ($p > 0.05$), hence internal policies significantly affect cooperative structure performance. The results are as follows: important and low (53.2%), slightly important and none (25%), not important and very high (50.0%). Further, the study by Mwanja (2014) support the findings and concludes that policies are in use that guide the

boards on investments, human resource, loans, education and training, values, and risk management.

The study sought to establish the competition with cooperative structure affect the performance of the cooperatives. The finding shows that the (p>0.05), hence competition significantly affect the performance of the cooperatives. The result very important and very low (80%), Important and very low (67.5%), not important and very low (63.8%) and slightly important and very low (50%) as demonstrated by Table 4.22.

Table 4.22. Competition

How do you rate the cooperative structure in the performance of its work?	Competition						
	Very low	Low	None	High	Very high	**Chi-sq**	**P-Value**
Very important	24(80.0%)	3(10.0%)	1(3.3%)	1(3.3%)	1(3.3%)	34.41	0.005
Important	52(67.5%)	17(22.1%)	3(3.9%)	2(2.6%)	3(3.9%)		
Fairly important	17(48.6%)	9(25.7%)	6(17.1%)	3(8.6%)	0(0.0%)		
Slightly	4(50.0%)	1(12.5%)	3(37.5%)	0(0.0%)	0(0.0%)		
Not important	0(0.0%)	1(50.0%)	0(0.0%)	1(50.0%)	0(0.0%)		

Source: Field Data (2016)

The study further sought to establish the investment with cooperative structure affect the performance of the cooperatives. The result shows that (P>0.05) hence investments significantly affects cooperative structure performance. The results are as follows: very low and very important (73.3%), slightly important and low (50.0%), not important and very high (100%). The study by Cheruiyot, et al (2012) support the findings showing that (29%) strongly agreed, (50%) fairly agreed, (15%) strongly disagree while (6%) fairly disagreed. This suggests investment affect the performance of the livestock based cooperative societies. Table 4.23 gives the findings.

Table 4.23. Investments

How do you rate the cooperative structure in the performance of its work?	Very low	Low	None	High	Very high	Chi-sq	P-Value
Very important	22(73.3%)	6(20.0%)	0(0.0%)	2(6.7%)	0(0.0%)	43.011	0
Important	29(37.7%)	20(26.0%)	5(6.5%)	11(14.3%)	12(15.6%)		
Fairly important	7(20.0%)	8(22.9%)	5(14.3%)	9(25.7%)	6(17.1%)		
Slightly	3(37.5%)	4(50.0%)	0(0.0%)	1(12.5%)	0(0.0%)		
Not important	0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	2(100.0%)		

Source: Field Data (2016)

4.5 Chapter Summary

The chapter covered section on response rate, demographics, organizational systems, corporate governance, leadership and organizational structure. The analysis was conducted to determine influences of independent variables on the dependent variable.

CHAPTER FIVE

SUMMARY FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1. Introduction

This chapter presents the overview of the results of the research, discussions, and recommendations. The study looked to establish the organizational systems, corporate governance, leadership and organizational structure on the performance of livestock based cooperative societies in Isiolo County, Kenya.

5.2. Summary of the Findings

The results of the study form the basis of the summation of livestock based cooperative performance. The study enquired on demographic profiles of the respondents particularly their education levels, gender, and age. The study established that membership of the livestock based cooperative was dominated by women. Further, the study established that board members had significant influence over the running and management where the rationale of the employment had been entirely replaced with board member's assigned duties unqualified for compromising the Sacco's output. It affected the growth and performance of livestock based cooperatives in Isiolo County with little to be celebrated for their success. For the sustainability and growth of the cooperatives, there is need to develop the minimum level of education for the board of directors for the efficient and effective running and decision making of the cooperatives across the non-deposit and deposit taking societies.

5.2.1. Organizational systems

The first objective of the study was to examine organizational systems that affect the performance of the Livestock Based Cooperatives. The organizational systems as a variable were used to establish intricacies, test the mental models and leverage points at which the maximum output will be achieved (Senge, 1990). According to the study findings, (68%) of the respondents indicated that cooperatives had no defined boundary(figure 4.4). The study revealed that the understanding of systems and boundaries of the cooperatives ranged from not well defined and sometimes (38-30%),

rarely and often (15-10%) and almost (6%). The cooperative frequency of evaluation response was rated at the yearly (72.4%), after 6 months (15.1%), monthly (1.3%) and after 4 months (11.2%) (See Figure 4.4).

Also, the research found out that there was a significant association ($p>0.05$) of the level of coordination with members/staffs interaction, implementation of policies, adoption of feedback and service to the client. Hence, organizational systems as a variable on the performance are found to have a major effect on the operations of the cooperatives. The findings indicate that there is a thin line drawn between the boundaries that cannot be microscopically being identified affecting the performance of the cooperatives.

5.2.2. Corporate Governance

The second objective was looking at the corporate governance affects the performance of the Livestock Based Cooperatives. Therefore, corporate governance was chosen as one of the variables for the study based on the lagging and ailing condition of the livestock based cooperative societies in Northern Kenya. The adherence to by-laws by a half (50%) of respondent shows and still depending on the the donors support shows persistent dependency syndrome hence affecting the performance of the organization.

Further, using the chi-square ($p>0.05$) the adherence of bylaws with the board and staff dealings and members obtaining relevant information show there was a significant association. The result of the study predicts that livestock based cooperative is rational on the corporate governance support the performance of the societies.

5.2.3. Leadership

The third objective of this study was to identify the effect of leadership on the performance of the Livestock Based Cooperatives. It was established that leadership influences the growth and enhances the morale of the employee to achieve the overall objective of the organization. These is shown by the change in the standard deviation and medium in communication ($M=2.88, SD= 1.49$). In most cooperatives, trusties are often bestowed upon the leaders. Subsequently, the variables especially motivation, task allocation, training and auditing are significantly associated with the performance of the

cooperatives where the p value is significant. These calls for setting the minimum standard for qualification of appointment to the board across deposit and non-deposit for the accountability and transparency. In general, the findings show that leadership affects the performance of the cooperatives.

5.2.4. Organizational Structure

The fourth and the final objective was to investigate the organizational structure on the performance of the Livestock Based Cooperatives. The findings show the cooperatives is influenced by donor supports. There was high reliance on the source of funding's and training that compromised the output of the cooperative. And, it was found out that there was a significant association ($p>0.05$) of organization structure with values and beliefs, mission and vision, education, competition, gender and investment on the influence on the performance of the cooperative. The chain of command and internal policies was not associated with the performance, shows that boards working in the cooperative conciliate the finding. The organization structure has a significant influence on the performance of the cooperative societies.

5.3. Conclusion

The research reveals similar results by the earlier studies carried by mostly the deposit taking cooperatives under different environment though additional information has emerged. The organization systems have not been taken seriously in the past studies to identify its efficiency and effectiveness in the performance of the cooperatives. These have great limits in the growth of both deposit and non-deposit taking the cooperatives and other service delivery as shown by the findings.

The findings show the unclear boundaries between and among different part contributes to effective performance of the cooperatives. In the advent of the devolution, the cooperative department is among services delegated to the counties with the indistinct framework of supervision and county government negating the extension services. The disclosure of the dealing by the board and sharing of relevant information is considered key but with the limited education level has affected the growth of the cooperative.

The study also illustrates that leadership affect the performance of the cooperatives. These meant that auditing and communication among the variable have an effect on the management of the cooperatives as there is no minimum standard qualification for boards hence easily manipulated by elites within.

Also, the findings show that organizational structure affects the performance of the cooperatives. These reveals that the donor support influences most of the cooperatives. It's the second source of funds for cooperatives after the membership contribution. Hence, these are the determinant of the performance of the cooperative compounded with weak policies.

5.4. Recommendations

Based on the above findings and conclusion, there is need for the livestock based cooperative societies in Isiolo to put efforts geared towards reviewing the organization and its interrelationship in order to improve efficiently of each sub-unit. The organizational size, structure formalization, structure complexity and structure centralization should be considered very important to achieve strategic objectives since it has effect on financial performance of the cooperatives. Further, there is need to strengthen and build the capacity of members to ensure fairness, equity and equality in the prosperous Sacco's. In particular, corporate governance for formalization of non-existent procedures and policies. In addition, there is need to train the management as shown by the findings and closely other regulating dynamics in leadership that inhibit the performance of the societies. This could go a long way in ensuring better financial and non-financial performance of the cooperative societies. Hence, also need to design the kind of organization structure and governance characterized by key and essential aspects such as empowerment and motivation. Other strategic changes should be considered where appropriate for the success of the whole organization. In conclusion, there is need to conduct annual evaluation of the cooperatives. These will rectify and build the gaps for betterment and recommends that the education and experience requirements of directors should be reviewed in order to reduce the conflict of interest in the cooperatives.

5.5. Areas for Further Research

The research focused on the livestock based cooperative societies in Isiolo County. Subsequently, the researcher recommends for other livestock based cooperatives counties in Northern Kenya to find out the same variable is affecting the performance of the livestock cooperatives.

The same study can be done near future to establish also the same trends affect the performance of the other livestock by product Sacco's in the same environments. In addition, research should incorporate the views of other stakeholders such as financial institutions, donors, regulatory authorities, professional bodies and institutions of higher learnings to advice on key drivers that can be addressed to improve the performance of cooperatives.

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APPENDICES

Appendix I. Introduction

Date: _____

To: _____

Dear Sir/Madam

RE: Administering research questionnaire

My name is Khalif Abdirahman Abey a student at St. Paul's University undertaking Masters in Development Studies (Organization Development). I'm currently carrying out research entitled "Factors affecting the performance of pastoral cooperatives in Northern Kenya: a case study of Livestock Based Cooperatives in Isiolo County, Kenya".

As one of the respondents selected from the cooperative, I kindly request for your time to fill the questionnaire attached to assist me in the finalization of my work. The outcome of study will be used to improve and respond to gaps that is identified for betterment of cooperative, its members and country at large.

The information will be treated with utmost confidentiality and thank you in advance.

Yours Sincerely,

Khalif A. Abey

MDS/2159/15

Appendix II. Questionnaire

Cellphone no. :……(Optional)*

E-mail: (Optional)*

(I wish to share the result with you)

SECTION A: DEMOGRAPHIC CHARACTERISTICS

Gender: (tick one, please) Male ☐ Female ☐

Age:……yrs.

Position in the cooperative (tick one): Member ☐ Board of director ☐ Clients ☐

The highest level of education attained: None ☐ Primary ☐ Secondary ☐
Certificate ☐ Diploma ☐ Degree ☐ Postgraduate ☐

SECTION B: ORGANIZATIONAL SYSTEMS (Tick the appropriate (One)

1. How do you rate the coordination of departments in the cooperative?
Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very poor ☐

2. Does the cooperative have any internal policies from the inception?
Yes ☐ No ☐ If yes, name……

……..

3. Are the boundaries well defined between departments in the cooperative?
Almost always ☐ Often ☐ Sometime ☐ Rarely ☐ Never ☐

4. How often cooperative evaluate department performance?
Yearly ☐ After 6 months ☐ After 4 months ☐ Monthly ☐

5. How long does the customers take to get response on the services requested?
>last than 1 day ☐ 7 working days ☐ 2 weeks ☐ 3 weeks ☐ weeks ☐

6. Do the cooperative give reasons for the delay of the service?
Yes ☐ No ☐ If yes list the reasons……..
……

7. How do you rate the policy (ies) operation within cooperatives?
Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very poor ☐

8. In your opinion, please rank the cooperative competitiveness in the market? Using a scale of 1 to 5 (5- very high, 4- High, 3- None, 2- Low, 1- Very Low)

	5	4	3	2	1
Learning					
Technology investment					
Policy reviews					
Customer satisfaction					
Environmental scanning					
Investments					

9. How often does the cooperative train its members/staffs in the business environment?
Almost always ☐ Often ☐ Sometime ☐ Rarely ☐ Never ☐

10. State to what extent the sub-systems performance is attributed to the following(tick one pls):

	No extent	Small extent	Moderate extent	Large extent	Very large extent
Members and staffs interaction					
Goal achievement					
Implementation and review of policies					
Adoption of feedbacks					
Service to client					

11. Does the response of the customers taking into considerations in planning by the cooperative?
Great extent ☐ Significant extent ☐ Moderate extent ☐ Small extent ☐ No extent ☐

12. In your opinion, what are the challenges among different departments in the cooperative?
……
…
……
….

SECTION C: CORPORATE GOVERNANCE

13. How do you rate the member's adherence to its cooperative by-laws?
Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very poor ☐

14. To what extent does the cooperative protect the member's right?
Very large Extent ☐ Large extent ☐ Great Extent ☐ Small extent ☐ No extent ☐

15. How often is the members obtain relevant information of the cooperative?
Always ☐ Most of the time ☐ Sometimes ☐ Rarely ☐ Never ☐

16. Do members have effective redress for violation of cooperative laws?
Yes ☐ If yes please list them…….
……

17. How often does the cooperative implement the board resolutions?
Always ☐ Most of the time ☐ Sometimes ☐ Rarely ☐ Never ☐

18. How frequent does the board/ staffs disclose their dealing with cooperative?
Always ☐ Most of the time ☐ Sometimes ☐ Rarely ☐ Never ☐

19. In your opinion, has the cooperative been hit by bad debts?
Always ☐ Most of the time ☐ Sometimes ☐ Rarely ☐ Never ☐

20. Does the cooperative have mechanism of reducing the bad debt? Yes ☐ No ☐
If Yes please name ……..
……...

21. In your opinion, how do you rate the following in supervision of cooperative? Using the scale of 1 to5 (Using a scale of 1 to 5 (5- very high, 4- High, 3- None, 2- Low, 1- Very Low)

	5	4	3	2	1
Election of the officials					
Gender issues					
Meetings					
Recruitments of staffs					
Dispute resolutions					
Social corporate					
Stakeholders participation					

22. Who oversees the cooperative election?

Members ☐ Government official ☐ Hired independent institutions ☐ Religious leaders ☐ None ☐

23. In your own opinion, what are the areas the cooperative need to improve for its success?

……

SECTION D: LEADERSHIP

24. How do you rate leadership interaction with departments/groups in the cooperative?

Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very poor ☐

25. Have you been a member of any cooperative before: Yes ☐ No ☐

If yes……..Name, please……

26. To what extent does the leadership influences on the following (tick one pls)

	No extent	Small extent	Moderate extent	Large extent	Very large extent
Task allocation					
Specialization on the work					
Motivation of members/staffs					
On Job training and rotation					
Time and resource management					
Rewards					
Training of the members					
Adoption of technology					
Product promotion and branding					
Communication					

27. When has the cooperative carried out auditing of its books?

Almost always ☐ Often ☐ Sometime ☐ Rarely ☐ Never ☐

28. What is the member's reaction on the auditing?

Very satisfied ☐ Satisfied ☐ Neither ☐ Dissatisfied ☐ Very Dissatisfied ☐

29. From the answers you gave above, suggest leadership qualities that cooperative need to have for effective delivery of service

……
……..

SECTION E: ORGANIZATION STRUCTURES

30. What is the organization structure of the cooperative?

Simple ☐ Functional ☐ Divisional ☐ Matrix ☐ Network ☐

31. How do you rate the cooperative structure in the performance of its work?
Very Important ☐ Important ☐ Fairly important ☐ Slightly Important ☐ Not ☐ important

32. How does the cooperative get their source of funds? (tick as many)
Membership fee ☐ Loans ☐ Profit ☐ Investments ☐ Donors ☐

33. How do you rate the influence of donors on cooperative investment?
Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very poor ☐

34. Has the cooperative got any loan in the recent years? Yes ☐ No ☐
If yes - State how much Ksh_____

35. Has it improved the cooperative business? Yes ☐ No ☐
If yes list it please…….

……..

36. Does the cooperative own the premises it operate from?
Yes ☐ No ☐
If yes: name please: _____

37. In your opinion, How does the following affect the operation of cooperative using the scale of 1 to5 (Using a scale of 1 to 5 (5- very high, 4- High, 3- None, 2- Low, 1- Very Low)

	5	4	3	2	1
Values and beliefs					
Mission and vision					
Chain of commands					
Internal policies					
Education					
Competition					
Gender					
Investments					

38. Does the culture coaches creativity in the cooperative?
Almost always ☐ Often ☐ Sometime ☐ Rarely ☐ Never ☐

39. In your own opinion give suggestion of improvement on the cooperative structure
…….
…….

Thank You

Letter from the University

ST. PAUL'S UNIVERSITY

Private Bag 00217 LIMURU, KENYA
Email: bps@spu.ac.ke
Website: www.spu.ac.ke

Tel Office: +254(0) 20-2020505/10
Mobile: +254(0) 728- 559000
(0) 728- 062420
(0) 736- 424440

BOARD OF POSTGRADUATE STUDIES

7th December, 2016

National Commission for Science and Technology,
P.O. BOX 30623-00100,
Nairobi.

Dear Sir/Madam,

Re: Recommendation for Khalif Abdirahman Abey to conduct a Masters of Development Studies (MDS) research.

This letter confirms the above named person is a second (final) year student of the MDS Programme at St. Paul's University.

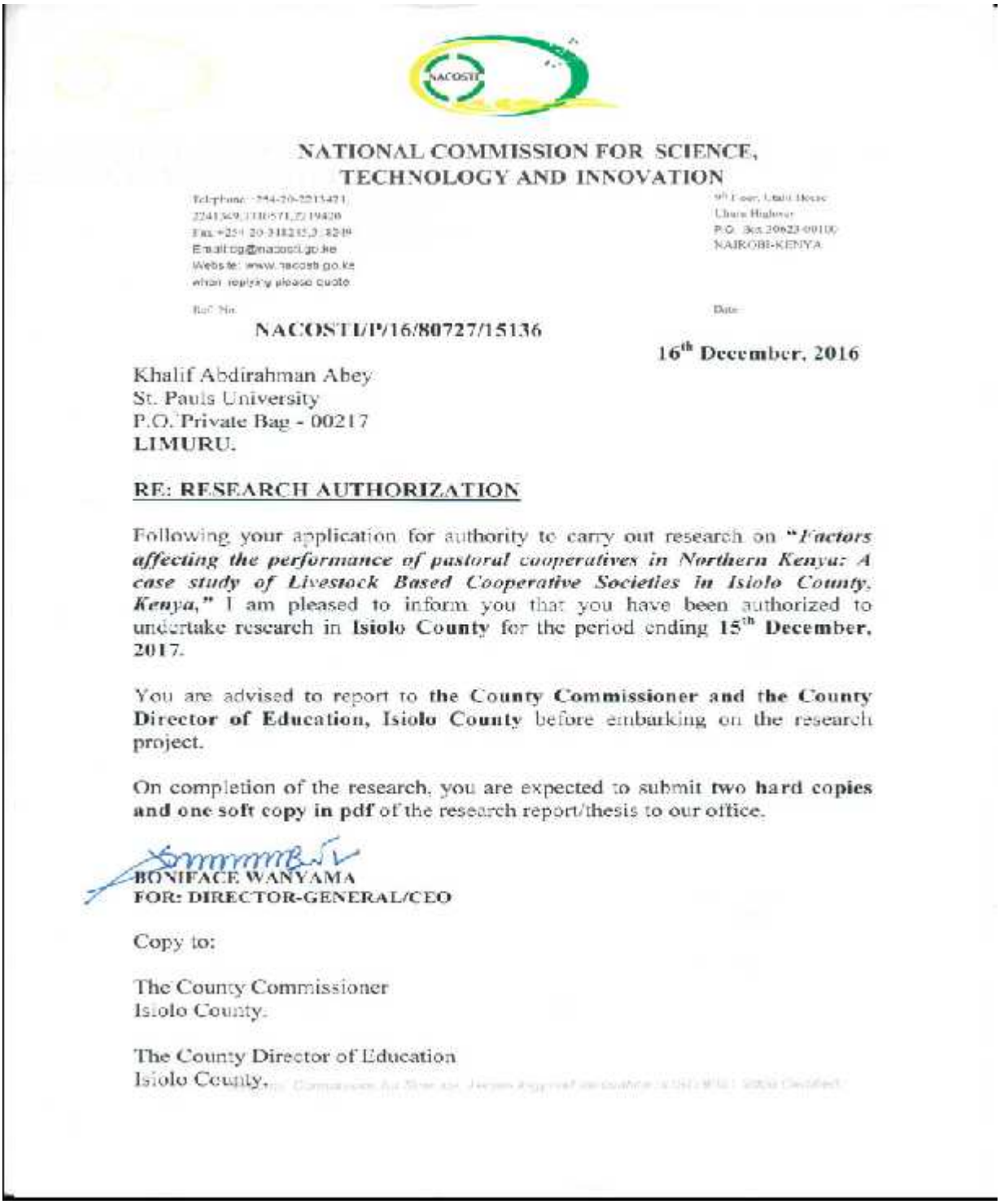
The final year consists of a major research work leading to a dissertation comprising 20,000 words. The student's selected topic is *'Factors Affecting the performance of Pastoral Cooperatives in Northern Kenya. A case study of Livestock Based Cooperatives Societies in Isiolo County, Kenya'*

The research will take place in Isiolo County from December 2016 to February 2017. Kindly grant the student the required permit.

Yours Faithfully,

Dr. Sammy Githuku
Director, Postgraduate Studies

Appendix III. NACOSTI 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

9th Floor, Utalii House
Uhuru Highway
P.O. Box 59623-00100
NAIROBI-KENYA

Ref. No.

Date

NACOSTI/P/16/80727/15136

16th December, 2016

Khalif Abdirahman Abey
St. Pauls University
P.O. Private Bag - 00217
LIMURU.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Factors affecting the performance of pastoral cooperatives in Northern Kenya: A case study of Livestock Based Cooperative Societies in Isiolo County, Kenya,"*** I am pleased to inform you that you have been authorized to undertake research in **Isiolo County** for the period ending **15th December, 2017.**

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

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Isiolo County.

The County Director of Education
Isiolo County.

Appendix IV. NACOSTI Permit

THIS IS TO CERTIFY THAT:
MR. KHALIF ABDIRAHMAN ABEY
of ST PAUL'S UNIVERSITY, 501-60300 Isiolo,has been permitted to conduct research in *Isiolo County*

on the topic: *FACTORS AFFECTING THE PERFORMANCE OF PASTORAL COOPERATIVES IN NORTHERN KENYA: A CASE STUDY OF LIVESTOCK BASED COOPERATIVE SOCIETIES IN ISIOLO COUNTY, KENYA*

for the period ending:
15th December,2017

Permit No : NACOSTI/P/16/80727/15136
Date Of Issue : 16th December,2016
Fee Recieved :Ksh 1000



Applicant's Signature

Director General
National Commission for Science, Technology & Innovation

CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officer will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one (1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice

REPUBLIC OF KENYA

National Commission for Science, Technology and Innovation

RESEACH CLEARANCE PERMIT

Serial No.A 12412

CONDITIONS: see back page

Appendix V. Cash receipt



ORIGINAL

AC: 13297

OFFICIAL RECEIPT

Station NAIROBI Date 8/12/2016

Received from KHALIF ABDIRAHMAN ABEY

Shillings ONE THOUSAND KENYA SHILLINGS ONLY cents

on account of RESEARCH PERMIT FEE

Vote Head 43

NACOSTI

Item A1A

Cash

Cheque No. DIRECT DEPOSIT

USD

Kshs 1000/=

AC No.

Signature of Officer receiving remittance