

**INFLUENCE OF STRATEGIC ORGANIZATIONAL RESOURCES ON
PERFORMANCE OF DEPOSIT TAKING SACCOs IN KIAMBU COUNTY,
KENYA**


JACQUILINE KAGENI

**A PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
COOPERATIVE MANAGEMENT OF THE CO-OPERATIVE UNIVERSITY
OF KENYA**

MARCH, 2021

DECLARATION

This project is my original work and has not been presented for examination or other award in any University.

Signed  Date ...7/4/2021.....

Jacquiline Kageni

ADMN NO: MCMC02/0020/2017

Department of Cooperatives

We confirm that the work reported in this project was carried out by the candidate under our supervision and has been submitted with our approval as university supervisors.

Signed  Date ...7/4/2021.....

Dr. Monicah Nderitu

Department of Accounting and Finance

School of Business and Economics

Co-operative University of Kenya



Signed Date ...7/4/2021.....

Dr. Joe Kamau

Department of Cooperatives

School of Cooperatives and community development

Co-operative University of Kenya

DEDICATION

This project is dedicated to my family: My husband, Zachary Ngugi and my sons, Samuel Gakinya, David Mwenda and Joseph Ngumo for their unwavering love support and encouragement during the period of writing this project.

ACKNOWLEDGEMENT

It is with gratitude that I recognise the efforts of my supervisors: Dr. Monicah Nderitu and Dr. Joe Kamau for being firm and their able guidance for this project to be complete and up to standard. Your professional, moral, and emotional support have enabled me to come this far. My sincere appreciation to my lecturers and other administrative staff at Cooperative University for their willingness to hold my hand and provide direction when I meandered with no direction. You made my stay at the university seamless and memorable.

At the same time, I wish to recognise the vital role played by family. My husband Zachary Ngugi, and my children Samuel Gakinya, David Mwenda, and Joseph Ngumo, you were my cheer squad and without you I would not have finished this project. I know you had to bear with me most of the time when I did not measure up to your expectation and my responsibilities.

I also wish to recognise my friends, Jane, Jean, Eunice, and David for being there for me when I got stuck. I appreciate the time that you spared for me and for the group to support each other. The teamwork that we displayed always challenged me so that I am not left behind. Thanks to the team that we worked together in the process of data collection, data screening, and data entry. If it were not for your commitment and diligence, this project will not be complete. Thank you to your leader for the professionalism displayed and prioritizing my assignment and ensuring that data was collected ahead of the schedule. For this I am so grateful.

Finally, I wish to thank the almighty God for his providence during the period of my study. I have not lacked, and I enjoyed relatively good health during the period of study.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
OPERATIONAL DEFINITION OF TERMS	x
ABBREVIATIONS AND ACRONYMS	xi
ABSTRACT	xiii
CHAPTER ONE: INTRODUCTION	1
1.0 Introduction	1
1.1 Background of the Study	1
1.2 Statement of the Problem	5
1.3 General Objective.....	7
1.4 Objectives of the Study	7
1.5 Research Hypotheses.....	7
1.6 Significance of the Study	8
1.7 Scope of the Study.....	9
1.8 Limitations of the Study	9
1.9 Organisation of the Study.....	10
CHAPTER TWO: LITERATURE REVIEW	11
2.1 Introduction	11
2.2 Theoretical Review	11
2.2.1 Resource Based View.....	11
2.2.2 Organizational Learning Theory	12
2.2.3 The Balanced Score Card Model.....	13
2.3 Empirical Literature Review	14
2.3.1 Strategic Human Resources and Performance	14
2.3.2 Strategic Financial Resources and Performance	15
2.3.3 Strategic Intellectual Property and Performance	17
2.3.4 Strategic Physical Resources and Performance.....	18
2.4 Critique of the Existing Literature	20
2.5 Summary of Reviewed Literature	20
2.6 Conceptual Framework	25

CHAPTER THREE: RESEARCH METHODOLOGY	27
3.1 Introduction	27
3.2 Research Design	27
3.3 Research Site and Rationale	27
3.3 Operationalization and Measurement of Variables	34
3.4 Target Population	28
3.5 Sample Size and Sampling Procedure	28
3.5.1 Sampling Procedure.....	28
3.5.2 Sample Size	29
3.6 Data Collection Instruments	29
3.7 Data Collection Procedure	30
3.8 Pilot study.....	31
3.8.1 Validity of Research Instrument.....	31
3.8.2 Reliability of the Research Instrument	31
3.9 Data Analysis and Presentation	32
3.10 Ethical Considerations.....	35
CHAPTER FOUR: DATA ANALYSIS AND DISCUSSIONS	36
4.1 Introduction	36
4.2 Response Rate	36
4.3 Analytical Profile of the Respondents	36
4.3 Descriptive Statistics	38
4.3.1 Strategic Human Resources.....	38
4.3.2 Strategic Financial Resources.....	41
4.3.3 Strategic Intellectual Resources	44
4.3.4 Strategic Physical Resources	46
4.3.3 Performance of DTS.....	48
4.4 Diagnostic Tests	49
4.4.1 Test for Normality	49
4.4.2 Test for Multicollinearity	50
4.4.3 Test for Heteroskedasticity.....	50
4.5 Correlation Analysis.....	51
4.6 Regression Analysis	52
4.7 Hypotheses Testing	55
4.7.1 Influence of Strategic Human Resources on Performance.....	55

4.7.2 Influence of Strategic Financial Resources on Performance.....	55
4.7.3 Influence of Strategic Intellectual Resources on Performance.....	56
4.7.4 Influence of Strategic Physical Resources on Performance	57
4.8 Conceptual Analysis of Qualitative Data	57
4.8.1 Influence of Strategic Human Resources on Performance.....	57
4.8.2 Influence of Strategic Financial Resources on Performance.....	58
4.8.3 Influence of Strategic Intellectual Resources on Performance.....	58
4.8.4 Influence of Strategic Physical Resources on Performance	58
CHAPTER FIVE: SUMMARY, CONCLUSION, AND POLICY	
RECOMMENDATIONS.....	60
5.1 Introduction	60
5.2 Summary of Findings	60
5.3 Discussion of Findings	61
5.4 Conclusion.....	62
5.5 Recommendations for Policy Implication.....	63
5.6 Areas of Further Research	64
REFERENCES.....	65
APPENDICES	71

LIST OF TABLES

Table 3.1: Operationalization and Measurement of Variables	34
Table 3.2: Target Population.....	28
Table 3.3: Sample Size	29
Table 3.4: Item-Total Statistics.....	32
Table 4.1: Analytical Profile of the Respondents	37
Table 4.2: Extent that Strategic Human Resources Influence Performance	38
Table 4.3: Descriptive Statistics for Strategic Human Resources	39
Table 4.4: Extent that Strategic Financial Resources Influence Performance.....	41
Table 4.5: Descriptive Statistics for Strategic Financial Resources	42
Table 4.6: Extent Strategic Intellectual Resources Influence SACCO Performance ..	44
Table 4.7: Descriptive Statistics for Strategic Intellectual Resources	45
Table 4.8: Extent that Strategic Physical Resources Influence SACCO Performance	46
Table 4.9: Descriptive Statistics for Strategic Physical Resources.....	47
Table 4.10: Descriptive Statistics for Performance	49
Table 4.11: Tests of Normality	49
Table 4.12: Coefficients ^a	50
Table 4.13: Breusch-Pagan and Koenker Test Statistics	50
Table 4.14: Correlations Results.....	51
Table 4.15: Model Summary	52
Table 4.16: ANOVA ^a	53
Table 4.17: Coefficients ^a Results.....	53

LIST OF FIGURES

Figure 2.1: Conceptual Framework	26
Figure 4.1: Pie Chart for Response Rate.....	36

OPERATIONAL DEFINITION OF TERMS

Financial resources: Financial sources are the set of liquid assets of an organization that includes cash, bank deposits and cash equivalents.

Human resources: Refers to the people who make up the personnel of an organisation.

Intellectual resources: The non-physical, intangible resources of an organisation like brand, patents, IP, copyrights, and partnerships

Organisation performance: Organisation performance refers to the actual output or results of an organization as measured against its intended outputs goals and objectives.

Physical resources: Tangible resources or assets of an organisation that an organisation uses to create its value proposition.

Strategic resources: These are valuable, rare, imperfectly inimitable, and non-substitutable resources that form the building blocks of competitive advantage in business combined to create competitive advantage.

ABBREVIATIONS AND ACRONYMS

CBK	: Central Bank of Kenya
CU	: Credit Unions
DTS	: Deposit Taking SACCO
DT-SACCOs	: Deposit Taking Savings and Credit Cooperatives
GDP	: Gross Domestic Product
HR	: Human Resources
ICT	: Information and Communications Technology
KAM	: Kenya Association of Manufacturers
KCSE	: Kenya Certificate of Secondary Education
KMPG	: Klynveld Peat Marwick Goerdeler
KUSCO	: Kenya Union of Savings and Credit Co-operatives
NACOSTI	: National Commission for Science Technology and Innovation
Non-DT-SACCOs	: Non- Deposit Taking Savings and Credit Cooperatives
NOVA	: Analysis of Variance
NSE	: Nairobi Securities Exchange
PMM	: Performance Measurement Matrix
RBV	: Resource-Based View
ROI	: Return on Investments
ROSE	: Return on Shareholders' Equity
ROTA	: Return on Total Assets
SACCO	: Savings and Credit Cooperatives
SASRA	: Sacco Societies Regulatory Authority

SMEs	: Small and Medium Enterprises
SPSS	: Statistical Package for Social ⁷ Sciences
UK	: United Kingdom
USA	: United States of America
VAIC	: Value Added Intellectual Coefficient
VIF	: Variance Inflation Factor
VRIN	: Valuable, Rare, Imperfectly Inimitable and Non- substitutable
WOCCU	: World Council of Credit Unions

ABSTRACT

Savings and Credit Cooperatives have always struggled to keep pace with the rapid changing technological advancement and stiff competition from larger financial institutions like commercial banks. The way in which deposit taking, savings and Credit Cooperatives (SACCOs) and financial institutions utilize strategic resources defines their competitive advantage and consequently their performance. This study sought to investigate the influence of Strategic organisational resources on performance of deposit taking SACCOs in Kiambu County. Specifically, the study sought to establish the influence of human capital, financial resources, intellectual property, and physical resources on performance of deposit taking SACCOs in Kiambu County. The study was hinged on resource-based view theory, organisational learning theory and balanced scorecard theory. Descriptive survey research design was adopted. The target population for this study was 227 management staff comprising of 26 top level, 67 middle level, and 134 lower-level management staff in Kiambu County. Stratified sampling technique was used to select a sample of 14 top level, 36 middle level, and 71 lower-level management staff in Kiambu County. Primary data was utilised in the study collected through a semi-structured questionnaire. Drop and pick method was adopted in administering the questionnaire. Face and content validity of the research instrument was tested by subjecting it to expert opinion, while reliability was tested using Cronbach's alpha (α) coefficient. A coefficient of 0.7 or above was considered adequate in the study. Collected data was analysed using descriptive and inferential analysis. Ordinary least squares regression model was used in this study. R^2 was used to measure the predictive power of the model, while F-statistic was used to determine the fitness of the model. The significance of the study variables in influencing performance of SACCOs was based on the P-values of each variable at 0.05 significance level. Results of the study indicated that strategic intellectual resources were emphasised to a greater extent while strategic human resources, strategic financial resources, and strategic physical resources were deployed to a moderate extent. Results also showed that a positive correlation existed between performance and each independent variable. Further, strategic human resources, strategic financial resources, strategic intellectual resources, and strategic physical resources were statistically significant in predicting performance of DTS in Kiambu County. The study thus concluded that strategic resources had a significant influence on performance of DTS in Kiambu County. Based on these conclusions the study recommends that the management of DTS should emphasise on acquiring and optimally configure strategic resources in a manner that enables them to efficiently utilise them to maximise performance.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter introduces conceptualisation of the study and the arguments of the study. Specifically, the chapter presents the background of the study, statement of the problem, objectives of the study, research hypotheses, significance of the study, scope of the study, limitations of the study and finally, organisation of the study.

1.1 Background of the Study

Over the years, deposit taking Savings and Credit Cooperatives (SACCOs) has been instrumental in economic growth and development, particularly, in the developing world. Deposit taking SACCOs are financial institutions that accept deposits and advance loans to the members of the public World Council of Credit Unions (2018). However, the performance of SACCOs has been going through a major shift in the past two decades (Feather & Meme, 2018). It is worth noting that SACCOs operate in an ever-fluctuating environment and ought to always change for them to preserve their competitive position within the industry. For this reason, it is inevitable for them to identify obtain and configure strategic resources at their disposal (Feather & Meme, 2018).

It should be noted that the Sacco industry Kenya is the largest in Africa accounting for 5.7 percent of total assets to GDP ratio. Kiambu County plays a key role in hosting these SACCOs due to its proximity to Nairobi County that hosts the capital City of Kenya. SACCOs in Kiambu County, have leveraged on rapid adoption of technology and innovations in the provision of financial services and products coupled with the opening up of the common membership bond (SASRA, 2020). The region witnessed 11.8% growth in total assets in 2019 and 13.2% in 2020. At the same time deposits members, grew by 11.3% in 2019 and 17.7% in 2020. However, cost to income ratios and credit risk remains high with non-performing loans increasing from 5.2 percent in 2016 to 9.1 percent by June 2020 (SASRA, 2020).

If an organisation can obtain strategic resources, they can gain competitive advantage manifested in higher profitability, larger market share, advanced technology, and customer loyalty. Resources are said to be strategic if they are Valuable, Rare, difficult to Imitate, and Non-substitutable (VRIN) (Mecagn, 2015). Resources are valuable if it has the capacity to enable the firm ward off threats and at the same time maximize on

available opportunities. On the other hand, resources are rare if the firm controls them and can monopolise them. Inimitable resources are those that competitors find difficult to imitate or duplicate due to their unique and sophisticated nature. Finally, resources are strategic where they are non-substitutable such that competitors cannot find alternative ways to gain the benefits that such a resource provides (Nwachukwu & Chladkova, 2019). Consequently, strategic resources are the source of competitive advantage for any organisation.

Particularly, financial strength of an organisation, its business understanding (enterprise knowledge) and its human capital (workforce) are the three typical organisation resources that combine to generate competitive advantage (Nwachukwu & Chladkova, 2019). An organisation that has weak financial resources and business knowledge like the proprietary processes or patents cannot generate enough to grow and cannot distinguish itself from its competitors (Ruska, 2017). Conversely, a company that has been able to produce a product with good quality than its competitors, it is able to win among the customers because they prefer products with the best quality and at the best prices (Mecagni, 2015). Thus, the company creates a competitive advantage to enable it produce goods and services more efficiently.

Indeed, strategic resources do influence firm performance. However, the basis of the study was on reviewed literature and the results cannot be contextualised (Andersén, 2017). Studying the effect of strategic resources on performance of rural SMEs, Mensah (2016) found that strategic resources such as stock, cash, and customers have a positive association with firm's performance, measured through customer satisfaction. However, in this study, inventories, cash, and customers were used to operationalize strategic resource while in the current study it was operationalized through financial resources, human resources, intellectual property, and physical resources. Orr (2019) in a study on daring to tap external strategic resources concluded that owing to their immobility, external strategic resources introduce diversity and innovation which is a catalyst for competitive advantage.

Globally, managers are preoccupied with improving operational effectiveness by using various strategic organisational resources such as human resources and intellectual capital. As alluded by Schultz (2015), human resources, physical resources, intellectual capabilities, as well as financial resources are some of the strategic resources that the

managers and owners of organisations must realise to gain competitive advantage. Strategic resources are the source of competitive advantage in a business (Kennedy & Widener, 2018). This is because organisations that are able to combine financial strength, enterprise knowledge, and its workforce, are more likely to create competitive advantage.

Strategic resources are however not easy to obtain and constitute and, in some cases, involve foregoing current profitability and market share for the future good (Grant, 2016). As a result, SACCOs have faced constant challenges that arise mostly from the scarcity and underutilisation of strategic resources (Chetty, Naidoo & Seetharam, 2018). The link between strategic resources and capabilities as proposed by the resource-based approach has found empirical support in literature. For instance, Waweru and Ngugi (2014) found evidence that adoption and utilisation of strategic resources such as human resources, financial resource, intellectual resources, as well as physical resources leads to superior organization performance. Similarly, Dimba and Obonyo (2015) alluded that organizations, especially those in the financial sector, must deliberately create obtain strategic resources to secure future success and performance.

In sub-Saharan Africa, Sacco's movement is instrumental in uplifting the livelihood of the people through savings mobilisation, employment opportunities, and provision of affordable credit facilities. Additionally, SACCOs strive to improve the wellbeing of small rural producers' income through integrated access to financial services and agricultural markets. According to WOCCU (2018), there are 55,952 credit unions, of which 16,000 are in Kenya, serving more than 200 million members in 101 countries around the world. Kenya is ranked among the countries that have embraced the spirit of credit unions recording on average 4.7 million new members every year above 2.1 million in the United States and Canada (Ruska, 2017).

The high-ranking Kenyan financial sector among her peers in the in the Sub-Saharan Africa region has contributed towards her economic growth and development (Nkuru, 2015). The role of SACCOs in attaining the big four agenda and vision 2030 cannot be overemphasised. They play instrumental role in savings mobilisation, Gross Domestic Product (GDP) growth as well as improving the living standards of the members. Particularly, of the total savings mobilised and loans advanced by SACCOs in Africa, SACCOs in Kenya account for over 62% and 65% of the loans making it the most

influential Sacco movement in Africa (Nyaga, 2017). It is also noted that over 30 million Kenyans, accounting for 67% of the entire population, directly or indirectly depend on the co-operative related activities for their livelihoods. Furthermore, SACCOs control slightly over 30% of Kenya's GDP and accounts for 80% of the total accumulated savings. However, despite of the relevance and their robust activities in the financial sector, very little is being amplified regarding the role of SACCOs in the economy which has over 16,000 societies with more than 14 million members (WOCCU, 2018).

The establishment of the Lumbwa Cooperative Society by European colonists in 1908 was the onset of the developments of SACCOs in Kenya. SACCOs are currently credited worldwide to improve the socio-economic status of nations. They have gradually responded to the dynamic and competitive economic setting. In Kenya, the SACCOs movement control approximately Ksh. 490 billion in the form of savings and assets, this can be equated to 35 percent of domestic budget. The World Council of Credit Unions WOCCU mentioned that SACCOs in Kenya are growing very fast in the world. A WOCCU report in 2013 identified that the growth of SACCOs is on top in Africa and globally it is in position seven (WOCCU, 2018).

The trends on growth logically mean an intensified competition level as each player seeks a share in the market. Therefore, SACCOs ought to come up with ways to achieve competitive advantage, survive competition, and remain relevant. Studies show that performance of SACCOs is largely dependent on the strategic organisational resources. Unlike in other jurisdictions, SACCOs in Kenya are categorized into two primary classifications, namely Deposit taking SACCOs (DT-SACCOs) and Non-Deposit taking SACCOs (Non-DT-SACCOs) (Anania, Gikuri & Hall, 2015). By law, DT-SACCOs are permitted to demand deposits and thus provide services similar to those offered by banks that can be withdrawn from savings accounts. This is confirmed by the membership of the SACCOs, which stood at 3.6 million people registered as using the financial services of DT-SACCOs in 2016.

Currently, there SACCOs registered under Kenya's societies Act are 6000 out of this 1955 are fully operational (KUSCO, 2018). There are 535 SASRA (2019) registered deposited taking. Among these Kiambu County have 55 registered in the following areas Juja, Thika and Kimabu towns, and some areas in Kikuyu town. The distribution

of these members is in numerous proportions among the 176 DT-SACCOs, which were licensed and operational in the country SASRA (2019). The strategic positioning of the DT-SACCOs makes them instrumental in fostering economic growth and financial inclusion not only in Kiambu County but Kenya at large. Similarly, the capacity of DTS to handle hazards, implement leading agreements, and decrease loan delivery transaction costs has been decreased by adopting fresh methods (KUSCO, 2018).

1.2 Statement of the Problem

Savings and Credit Cooperatives have always struggled to keep pace with the rapid changing technological advancement and stiff competition from the larger and well-established commercial banks and microfinance institutions. For this reason, depositors often develop a negative perception regarding the safety of their deposits and the quality of services provided. Generally, SACCOs face survival difficulties due to customers decline mostly due to the inability of the SACCOs to organize its strategic resources (Kiragu, 2015). This customer loss trend is ascribed to high competition from banks with immense resources and can obtain and mobilise strategic resources, enabling improved efficiency and effectiveness thereby generating competitive advantage (SASRA, 2018).

As outlined earlier, Kiambu County has 55 operational deposited taking SACCOs mainly concentrated Juja, Thika, Kimabu and Kikuyu towns. SACCOs boast continuous growth in total assets averaging 11.8% growth in 2019 and 13.2% in 2020. There has also been consistent growth in members deposits which grew by 11.3% in 2019 and 17.7% in 2020. Although the movement control over 30% of Kenya's GDP and 80% total savings, the SACCOs movement has suffered increasing cost to income ratios and credit risk which remains high with non-performing loans increasing from 5.2% in 2016 to 9.1% 2020. This trend in poor performance needs to be reversed, otherwise the gains made by movement towards improving the livelihood of its members and fostering economic growth, as entrenched in the vision 2030 will be eroded.

Several researchers have been conducted on the constructs of strategic resources and performance in the global, regional, and local scene. For instance, Andersén (2017) concluded that indeed strategic resources do influence firm performance. But the research focused on reviewed literature and the results cannot be contextualised.

Studying the effect of strategic resources on performance of rural SMEs, Mensah (2016) found that strategic resources such as stock, cash, and customers have a positive association with firm's performance, measured through customer satisfaction. Strategic resources were operationalized through inventories, cash, and customers while in the current study it was operationalized through financial resources, human resources, intellectual property, and physical resources. Orr (2019) in a study on daring to tap external strategic resources concluded that owing to their immobility, external strategic resources introduce diversity and innovation which is a catalyst for competitive advantage.

Within the African region, Matser, (2018) concluded that elements of strategic resources such as social capital and tacit knowledge are positively correlated with firm performance. Olthaar and Noseleit (2017) on deployment of strategic resources concluded that farmer cooperatives in Ethiopia succeed in deploying strategic resources. However, they remain underutilised. Nonetheless, this study did not link strategic resources to firm performance. Besides, Nwachukwu and Chladkova (2019) suggested that there was a positive significant link between human and financial resources, strategic analysis competencies, and strategic performance.

Locally, Njoroge (2015) studied how firm resources affect performance of mobile phone firms in Kenya. Ongeti and Machuki (2018) studied the effect of firm resources and performance of Kenyan state corporations. Nonetheless, the study was done in state corporations while the current study was based on deposit taking SACCOs. Moreover, Gitahi, Wakhungu and Modi (2016) investigated on the effect of firm capacity, strategy implementation, competitive environment and performance of companies listed on NSE while Ng'ang'a, Waiganjo and Njeru (2017) investigated the effect of company resource portfolio on performance of firms in the tourism agencies in Kenya. However, study was based in the tourism sector. Further, Muigai and Gitau (2018) assessed the impact of strategic resource on financial outcomes of Kenyan commercial banks; it was revealed that strategic resources had significant positive effects on financial performance. The study was based on commercial banks.

It is noted that although numerous studies have been conducted on the study variables majority of the conducted focused on organisational resources as opposed to strategic organisational resources as envisaged in this study. Besides, the study noted that other

studies focussed on individual assets such as human resources, physical resources, and financial resources. Further, it was revealed that most of the studies were based on the non-financial sectors of the economy. Consequently, the study identifies that there are gaps existing in literature to be filled by this study. To address these gaps the study sought answers the question; what is the influence of strategic organisational resources on performance of deposit taking SACCOs in Kiambu County?

1.3 General Objective

The general objective of this study was to establish the influence of strategic organisational resources on performance of deposit taking SACCOs in Kiambu County.

1.4 Objectives of the Study

The study sought to achieve the following objectives.

- i. To establish the influence of strategic human capital on performance of deposit taking SACCOs.
- ii. To evaluate the influence of strategic financial resources on performance of deposit taking SACCOs.
- iii. To examine the influence of strategic intellectual property on performance of deposit taking SACCOs.
- iv. To determine the influence of strategic physical resources on performance of deposit taking SACCOs.

1.5 Research Hypotheses

- H0₁ Strategic human capital has no significant influence on performance of deposit taking SACCOs.
- H0₂ Strategic financial resources have no significant influence on performance of deposit taking SACCOs.
- H0₃ Strategic intellectual property has no significant influence on performance of deposit taking SACCOs.

H0₄ Strategic physical resources have no significant influence on performance of deposit taking SACCOs.

1.6 Significance of the Study

The study presents a management model that can be adopted by financial institutions such as SACCOs and microfinance institutions in their pursuit for greater performance through identification, mobilisation, and configuration of resources that are strategic in nature. Resources like strategic human capital, strategic financial resources, strategic intellectual property, and strategic physical resources are included in the model illustrated by the conceptual framework. The contribution of this study would thus be of great significance to the body of knowledge both theoretically and empirically. The criteria for identification of strategic resources as outlined in this study would be significant not only to scholars but also practitioners and policy makers.

Policy makers would be able to design efficient organisation policies that would facilitate credit services in the sector aimed at accelerating achievement of vision 2030 and sustainable millennium development goals. The government through the National Treasury and Planning and the Ministry of Industry, Trade & Co-operatives would rely on the findings in this study to come up with policies aimed fostering growth and development in the sector by identifying resources that are strategic in nature. The managers in DTS would gain immensely from this study by identifying resources that meet the VRIN criteria aimed at helping their companies to gain competitive advantage by configuring their resources in a manner that competitors cannot duplicate. The government would be able to place measures that would improve Sacco's development if correctly enforced. The management of SACCOs would also acquire knowledge on how employee training helps improve organisation performance, the importance of innovation, research, and Development and how to manipulate these to develop new and highly competitive products thereby improving organisation performance.

Moreover, the finding of this study serves as additional literature for further studies to be used as reference materials by scholars and other researchers in future. The study identified that majority of the studies conducted on the study concepts were either conducted in developed countries or in other jurisdictions other than Kiambu County. The study also noted that majority of the studies were based on individual constructs as opposed to the composite strategic resources. This study is therefore significant in

bridging the gap conceptually by demonstrating the association between strategic resources and performance of deposit taking SACCOs.

1.7 Scope of the Study

The objective of this study is to investigate the influence of Strategic organisational resources on performance of DT-SACCOs in Kiambu County. Specifically, the study investigated the influence of Strategic human capital, Strategic financial resources, Strategic intellectual property, and Strategic physical resources on performance. The focus of the study was on the entire 55-deposit taking SACCOs located in Kiambu County. The target respondents for the study were managers of registered deposit taking SACCOs. Primary data utilized collection was through a questionnaire in the month of October and November 2020.

1.8 Limitations of the Study

The following limitations were experienced. First, the study obtained data from the management employees of deposit taking Sacco's in Kiambu County. The respondents had busy schedules and finding time to respond to the questionnaire was hard. This made data collection exercise tedious and time consuming.

Secondly, the conclusions made in the study were based on data collected from deposit taking SACCOs only. This implies that the findings can only be inferred on such a population but may not be used on larger institutions such as international commercial banks or very small microfinance institutions. Similarly, the findings can only be inferred on Saccos with similar environmental factors as those in Kiambu County.

In this study strategic resources were conceptualised into human resources, financial resources, intellectual capital, and physical resources. The results of the study were therefore limited to the level that strategic resources are operationalized as it were in this study. The study relied on multiple linear regression model in testing the research hypothesis and therefore the results can only be generalised where a similar model is used. The study utilised data relating to a five-year period. As such the study findings can only be generalised in the short run and may not be adopted to make inferences in the long term.

1.9 Organisation of the Study

This study is comprised of three chapters; chapter one covers the background of the study, statement of the problem, the research objectives and research questions, scope of the study as well as limitations and the delimitations of the study. Chapter two presents the theoretical reviews, empirical reviews, research gaps summary and the conceptual framework while chapter three provides the research methodology which comprises the study design, model summary, operationalization of study variables, target population, sampling approach, procedures for data collection, validity, reliability, and techniques of analysing data.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter examines both theoretical and empirical literature. The theoretical proponent, relevance, weakness, and strength of theories in favour of the study variables were reviewed in the previous section. The link between the independent and dependent variables has been studied in empirical research. Each study's knowledge gaps were highlighted, and the current study's usefulness in bridging the research gap was provided at the end of this chapter.

2.2 Theoretical Review

This section presents a review of theories, which are in line with the research objectives. The key theories considered for the study include the resource-based view theory, balanced score card model, and organisational theory of learning.

2.2.1 Resource Based View

The Resource-Based View (RBV) is an administrative framework used by firms to ascertain the strategic resources they can exploit with the aim of achieving a sustainable competitive advantage. RBV states a firm has different resources that mean that because of the different resources, the firm can have different strategies which enable it to achieve competitive advantage that results to greater performance in the long run. The focus of the theory is on the attention put by the managers on the firm internal resources with an aim of identifying those assets, capabilities, and competencies with the ability to provide superior competitive gain.

According to Barney (2001), for resources to be effective as bases of sustainable competitive advantage, they ought to be valuable, rare, imperfectly imitable, and non-substitutable. Valuable resources enhance the performance of the firm. In addition, valuable and rare resource can result to creation of competitive advantage. In addition, Hitt, Carnes and Xu (2016) states that rareness forms perfect competition because the resources are only with a small number of organizations. Inimitable resources costs highly to copy and non-substitutable, implies that an option to achieve the same function is unavailable.

This study adopted the RBV since the VRIN criteria is known to be a unique and provides tools that enable higher profits and maintain competitive advantage. Superior

performance and market leadership exist when the competitive advantage of a firm can then overcome erosion by the behaviour of competitors over certain duration through non-substitutability and inimitability (Campbell & Park, 2017). This occurs only when the competitive advantage a firm overcomes destruction by competitors' behaviour through inimitability and non-substitutability (Bromiley & Rau, 2016). In addition, the RBV opines that firms ought to develop unique, firm-specific core competencies that would enable them to outdo the competitors by being unique. The theory is used in the study to support financial resources variable as well as performance of deposit taking SACCOs.

2.2.2 Organizational Learning Theory

It is a process of creating, maintaining, and transferring knowledge within an organisation is mostly defined as organizational learning theory (Jones 2013). Organizational learning theory states that organisations need to modify their objectives and behaviour to achieve these objectives to be competitive in a changing setting. According to Dixon (2017), organisational learning is a result of institutional inquiry. From this view, because of experience, organizational learning happens, and an organisation is said to have learned from an experience when behaviour or performance of the organisation changes.

The concept that we learn from mistakes is one of the most important ideas in the theory of organizational learning. Schon and Argyris (1996) created this concept, suggesting that learning takes place through the process of identifying and correcting mistakes. Consequently, learning is an outcome of this interaction. However, for learning to happen, the company must make a deliberate choice to alter behaviour in reaction to a change in conditions, must deliberately link action with outcome, and must remember the result. Through organisational learning, a firm can train its employees and coach them to modify their objectives and behaviour with the goal of attaining a competitive advantage. Organisational learning theory was used in this study to support human capital.

According to Crossan, Maurer and White (2019), there are three types of organisational learning presented in three levels. The single loop learning comprises of one feedback loop after modification of the strategy in responding to an unexpected outcome. Secondly, the double loop learning which entails changing the values, approaches, and

assumptions governing the action to develop a highly efficient working environment. Deutero-learning on the other hand involves enhancing the system of learning. This comprises the structural and behavioural elements, which ascertain how learning is conducted in an organisation.

2.2.3 The Balanced Score Card Model

This model involves the transformation of performance measures in strategy which are later converted into performance measurements according to Kaplan and Norton, (1992 and 1996). The model involves integration of performance measures that include the perspectives of the customer, processes of the business, growth of the organization, learning and innovation (Biazzo & Garengo, 2012). Therefore, customers, learning of finance management, growth and internal processes are the major pillars of the BSC model which are performance measures Kaplan and Norton (1992).

The financial perspective tool according to Kaplan, Norton and Rugelsjoen (2010), provides that for an organization to be successful financially it ought to attain shareholders demands by delivering measurable outputs such as customer share, financial ratios as well as other measurable cash flow measures. Conversely, the focus of customer perspective is on how the organization meets customers' demands. This involves how customers issues are handled, responding to queries and how fast the firm can respond to customer orders and complaints.

In addition, the internal perspective ensures that an organisation selects the best strategies in ensuring that the best products are delivered to the clients and at the best prices. The learning and growth perspective prescribe that the organization ought to accomplish its vision and sustain its change ability (Northcott & Ma'amora, 2018). This perspective guides the firm on how to use its fund meant for training. The emphasis is on staff training to enhance performance. The concentration is on employee training to better performance. Based on the provisions of the balanced score card model, the study uses this theory to support the performance of SACCOs involved in deposit taking. The study measured performance of SACCOs using both financial (profitability) and non-financial measures (market share; number of customers).

2.3 Empirical Literature Review

2.3.1 Strategic Human Resources and Performance

Human resources also referred to as human capital refers to the people who make up the personnel of an organisation, an economy, or a business sector (Petrick, 2017). It is all the people than an organisation has employed. Cascio (2015) stated that in every organisation, the department of human resources has the role of managing the human resources through oversight of numerous employment aspects such as with the law, meeting the standards of employment, employee benefits administration, organization of employees file with the needed documents to be referred in the future, recruitment aspects. In addition, human resource deals with the issues related to the people (Tracey, 2016). Further, Human Resources staff has the responsibility of advising senior staff regarding the effect on human resources on their financial, planning, and performance decisions.

Vivares, Sarache and Naranjo (2016) while studying HRM impact on performance in competitive concerns found no significant association between HRM practices and performance in competitive concerns. Based on human capital theory, the study surveyed a sample of medium and large manufacturing firms in the Colombian coffee region. In the study, regression analysis was carried out to test the null hypotheses. Based on these results the study recommended that organisations should properly align individual employee characteristics, job satisfaction and employee performance with operations strategy to improve company performance. The study was however based on data obtained from large and medium sized manufacturing firms engaged in coffee processing while the current study was grounded on DT savings and credit cooperatives operating in Kiambu County.

Sembiring (2016) in a study to establish the impact of HR knowledge and skills on SMEs performance in Medan City, Indonesia, conducted a survey of one hundred and sixty-nine workers from the University of Debre Brehan consisting of support staff and academicians. The quantitative research revealed that practices of human resources like recruiting and selecting, training, appraisals, and remuneration have a significant association with performance in the university. It was thus recommended that for universities to increase their performance they should emphasize more on remuneration, recruitment, and selection. Additionally, on appraisals, training, and

development, improve needs should be done to improve their effectiveness on performance in the university. However, the study was inclined towards a case study of an academic institution whose operational environment is significantly different from the savings and credit cooperatives as envisaged in this current study.

Odhon'g and Omolo (2015) aim was to determine the investment in human capital effects on pharmaceutical firms' performance in Kenya. Anchored on human capital, skills acquisition, and sustainable resources theories, the study adopted descriptive research method. Questionnaires were used to gather data from 200 randomly selected participants from pharmaceutical companies in Kenya. Descriptive statistics and inferential analysis were conducted to reveal that a positive link existed between investment in employees and firm performance. Recommendations were that quality education should be provided; appropriate training linked to the requirement of the industry like adopting the German Dual Vocational Education and systems of training enable and reinforce the link between the industry and the education sector. In addition, the study recommended knowledge management promotion through social networks, teamwork, systems of managing knowledge, training, and transfer of skills to improve the development of skills. It was however noted that the study only concentrated on human capital investment but not showed how the human capital that was strategic in nature influenced performance. Further the study was anchored in the pharmaceutical firms while this study was based on financial firms.

2.3.2 Strategic Financial Resources and Performance

Financial resources refer to all the all-monetary funds of the organization. Financial resources are defined as the part of the organization's assets or property. In addition, according to Karltorp (2016), financial resources form part of a firm's liquid assets comprising cash, deposits in banks and financial statements that are liquid. The purpose of financial resources is to conduct the major business operations, such as purchase of good and services and undertaking long-term investments. Financial resources may comprise cash, short-term deposits in banks, and liquid financial investments, like bonds and stocks. At times financial resources are referred as finance, usually with some features like business finance, personal finance, public finance.

Neneh, (2016), in a study to find out how financial literacy affects the performance of a firm and evaluate the moderating effects of availability of financial capital on

financial literacy and performance relationship in SMEs in Free State province of South Africa, observed that the SME financial literacy and availability of financial capital levels are low. In addition, financial literacy positively affects performance of SMEs. The research was supported by RBV theory. Results postulated that the availability of financial capital positively moderated financial literacy and performance. Therefore, it is important for the owners of SMEs build financial literacy skills as a vital part of entrepreneurial undertakings. However, the research was based in South Africa which is at a more advanced stage regarding economic growth and development compared to Kenya. Further, the study focused on financial literacy and its effect on performance while this research was based on the effect of strategic financial resources on performance.

Rahim, Bakar, and Syed Abu (2015) researched on the impact of finance sources on performance of mid-sized firms in Kenya. The descriptive cross-sectional was used. The population comprised of 100 SMEs in Kenya. The sample comprised 30 SMEs selected randomly. Primary data was gathered using questionnaires and analysed using regression analysis. The regression results show that the finance sources have no significant effect on performance of SMEs in Kenya. The study recommends the need for use of a mix of financing options to improve the financial performance of organisations rather than reliance on one form of financing. Additionally, the Government must be instrumental in offering loan facilities for businesses as currently very few mid-sized firms have used this method of financing. While the findings in this study enlighten on the role of sources of finance and their impact on performance, the study generalised all financial resources and did not make a distinction between strategic and non-strategic. Furthermore, the study focused on SMEs while the current study focus was on specifically savings and credit cooperatives allowed to take deposits.

Irene (2015) conducted a study to find out how bank financing impacts on SMEs performance in Kenya. The research was descriptive. This study used quantitative, secondary data gathered from top 100 Kenyan SMEs from KMPG for a duration of 5 years (2009 to 2013). Information was gathered in relation to the variables. The study adopted the financial theory of finance. In this study descriptive statistics were relied

on in analysing quantitative data while content analysis was adopted in analysing qualitative data

The study was hinged on static pecking order, trade-off, and the agency theories. The study findings revealed that SME size and bank financing had a positive effect on financial performance while there was an inverse association between tangibility and financial performance. It was concluded that bank financing and financial performance of SMEs had a significant positive relationship. Therefore, the CBK ought to constantly reform the bank financing terms to improve credit access by the SMEs from the financial firms. It was also recommended that SMEs management ought to increase the size of their firms to improve their financial outcomes. Similarly, this study was based on general SMEs. Similarly, it failed to show the link between availability of strategic financial resources and performance of the SMEs. This study's focus was on SACCOs as opposed to SMEs.

2.3.3 Strategic Intellectual Property and Performance

Intellectual resources also known as intellectual capital are the non-physical, intangible resources of an organisation like brand, IP, patents, copyrights, and partnerships. Other forms of intellectual resource include customer knowledge and list and staff in the company. To develop intellectual resources, a lot of time and finances are required. According to Dzhandzhugazova, Blinova, Orlova and Romanova (2017), intellectual resources comprise three elements including human, structural, or organizational and relational or customer capitals. According to Zambon, Dumay and (2016), human capital implies the competences and skills, education, training and experience and value features of the organization workforce. On the other hand, relational Capital (external, customer, relationship) refers to all links the company had with external partners like the clients and suppliers. External capital includes the relations with suppliers and customers, brand names, reputation, and trademarks.

Camfield, Giacomello and Sellitto (2018) sought to assess the importance of intellectual capital and its impact on performance of companies in Brazil awarded the Rio Grande do Sul Quality Award in 2004 and 2017. The study targeted companies in Brazil that had received the award and 2004-2017 productivity program. The findings of the study showed that intellectual capital is a vital asset, however in the stated period; changes have been experienced about the presence level and significance between the elements.

While this study provides an understanding on the relationship existing between intellectual capital on performance, the study was based on Brazilian companies that were highly performing and received the Rio Grande do Sul Quality Award within the last five years implying that the sample was not a complete representative of the entire population. Moreover, the study only considered intellectual capital disregarding other strategic resources like the human capital, financial and physical resources as envisaged in this study.

Mungai and Stephen (2015) in Kenyan commercial banks aimed to determine the association of intellectual capital and operation performance. This study embraced descriptive research approach in line with the study population and used survey methodology to gather quantitative data. The 44 commercial banks working in Nairobi were targeted. The questionnaire was adopted as the primary tool for gathering data. Secondary data were acquired from the publication press; banks reports, NSE filings, and various research related organizations. The study found that intellectual resources (human capital, periodic training, updating of information systems, reviewing processes and procedures in line with current trends) significantly impacts on the operational efficiency of commercial banks in Kenya. However, although this study was done in Kenya, the study concentrated on listed commercial banks which are larger in terms of balance sheet size and deposits than SACCOs. In addition, commercial banks have a wider, operational scope compared to SACCOs and the results may not be generalised on the current study context.

2.3.4 Strategic Physical Resources and Performance

Physical resources are tangible resources (assets) that an organisation uses to generate its value proposition (Earl, 2017). Due to projects temporary nature, the Physical Resources needed by organisations for its project usually belong to somebody else and are used elsewhere. Physical resources may comprise equipment's, inventories, manufacturing plants, physical structures, and networks for distribution that support the functioning of the business. Inadequate infrastructure can affect the organization level of innovativeness and ability to meet customer needs and demands. Moreover, Terry and Zhang (2018) noted that physical resources are required in all business types. Product-based firms use physical resources to offer goods for their operations and promote their sale of the firm. Further, physical resources are used in service-based

firms for service delivery, like having a workspace, tools that are required for services and support service resources.

In this section, the study goals, study methodologies used, and findings are reviewed critically to ascertain the knowledge gaps in the areas that this study interested. The link between the predictor and the response variables are evaluated. In Taiwan, Feng Huang, and Chen (2019) sought to assess the association between firms' physical resources and capabilities on performance of IC design companies. Qualitative and quantitative approaches of analysing data were used. The study findings indicated that firm physical resource has no effects on firm's performance. The study recommends that the IC design industries should align their physical resources strategically if they want to achieve competitive advantage. However, the study's focus was on the IC sector in Taiwan which is more technology based as opposed to financial sector which is more capital intensive. The study results can thus not be generalised in the current study.

Amadi, Ezeugo and Chinyere (2019) aim was to find out the effect of availability of physical resources on student performance in the universal basic education system of Rivers state. Results suggested that availability of strategic resources influenced student performance. However, in this study strategic resource was operationalized through inventories, cash, and customers while in the current study it was operationalized through financial resources, human resources, intellectual property, and physical resources. Orr (2019) in a study on daring to tap external strategic resources concluded that owing to their immobility, external strategic resources introduce diversity and innovation which is a catalyst for competitive advantage. While the study showed how availability of physical resources affects students' performance, the study results cannot be generalised in the financial sector which has a significantly different operational environment.

Within the African region, Matser, (2018) on how strategic resources affect firm performance concluded that elements of strategic resources such as social capital and tacit knowledge are positively correlated with firm performance. However, in the study, strategic resources were measured through social capital and tacit knowledge while the current study strategic resources was operationalized through financial resources, human resources, intellectual property, and physical resources. Olthaar and Noseleit (2017) in a study on deployment of strategic resources concluded that farmer

cooperatives in Ethiopia succeed in deploying strategic resources. However, they remain underutilised. Nonetheless, this study did not link strategic resources to firm performance. Similarly, the findings by Nwachukwu and Chladkova (2019) suggested that there exists a positive significant association between HR, financial resources, strategic analysis ability, and strategic performance.

Murimi, Ombaka and Muchiri (2019) researched on the effects of strategic physical resources on performance of SM manufacturing firms in Kenya. The population for the study were 183 managers sampled from the 350 firms registered by the Kenya KAM. The findings of the study showed that physical resources significantly influence the outcomes of SM manufacturing firms in Kenya. While this study closely related to the study, it was conducted among manufacturing firms under KAM. The information could not be inferred since the current study was carried out in firms in the financial sector.

2.4 Critique of the Existing Literature

From the reviewed literature, it is evident that there exist gaps in research concerning strategic organisational resources and its influence on performance. Most researchers have carried out studies on strategic resources. Kisii County, Njagi and Muchemi (2018) investigated financial and physical resources effects on public health institutions while Amadi, Ezeugo and Chinyere (2019) Nigeria and focused on the education sector therefore the results cannot be generalised to the current study. None of the mentioned evaluations focused on strategic organisational resources and performance of DT-SACCOs much less in Kiambu County.

Similarly, Filser, Eggers, Kraus and Málovics, (2018) examined the effects of financial resources customer and entrepreneurial orientations on SMEs growth in an international context in Hungary and Austria. On the other hand, Camfield, Giacomello and Sellitto (2018) assessed the significance of intellectual capital and its impact on performance of companies in Brazil. These studies were done in other nations and their findings cannot be generalised to a study conducted in Kenya.

2.5 Summary of Reviewed Literature

Reviewed literature was summarised as shown in table 2.1

Table 2.1: Summary of Reviewed Literature

Author(s) and year	Objective of the study	Methodology	Conclusion	Gaps identified	Focus of the current study
Vivares, Sarache and Naranjo (2016)	To determine the impact of HRM practices on performance in competitive priorities	Survey research design Regression analysis	HRM practices and performance in competitive priorities had no significant relationship	The study was based on data obtained from large and medium sized manufacturing firms engaged in coffee processing.	Adopted a descriptive research design. The current study was grounded on deposit taking SACCOs operating in Kiambu County.
Sembiring (2016)	To establish the impact of human resources' knowledge and skills on SMEs' performance in Medan City, Indonesia	Survey research design was used. Data was analysed quantitatively.	Human resource practices such as recruitment and selection, training and development, performance appraisal and compensation have a significant relationship with university performance	The study was inclined towards a case study of an academic institution whose operational environment is significantly different from the savings and credit cooperatives as envisaged in this current study.	The study was conducted among savings and credit cooperatives in Kiambu County. Adopted a descriptive research design and primary data
Odhon'g and Omolo (2015)	To determine the effect of investment in human capital on performance of	Descriptive research design was used. Primary data Descriptive statistics Inferential analysis	There exists a positive significant relationship between investment in human capital and firm performance	The study only concentrated on human capital investment.	The study basis was in the pharmaceutical sector whereas this study basis was the financial sector.

	pharmaceutical firms in Kenya			Ignoring other strategic resources	
Neneh, (2016)	to determine the effect of financial literacy on firm performance, and examine the moderating effect of availability of financial capital on financial literacy performance	Descriptive study Primary data used. Anchored on RBV	Availability of financial capital had a positive moderating effect on performance	The study focused on financial literacy and its effect on performance. Primary data was	This study studied the impact of strategic financial resources on performance. Utilized primary data
Rahim, Bakar, and Syed Abu (2015)	To examine the effects of sources of financing on the performance of Top 100 mid-sized firms in Kenya.	Descriptive cross-sectional research design Regression analysis	Financing sources does not affect the financial performance of Kenyan Top 100 organizations.	The study generalised all financial resources and did not make a distinction between strategic and non-strategic. The study was based on small and medium enterprises.	The current study focused on specifically savings and credit cooperatives allowed to take deposits
Irene (2015)	To examine bank financing effects on SMEs financial performance in	Descriptive research design Secondary data was used.	A positive significant connection exists between financing of banks and SMEs	The study was based on general SMEs.	This research was carried out in SACCOs. Primary data was used.

	Nairobi County, Kenya	Descriptive analysis Content analysis	financial performance in Nairobi City County.		Other strategic resources such as human capital, intellectual and physical
Camfield, Giacomello and Sellitto (2018)	To assess the importance of intellectual capital and its impact on performance of companies in Brazil	Cross-sectional analysis was conducted. Secondary data was used. Data analysed descriptively	Intellectual capital is an essential asset and impacts on performance.	The study was based on Brazilian companies and only concentrated on intellectual capital.	The current study considered other strategic resources like the human capital, financial and physical resources. Primary data was used in the study
Mungai and Stephen (2015)	To determine the connection between intellectual capital and operational performance of Kenyan commercial banks	Targeted 44 commercial banks. Primary data collected using questionnaire.	Intellectual resources (human capital, periodic training, updating of information systems, reviewing processes and procedures in line with current trends) have a significant impact on the operational efficiency of commercial banks in Kenya	The study was based on commercial banks listed at NSE	The study will be based on SACCOs that have a smaller scope compared to listed commercial banks
Amadi, Ezeugo and Chinyere (2019)	To establish the effect of availability of physical resources on student performance in the	Case study research design was used. Descriptive analysis and regression analysis adopted	Availability of strategic resources influenced student performance in the universal basic	Strategic resources were operationalized through inventories, cash, and customers	Strategic resources were operationalized through financial resources, human resources, intellectual

	universal basic education systems of Rivers state.		education scheme of Rivers state.		property, and physical resources
Matser, (2018)	To establish how strategic resources affect firm performance	Descriptive research design was used. Regression analysis conducted.	Strategic resources such as social capital and tacit knowledge are positively correlated with firm performance	Strategic resources measured through social capital and tacit knowledge	Strategic resources were operationalized through financial resources, human resources, intellectual property and physical resources
Murimi, Ombaka and Muchiri (2019)	To determine the effect of physical resources on performance of small-medium manufacturing firms in Kenya.	Targeted 183 management staff of 350 manufacturing SMEs.	Physical resources significantly influence performance of SM manufacturing enterprises in Kenya.	The study was conducted among manufacturing SMEs under KAM	The study was done among SACCOs

Source: Author and Literature Review (2020)

In summary, the reviewed literature has highlighted several knowledge gaps. First, the study noted that most studies focussed on individual constructs such as physical resources management (Amadi, et al, 2019), human resources management (Munjuri, et al, 2015), financial resource (Filser, et al, 2018; Njagi & Muchemi, 2018) and intellectual capital (Kariuki, et al, 2015; Camfield, et al, 2018). However, none of the reviewed study considered the combined influence of all the four strategic resources on deposit taking SACCOs overall performance. Consequently, the study identifies that empirical and conceptual gap exists in the existing literature.

The study also observed that most of the existing studies were conducted in other jurisdictions such as Hungary and Austria (Filser, et al, 2018), Nigeria (Amadi, et al, 2019), South Africa (Neneh, 2016), Brazil (Camfield et al, 2018) and Bahrain (Ismail and Karem, 2017). Further, although several studies have been conducted in other counties such as Kisii County and Embu County. In other cases, the studies were conducted among listed companies, pharmaceutical companies, SMEs, schools, and commercial banks. The results in these studies cannot be inferred on deposit taking SACCOs in Kiambu County as envisaged in this study.

2.6 Conceptual Framework

A conceptual framework is important in research, as it helps in making the conceptual distinction and in the organization of ideas. Performance of deposit taking SACCOs is the dependent variable of this study while (strategic organisational resources) strategic human resources, financial resources, intellectual resources, and physical resources are the independent variables. Based on the conceptual framework the influence of strategic organisational resources on performance of deposit taking SACCOs was established.

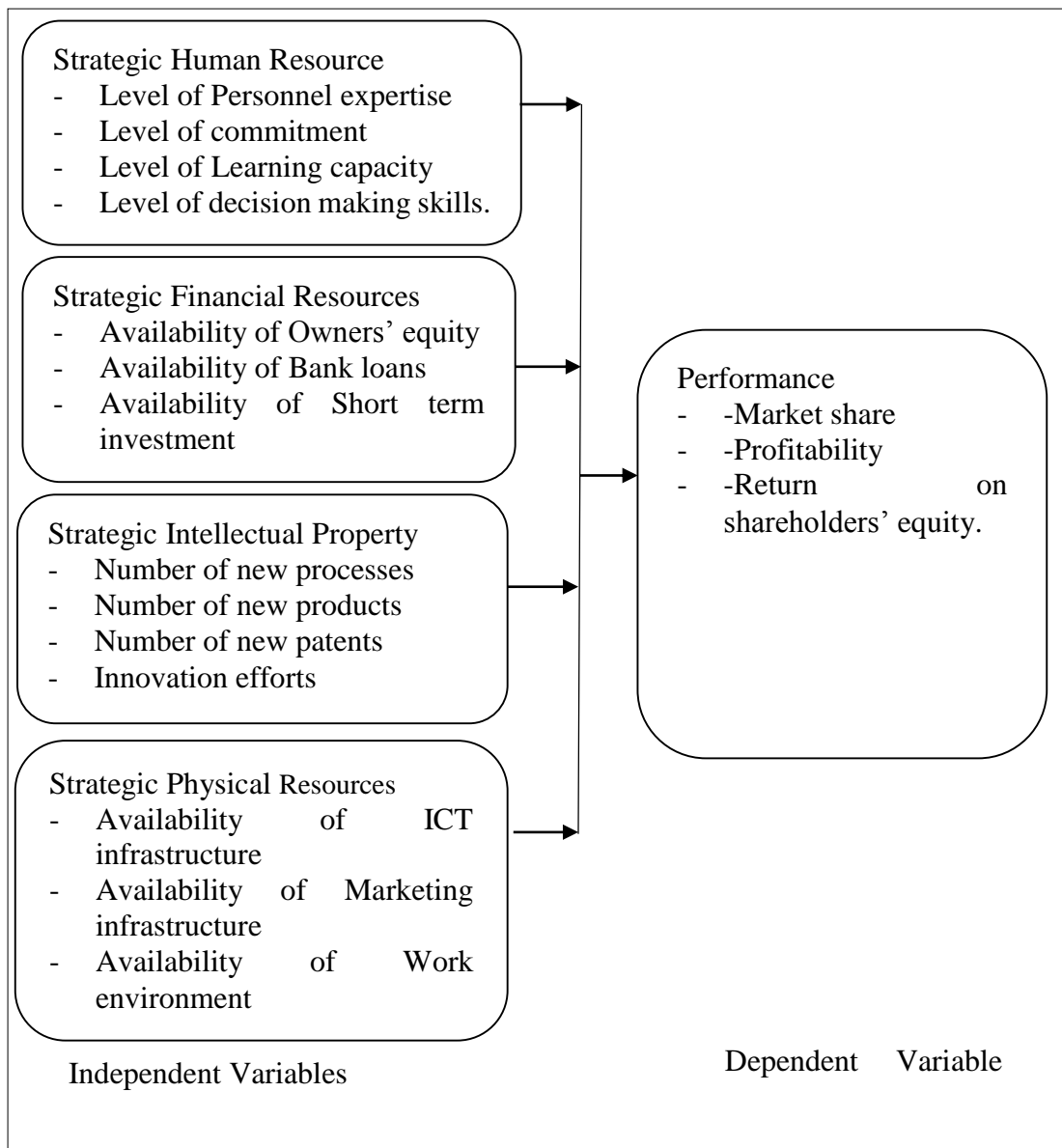


Figure 2.1: Conceptual Framework
 Source: Author (2020)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter is a discussion of methodology under the headings: Research design, research site and rationale, variable operationalization and measurement, target population, sample size and sampling procedures, instruments of data collection, procedures for data collection, validity of the instruments, reliability of the instruments, data analysis and presentation and finally ethical considerations.

3.2 Research Design

The descriptive research design was adopted in this study to describe how strategic resources influence performance of DT-SACCOs in Kiambu County. This study design is adopted in preliminary and exploratory studies to give the research an opportunity of gathering data and summarising, presenting, and interpreting it for clarification purposes (Esser, & Vliegthart, (2017). According to Chu and Ke (2017), descriptive research helped the researcher ascertain and report how things are, and it assists in determining the present population status.

In this study, descriptive statistics were used to statistically describe the nature and extent of adoption of strategic human capital, strategic financial resources, strategic intellectual property, strategic physical resources, and performance of DT- SACCOs. Besides the study utilised the model in determining the mode of the relationship existing between strategic human capital, strategic financial resources, strategic intellectual property, strategic physical resources, and performance of deposit taking SACCOs. Through the model, the researcher conducted correlation and linear regression analysis.

3.3 Research Site and Rationale

The study was carried out in Kiambu County. It is among the five counties in the larger former central province with its capital in Kiambu town. The county measures approximately 2,449 km² and borders Nairobi County, Kajiado County, Machakos County, Muranga County, Nyandarua County, and Nakuru County. The county has 12 administrative sub-counties as follows: Gatundu North, Gatundu South, Githunguri, Juja, Kabete, Kiambaa, Kiambu, Kikuyu, Lari, Limuru, Ruiru, Thika East, and Thika West. The county was selected because of its proximity to the Kenya capital city (Nairobi) which had made it attract numerous SACCOs in the locality. This is mainly attributed to the large population working in Nairobi and residing in Kiambu County.

3.4 Target Population

The target population according to Lindlof and Taylor (2017), is the total group of individuals of interest to the study and from which the required information may be obtained. Besides, Kumar (2019) describes a target population as a group of participants with comparable features from which the researcher can acquire the data needed. The unit of analysis was all the 55-DT-SACCOs in Kiambu County. The unit of observation was the management of DT-SACCOs in Kiambu County whereas the unit of measurement was the three management levels (top level, middle level, and lower level). The population comprised 227 management staff comprising of 26 top management staff comprising CEOs, and Key informants managing directors, 67 middle managers such as human resource managers, operations managers, and finance managers as well as 134 lower-level management staff representing branch and departmental heads. The study population was identified through a background check. This population was selected because they have a direct involvement in the management of the organisational resources of deposit taking SACCOs. Table 3.2 shows the study target population.

Table 3.1: Target Population

Level of management	Population	Percentage
Top level	26	11%
Middle level	67	30%
Lower level	134	59%
Total	227	100%

Source: SASRA (2020)

3.5 Sample Size and Sampling Procedure

3.5.1 Sampling Procedure

According to Blumberg, Cooper, and Schindler (2014) sampling involves carefully choosing the individuals who would provide information used in the study to draw conclusions regarding a larger group that is represented by these individuals. Lampard and Pole (2015) describe a sample size as a smaller group of the population obtained to represent the whole population. According to Chu and Ke (2017), a 10-30% sample is accepted to represent the population while a 50% and above population is desirable. Stratified sampling approach was used to select a sample of 14 top level, 36 middle

level and 71 lower-level staff of deposit taking SACCOs in Kiambu County. The researcher first stratified the population based on their management level. From each stratum simple random sampling technique was used to select respondents to be included in the final sample. 53% of the population in each stratum was selected.

3.5.2 Sample Size

A sample of 121 respondents drawn from top level, middle level and lower-level management staff of DT-SACCOs in Kiambu County was reached at by computing the study population of 227 management staff with a 95% level of confidence and 0.05 error using the indicated formula obtained from (Kothari, 2004).

$$n = \frac{z^2 \cdot N \cdot \sigma_p^2}{(N - 1)e^2 + z^2 \sigma_p^2}$$

Where, n = Size of the sample,

N = Population size (227),

e = Acceptable error (0.05),

σ_p = The population standard deviation and provided as 0.5 where not known,

Z = Standard variate at a confidence level provided as 1.96 at 95% confidence level.

The total sample size for the study was 121 management staff. Table 3.3 presents the sample size of the study.

Table 3.2: Sample Size

Level of management	Population	Ratio	Sample Size
Top level	26	0.53	14
Middle level	67	0.53	36
Lower level	134	0.53	71
Total	227	0.53	121

Source: Author (2020)

3.6 Data Collection Instruments

This study utilized primary data which was collected using a semi-structured questionnaire. The questionnaire collected data on elements of strategic human capital such as expertise, commitment, learning capacity, and decision-making skills. Data on strategic financial resources (owners' equity, debt capital, and short-term investments)

on deposit taking SACCOs were also obtained. Besides data on new processes and products introduced through innovations and patented was collected. Moreover, the questionnaire collected data on natural resources ICT infrastructure, marketing infrastructure, and production facility. Finally, the study collected data on market share, profitability, and return on shareholders' equity.

According to Kumar (2019) questionnaires provide detailed answers to problems that are complex. The questionnaire was fragmented to contain two parts with the first part having questions covering the demographic data of the respondent and part two having questions regarding the study variables. The questions contained both closed and open-ended questions. According to Mutandwa, Grala and Grebner (2016), open ended questions give the respondents an opportunity to give profound responses without feeling limited. This enables to provide additional information that the researcher may have taken for granted. Closed ended questions on the other hand enabled the researcher to easily assess data since the respondents were presented with premeditated options.

3.7 Data Collection Procedure

Prior to the start of the procedure for data collection, a research permit was sought and given to the participants so that to persuade them that the study is approved legally, and the data gathered would purely be used for the purposes of the research. The permit was gotten from National Commission for Science Technology and Innovation (NACOSTI). Further, a letter of introduction from the university was given to the management of the organizations and offices where the study took place to allow data to be collected. Data was collected in the month of October and November 2020.

In this study, the research assistants were employed to help the researcher in the collection of appropriate data. The research assistants were adequately trained about how to create a rapport with respondents, responding to the questions, interpersonal skills and how to persuade the participants to be part of the study. After introducing the research assistants, appointments with the respondents were made by the researcher. The study used drop and pick later approach to give the participants sufficient time to reply to the questions.

3.8 Pilot study

Pilot study was conducted in this study to determine the validity and reliability of the research instrument. According to Kumar (2019), the major aim of carrying out a pilot test is to determine the research tool validity and reliability. The aim of piloting is to determine the possible challenges in responding to the research questions, examine its clarity, and understand the used language and constructs of the study. According to Lindlof and Taylor (2017) a sample of 10% for pilot testing is adequate. In this study, pilot testing was conducted on 15 deposits taking SACCOs in County of Nairobi. The results from pilot study were used to enhance the research tool. Particularly, some questions were rephrased with the help of the supervisors to make them easy to understand. The study also realised the need to self-administer the questionnaire so as to make clarifications where need be.

3.8.1 Validity of Research Instrument

The validity of the research instrument as explained by Golafshani and Behnood (2018) relates to the precision and meaning of the research outcomes. Validity gives the investigator a chance to establish if the questionnaire will assist in collecting valid data. To test the questionnaire's validity the researcher relied on expert opinion as to the extent to which the instrument displayed content and face validity. Face validity is the extent to which a test is subjectively considered to encompass the concept to be measured by it. It concerns the sample population representatives while content validity draws an inference from test results to a wide range of comparable items to those on the exam. Knowledge and abilities covered by the test items should be representative of the wider knowledge and abilities domain (Gillham, 2011).

From the pre-test results, the research tool was found to cover all the constructs in the main study. The questions represented all the study items as expected. The questions were a good measure of the variables provided in the main study. The suggestions from supervisors and 2 research experts were used to improve the research instrument, particularly regarding framing of the variable statements. In the end the research instrument was valid to be a data gathering tool for this study.

3.8.2 Reliability of the Research Instrument

Reliability of a research instrument is the degree to which the instrument provides results that are the same under similar situations. According to Taylor, Bogdan and

DeVault (2015), reliability is the extent to which there is consistency in measuring what the instrument was aimed to measure. Reliability is concerned with if the findings of a research are repeatable. The composite reliability coefficient (Cronbach alpha) of 0.6 is viewed as sufficient for each construct (Liamputtong, 2019). Thus, in this study, an alpha (α) coefficient of 0.7 or above was regarded reliable.

Table 3.3: Item-Total Statistics

Item	n	Cronbach's Alpha
Strategic Human Resources	10	.750
Strategic Financial Resources	10	.902
Strategic Intellectual Resources	8	.854
Strategic Physical Resources	10	.772
Performance of DTS	3	.828
Overall		0.825

Source: Research Data (2020)

From table 3.4, strategic human resources coefficient was 0.750, strategic financial resources coefficient was 0.902, strategic intellectual coefficient was 0.854, strategic physical resources coefficient was 0.772 while performance of DTS 0.828. Overall, all the constructs had a coefficient of overall 0.825. From these results each construct had a Cronbach's alpha coefficient more than 0.7 indicating that their measures were reliable.

3.9 Data Analysis and Presentation

Analysis of data involves a systematic arrangement and synthesis of data and testing of hypothesis so that to gather relevant data on certain research question. The interpretation of raw data is difficult, thus, such data ought to be cleaned, coded fed into a computer and analysed (Lindlof & Taylor, 2017). The SPSS version 23 was adopted to help in analysing. Quantitative data analysis was by use of descriptive statistics like the mean, frequency, and standard deviations. The inferential statistics were also carried out through correlation analysis as well as multiple regression analysis. Correlation analysis was conducted through Pearson's correlation coefficient. Decision on significance of the coefficient was based on the significance level at 0.05. The results for descriptive analysis as well as correlation analysis were presented in tables.

This study used a model of multiple linear regressions. This model was adopted because the dependent variable (performance of deposit taking SACCOs) is continuous (Field, 2013). The regression model adopted in this study was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

The model is specified as follows.

$$PS = \beta_0 + \beta_1 SHR + \beta_2 SFR + \beta_3 SIR + \beta_4 SPR + \varepsilon$$

Where: **PS** = Performance of deposit taking SACCOs

β_0 = constant

β_1 , β_2 , β_3 and β_4 = Variable coefficients

SHR = Strategic Human Resources

SFR = Strategic Financial Resources

SIR = Strategic Intellectual Resources

SPR = Strategic Physical resource

ε = Error Term

Regression analysis was carried out in line with recommendations of Hayes (2017) to demonstrate the relationship of the independent and dependent variables. Based on the multiple regression results, the coefficient of each independent variable and the constant were observed. At the same time, the p-value for each variable was observed. Where the p-value was established to be below 0.05, then the variable was significant in predicting performance.

The model's predictive power was evaluated using R square (R^2). F-statistic in Variance Analysis (ANOVA) was used to ascertain the fitness model. Finally, student t-testing was conducted to find out the significance of strategic human capital, strategic financial resources, strategic intellectual property, and strategic physical resources in predicting performance of deposit taking SACCOs. Significance of independent variables was based on the P-value at 0.05 significance level. Relevant diagnostic tests such as test for normality, multicollinearity and heteroscedasticity were conducted. The Shapiro-Wilk test was used to determine normality; the test on multicollinearity was done by use of Variance Inflation factor (VIF) while the test on heteroscedasticity was done by use of Breusch-Pagan test. The results were presented in tables.

3.10 Operationalization and Measurement of Variables

The aim of variable operationalization is to create a measurable, quantifiable, and valid index for the variables in the study (Crano, Brewer & Lac, 2014). It allows the researcher to form a suitable measurement tool. Table 3.1 shows the outline on how the study variables were operationalized.

Table 3.4: Operationalization and Measurement of Variables

Variable	Variable Type	Operational definition of variable	Operationalization	Measurement	Hypothesized direction
Strategic human resources	Independent variable	People who make up the personnel of an organisation	<ul style="list-style-type: none"> - Level of Personnel expertise - Level of commitment - Level of Learning capacity - Level of decision-making skills. 	Direct relationship using Descriptive statistics and Inferential analysis	Direct positive
Financial resources	Independent variable	Liquid assets of a company which includes cash, bank deposits and cash equivalents.	<ul style="list-style-type: none"> - Availability of Owners' equity - Availability of Bank loans - Availability of Short-term investment 	Direct relationship using Descriptive statistics and Inferential analysis	Direct positive
Intellectual resources	Independent variable	The non-physical, intangible organisation resources such as brand, patents, IP, copyrights, and partnerships.	<ul style="list-style-type: none"> - Number of processes - Number of new products - Number of patents - Innovation efforts 	Direct relationship using Descriptive statistics and Inferential analysis	Direct positive
Physical resources	Independent variable	Tangible resources or assets of an organisation that an organisation uses to create its value proposition	<ul style="list-style-type: none"> - Availability of ICT infrastructure - Availability of Marketing infrastructure - Availability of Work environment 	Direct relationship using Descriptive statistics and Inferential analysis	Direct positive
Organisation performance	Dependent variable	An organization's actual output or results as gauged against its intended outputs objectives and goals.	<ul style="list-style-type: none"> - Market share (number of customers in a SACCO/ total number of customers for all deposit taking saccos) - Profitability (Return on asset = Net Profit / Total) - Return on shareholders' equity 	Direct relationship using Descriptive statistics and Inferential analysis	Direct positive

Source: Author and Literature Review (2020)

3.11 Ethical Considerations

The following ethical factors were put into consideration during the process of writing this project and data collection. First, the researcher remained objective and neutral during the period of data collection and data analysis. Thus, the results presented in this project are free from any personal opinions and prejudice.

The researcher ensured that there was voluntary participation in the study such that no single respondent was coerced into responding to the research instrument. The respondents were made aware of the study objectives well in advance. The researcher informed the management of the responding organisations that the sought data was meant to be used for the purposes of academics only. To this end the researcher produced and presented the research permit obtained from NACOSTI.

Further, the researcher ensured that the information obtained from the respective informants was treated with confidentiality. As such no respondent was required to identify themselves or provide any identifying information about themselves. Moreover, the information obtained was not disclosed to other third parties and competitors.

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction

This chapter presents analysis of the data obtained from the field and the discussions thereof. Contained in this section is the response rate, demographic characteristics of the respondents, description of the data obtained, diagnostic tests, correlation analysis, regression analysis, hypotheses testing, and analysis of qualitative data obtained.

4.2 Response Rate

A sample of 121 respondents was targeted where 81 duly filled questions were obtained. Figure 4.1 shows the response rate.

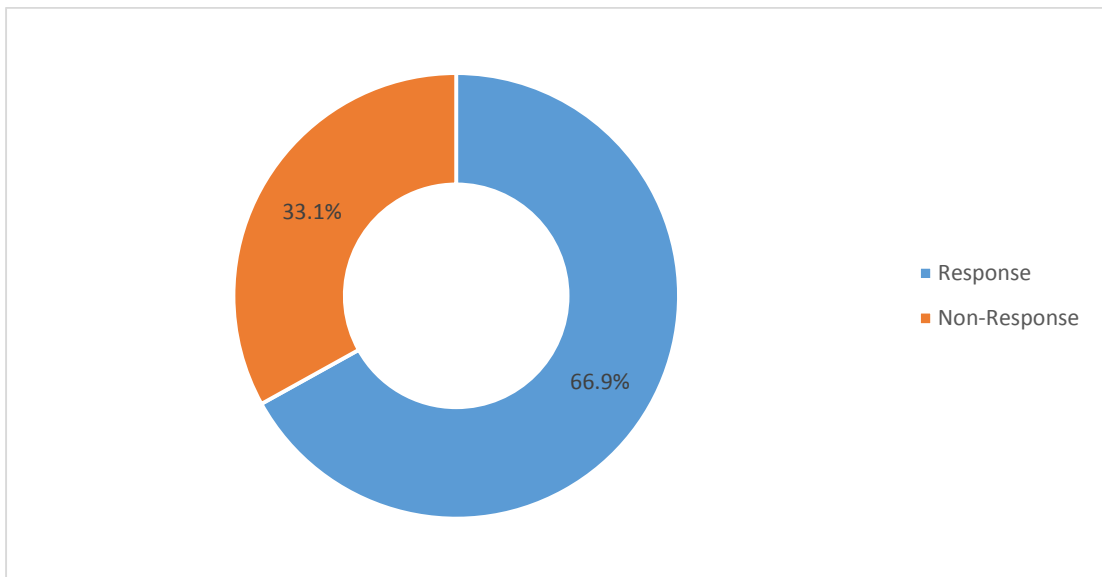


Figure 4.1: Pie Chart for Response Rate

Figure 4.1 shows that 81 questionnaires were duly filled forming a 66.9% response rate while 40 questionnaires were not returned making a non-response rate of 33.1%. The study found the rate of response was adequate to allow data analysis to proceed based on the recommendations of Mugenda and Mugenda (2003) that a 50% or more response rate is adequate.

4.3 Analytical Profile of the Respondents

In this section the study described the characteristics of respondents which include the number of years worked in the SACCO, the highest education level they had attained,

and the level of management that they represented in the organisation. Table 4.1 shows the results.

Table 4.1: Analytical Profile of the Respondents

Number of years worked in the SACCO	Frequency	Percent
Less than 1 year	9	11.1
1-5 years	23	28.4
6-10 years	37	45.7
Above 10 years	12	14.8
Total	81	100.0

Highest Education Level	Frequency	Percent
Certificate	7	8.6
Diploma	29	35.8
Undergraduate	35	43.2
Postgraduate	10	12.3
Total	81	100.0

Level of Management in the Organisation	Frequency	Percent
Top ³ level ³ management	7	8.6
Middle ³ level ³ management	51	63.0
Lower ³ level ³ management	23	28.4
Total	81	100.0

Source: Research Data (2020)

Regarding the number of years worked in the SACCO, table 4.1 results allude that most (45.7%) of respondents had worked for the current employer for between 6 and 10 years. Another 28.4% had worked in the SACCO for 1-5 years, 14.8% for 10 years and above while only 11.1% had less than one year working in the current organization. These findings imply that majority of respondents had enough work experience with their organization with over 60.5% having worked in the organisation for over five years.

On the highest education level attained, it was revealed that 55.5% of all the respondents had at least a university degree. Specifically, 43.2% of the respondents had an undergraduate degree while the remaining 12.3% had post graduate qualifications. Results also showed that 35.5% of the respondents had a diploma while another 8.6%

only had a certificate as their highest qualifications. Based on these results it is apparent that a huge number of the respondents were graduates and were therefore well informed about the role and configuration of organisational resources in performance of DT-SACCOs in Kiambu County.

On management level, it was observed that most of the respondents were in the middle level representing 63.0% of all respondents. 28.4% of the respondents were drawn from lower-level management while the remaining 8.6% represented top level management. It is thus clearly outlined that most of the respondents were from the middle and lower cadre who are involved in the day to day running of SACCOs and are thus well versed with the link existing between the research variables. Consequently, the study was confident that the responses given by the respondents were the true representation of the phenomena of SACCOs in Kiambu County.

4.3 Descriptive Statistics

The study also sought to descriptively analyse the obtained data based on frequency of occurrence, mean scores, and variation as measured by standard deviation. In this section, descriptive statistics for strategic human resources, financial resources, intellectual resources, physical resources, and performance are presented in the same order.

4.3.1 Strategic Human Resources

This section presents descriptive results for strategic human resources. The respondents were asked to state the level to which strategic human resources influence performance of their SACCO. Table 4.2 is a representation of the findings.

Table 4.2: Extent that Strategic Human Resources Influence Performance

	Frequency	Percent
Little extent	5	6.2
Moderate extent	12	14.8
Great extent	38	46.9
Very great extent	26	32.1
Total	81	100.0

Source: Research Data (2020)

The results in table 4.2 point out that majority (46.9%) of employees suggested that to a great extent strategic HR influenced performance of their SACCO, 32.1% indicated that strategic human resources influence performance of their SACCO to a very great extent, 14.8% to a moderate extent while only to a little extent by 6.2%. As a result, all respondents agreed that strategic human resources had some influence on performance of their SACCO. Results obtained in this section were like conclusions made by Pfeffer (2014) who opined that human resources are among the most crucial resources in the firm because they interact with all other resources of the firm. Similarly, Vivares et al. (2016) alluded that HRM highly impacts on the performance of the firm and therefore appropriate HRM practices must be put in place if the firm will achieve better performance.

Respondents were also requested to indicate their level of agreement with some statements regarding strategic human resources in their SACCO. Table 4.3 is a presentation of the results.

Table 4.3: Descriptive Statistics for Strategic Human Resources

	n	Minimum	Maximum	Mean	Std. Deviation
Our company emphasise on personnel expertise during recruitment	81	2	5	4.79	.607
Employees are always motivated to improve their commitment to organisation goals	81	2	5	4.42	.849
We endeavour to internally recruit to make our staff to be committed	81	1	5	4.14	1.058
We emphasise on decision making capability among our employees	81	2	5	3.98	.880
We continuously train our staff on organisation goals, products and process to improve their decision-making skills	81	2	5	3.96	.914

We encourage our staff to freely share knowledge among themselves to improve learning of new skills	81	2	5	3.69	.944
To be promoted to higher ranks employees must possess the required skills	81	2	5	3.16	.968
Among the key attributes emphasised during recruitment is the ability of the employee to learn	81	1	5	2.05	.960
We encourage our staff to go for further on-job training to improve on their skills	81	1	3	1.93	.787
Involvement in decision making at all levels is emphasised to improve employee commitment	81	1	4	1.83	.848
Overall				3.40	.882

Source: Research Data (2020)

Descriptive findings in table 4.3 indicated that HR attributes were stressed to a moderate extent among SACCOs as indicated by an overall mean score of 3.40. The low standard deviation of 0.882 suggests that there was general agreement among respondents. Notably, most SACCOs emphasised on personnel expertise during recruitment process with a mean of 4.79. The (Std. Dev. = 0.607) suggests that there was general agreement among respondents. However, the study established that the least practiced element was involvement of employee at all level in decision making with a mean score of 1.83 and (Std. Dev. = 0.848) showing that it only emphasised to a low extent. Cascio (2015) who stated that human capital is the backbone of the firm because it interacts with all other departments also underscored the significance of human capital. At the same time, the relevance of human resources in driving firm performance was showcased by Sembiring (2016) who concluded that employees have a significant influence on business performance and should therefore be emphasised through proper recruitment¹ and¹selection, training¹ as well as¹development.

Otherwise, most SACCOs largely motivated and recruited internally to make their employees committed to organisational goals as demonstrated by a mean of 4.42, and 4.14 and standard deviations of 0.849 and 1.058. It was also noted that to a large extent there was emphasis on decision making capability coupled with continuous training of staff on organisation goals, products, and process to improve their decision-making skills with a mean of 3.98 and 3.96 and a standard deviation of 0.880 and 0.914 in that order. Similarly, staffs were largely encouraged to freely share knowledge among them to improve learning of new skills demonstrated by (mean = 3.69) and (std. dev. = 0.944).

However, possession of required skills to be promoted was only moderately emphasised in the SACCOs with (mean = 3.16) and (std. dev. = 0.968). Equally, employee ability to learn was emphasised to a moderate extent during recruitment with (mean = 2.05) and (std. dev. = 0.960) while employees were encouraged to go for on-job training to improve their skills with (mean = 1.93) and (std. dev. = of 0.787).

4.3.2 Strategic Financial Resources

This section presents descriptive results for strategic financial resources. The respondents were required to state the extent to which strategic financial resources influenced performance of their SACCO. Table 4.4 shows the results.

Table 4.4: Extent that Strategic Financial Resources Influence Performance

	Frequency	Percent
No extent	3	3.7
Little extent	4	4.9
Moderate extent	22	27.2
Great extent	33	40.7
Very great extent	19	23.5
Total	81	100.0

Source: Research Data (2020)

From table 4.4, results indicated that most (40.7%) of the respondents believed to a great extent that strategic financial resources affected performance of their SACCO. Further, results showed that another, 27.2% alleged that strategic financial resources influenced performance of their SACCO to a moderate level, 23.5% believed to a very great level that strategic financial resources influenced performance of their SACCO, 4.9% opined that strategic financial resources influenced performance to a little extent

while only 3.7% felt that strategic financial resources had no influence whatsoever on performance of their SACCO. Karltorp (2016) who opined that liquid financial asset enable the firm to execute and finance its operations thereby attaining higher performance made similar observations. On the other hand, Irene (2015) concluded that business financing and size of SMEs positively impacts on SMEs financial performance.

When the respondents were required to state the extent to which they agreed on adoption of some statements on strategic financial resources in their SACCO, the results in Table 4.5 were obtained.

Table 4.5: Descriptive Statistics for Strategic Financial Resources

	n	Minimum	Maximum	Mean	Std. Deviation
We are guaranteed of unlimited line of credit from central bank if need be.	81	2	5	4.14	.848
The SACCO endeavour to retain earnings for investment purposes	81	3	5	3.94	.659
We invest in short term investments to ensure the SACCO is always liquid	81	1	5	3.88	.967
Our SACCO invest excess cash balances in in marketable securities	81	1	5	3.81	1.062
The SACCO can liquidate short term investments with ease	81	1	5	3.72	.952
The SACCO can access unlimited amount of equity capital	81	2	5	3.65	.777
Bank loans are preferred in this SACCO due to interest tax savings	81	1	5	3.33	1.204
The SACCO has a line of credit from the central bank of Kenya	81	2	5	3.20	.697

This SACCO has raised adequate capital through issue of ordinary shares	81	1	5	2.21	.984
we raise debt capital by borrowing from commercial banks	81	1	4	1.74	.648
Overall				3.36	.880

Source: Research Data (2020)

Table 4.5 results indicated that to moderate extent strategic financial resources were deployed demonstrated by (mean = 3.36). There was agreement on this assertion as indicated by the low standard deviation of 0.88. The study observed that to a large extent, SACCOs were confident of a guaranteed unlimited line of credit from central bank if need be with a (mean = 4.14) and (std. dev. = 0.848). However, SACCOs did not rely on debt capital by borrowing from commercial banks and only borrowed to a little extent with a (mean = 1.74) and (std. dev. = 0.648). These results point to the fact that SACCOs which are member owned rely more on contributions from members in financing their operations as suggested by Nyaga, (2017).

In particular, it was observed that SACCOs largely endeavoured to retain earnings for investment purposes with (mean = 3.94) and (std. dev. = 0.659), invest in short term investments for liquidity purposes with (mean = 3.88) and (std. dev. = 0.967), invest excess cash balances in in marketable securities with (mean = 3.81) and (std. dev. = 1.062), liquidate short term investments with ease with (mean = 3.72) and (std. dev. = 0.952) and most SACCOs can access unlimited amount of equity capital from their members with (mean = 3.65) and (std. dev. = 0.777).

On the other hand, the study found that bank loans were only preferred to a moderate extent due to interest tax savings as shown by (mean = 3.33) and (std. dev. = 1. 204). SACCOs had a line of credit from the central bank of Kenya though it was not regularly utilised with (mean = 3.20) and (std. dev. = 0.697) and that most SACCOs had only raised adequate capital through issue of ordinary shares to a low extent with (mean = 2.21) and (std. dev. = 0.984). The findings of the study were like conclusion of Neneh, (2016) that financial capital¹availability has a positive¹ effect¹ on¹performance. However, the findings contradicted the findings of Rahim, Bakar, and Syed Abu (2015)

who concluded that financial resources do not affect financial¹ performance of companies.

4.3.3 Strategic Intellectual Resources

The study also sought to establish the extent to which the respondents believed intellectual resources influenced performance of their SACCO. Table 4.6 shows the findings.

Table 4.6: Extent Strategic Intellectual Resources Influence SACCO Performance

	Frequency	Percent
Little extent	5	6.2
Moderate extent	11	13.6
Great extent	36	44.4
Very great extent	29	35.8
Total	81	100.0

Source: Research Data (2020)

Results in table 4.6 indicated that majority of respondents representing 44.4% suggested to a great extent that strategic intellectual resources influenced performance of deposit taking SACCOs in Kiambu County. 35.8% of respondents believed that to a very large extent strategic intellectual resources influenced performance of their SACCOs, 13.6% respondents believed that strategic intellectual resources influenced performance to a moderate extent while 6.2% believed that strategic intellectual resources influenced performance to a little extent. This means that all respondents believed that strategic intellectual resources had some form of influence on performance SACCOs. These findings were consistent with those of Zambon, Dumay and (2016) that intellectual resources such as human capital, structural capital, and customer relations have significant influence on firm performance. Furtherance to this, Camfield, et al. (2018) also concluded that intellectual capital is an essential resource that significantly influences performance of the firm.

Respondents were also required to indicate the level of agreement of adoption of some statements on strategic intellectual resources. The results were as shown in table 4.7.

Table 4.7: Descriptive Statistics for Strategic Intellectual Resources

	n	Min	Max	Mean	Std. Dev.
Our SACCO encourage employees to be innovative and recommend new way of delivering services	81	1	5	3.93	.905
We have a team tasked to develop new products in the SACCO	81	1	5	3.64	1.052
We always patent our products and processes	81	2	5	3.60	.971
We register at least two patents every year	81	1	5	3.53	1.163
We have a research and development department designed to help our staff to be innovative	81	1	5	3.51	1.074
We always introduce new products in the market before our competitors	81	1	5	3.41	1.116
This SACCO review and introduce new processes periodically	81	1	5	3.40	1.045
We encourage our staff to come up with new strategies from time to time	81	2	5	3.31	1.008
Overall				4.05	1.191

Source: Research Data (2020)

From Table 4.7, it was observed that the overall mean score was 4.05 suggesting that most deposit taking SACCOs in Kiambu County emphasised on strategic intellectual resources to a great extent. The (std. dev. = 1.191) suggested that there was a high deviation amongst the respondents on the level of adoption. The attribute with the highest mean score was encouraging employees to be innovative and recommend new way of delivering services as shown by a mean score of 3.93. The statement with the least score was encouraging staff to come up with new strategies from time to time with a mean score of 3.31. Mungai and Stephen (2015) accentuated the significance of intellectual resources in improving firm performance in their study by concluding that intellectual capital has significant effect of operational efficiency of commercial banks.

The study also established that Many SACCOs to a large extent had a team tasked to develop new products as indicated by (mean = 3.64) and (std. dev. = 1.052). Many SACCOs always patent their products and processes with (mean = 3.60) and (std. dev = 0.971). The mean score of 3.53 for registration of at least two patents every year

suggested that most deposit taking SACCOs in Kiambu County largely emphasised on strategic intellectual resources. However, there was high deviation on this attribute (1.163) suggesting that while some SACCOs were keen on strategic intellectual resources, some were still reluctant to deploy them. Further, the mean score of 3.51 on availability of a research and development department designed to help our staff to be innovative indicated commitment by some deposit taking SACCOs to largely develop their strategic intellectual resources.

Conversely, most deposit taking SACCOs only moderately introduced new products in the market before competitors with the (mean = 3.41) and (std. dev. = 1.116) while review and introduction of new processes periodically had a (mean = 3.40) and (std. dev. = 1.045). This means that introduction of new products and processes were only practiced among deposit taking SACCOs in Kiambu County. These results were consistent with Camfield, Giacomello and Sellitto (2018) who asserted that intellectual capital is an essential asset towards performance of an organisation.

4.3.4 Strategic Physical Resources

In this section, respondents were asked to state the extent to which strategic physical resources influence performance of their SACCO. The results were as shown in table 4.8.

Table 4.8: Extent that Strategic Physical Resources Influence SACCO Performance

	Frequency	Percent
No extent	3	3.7
Little extent	13	16.0
Moderate extent	16	19.8
Great extent	26	32.1
Very great extent	23	28.4
Total	81	100.0

Source: Research Data (2020)

From the results shown in table 4.8, it is evident that majority of the respondents 32.1% believed that strategic physical resources influence performance of their SACCO to a great extent. This was closely followed by 28.4% who opined that to a very great extent strategic physical resources influence performance. 19.8% of the respondents opined that strategic physical resources influence performance to a moderate extent. Another

16% stated that strategic physical resources influence performance to a little extent while 3.7% believed that strategic physical resources had no influence on performance of their SACCO whatsoever. The effect of strategic physical resources on performance was emphasised by Terry and Zhang (2018) who stressed that physical resources are relevant to facilitate the delivery of the service. On the contrary, Feng et al. (2019) alluded that physical resources and capabilities have insignificant effect on firm's outcomes.

Respondents were further required to indicate the degree to which they agreed with some outlined statements regarding emphasis of strategic physical resources their SACCO and the results were as shown in table 4.9.

Table 4.9: Descriptive Statistics for Strategic Physical Resources

	n	Min	Max	Mean	Std. Dev.
This SACCO is interconnected through a firm-wide computer network	81	1	5	4.48	.823
The SACCO has an operating system to optimise our operations	81	1	5	4.41	1.093
The SACCO has heavily invested in ICT	81	1	5	4.10	1.125
We ensure that there is enough working space for our staff	81	1	5	3.95	1.182
We ensure that the work environment is always conducive for our staff.	81	1	5	3.88	1.298
The SACCO has enough building space to comfortably accommodate all our employees	81	1	5	3.57	1.508
We boast of the most robust sales and marketing strategy in the industry	81	1	5	2.79	1.464
We recruit highly competent sales and marketing team	81	1	5	2.70	1.462
The SACCO has a wide marketing and distribution network	81	1	5	2.00	.922
Our SACCO has automated all processes	81	1	5	1.80	.843
Overall				3.37	1.172

Source: Research Data (2020)

Results in table 4.9 indicated that strategic physical resources were moderately emphasised among deposit taking SACCOs in Kiambu County indicated by an overall mean score of 3.37. The high standard deviation of 1.172 suggested that there was high variation among the respondents regarding adoption of strategic physical resources among the SACCOs. This implies that although some considered strategic physical resources as the most important resources, others downplayed their importance. The findings in this objective were consistent Amadi, Ezeugo and Chinyere (2019) findings that strategic physical resources are relevant for better performance of learning institutions but contradicted the findings of Feng Huang and Chen (2019) that strategic physical resource have no effects on firm's performance.

Notably, majority of SACCOs were interconnected through a firm-wide computer network as shown by a mean score of 4.48. However, although most SACCOs had heavily invested in ICT with a mean score of 4.10, it was noted that they had not automated all processes as shown by the least mean score of 1.80. Results further showed that to a great extent, most deposit taking SACCOs in Kiambu County had an operating system to optimise their operations as shown by a mean score of 4.41. It was equally observed that most SACCOs had enough working space for their staff as indicated by a mean score of 3.95, they ensured that the work environment was always conducive for their staff with mean score of 3.88 and most of them had enough building space to comfortably accommodate all their employees as shown by a mean score of 3.57.

Despite the heavy investment in ICT and work environment, the study found that most SACCOs had poor marketing strategy with a robust sales and marketing strategy only scoring 2.79, recruitment of highly competent sales and marketing team scoring 2.70 while wide marketing and distribution network scoring 2.00. Highest variability was observed in availability of enough building space to comfortably accommodate all our employees which had a standard deviation of 1.508. This was on contradiction with the postulations of Terry and Zhang (2018) who postulated that strategic physical resources are necessary for all types of business.

4.3.3 Performance of DTS

In this section, the respondents were required to provide the average level of performance in terms of market share, return on shareholders' equity, and return on

asset. For descriptive results, the study converted the collected data into likert form where 1 represented Less than 10%, 2 represented between 10%-20%, 3 represented 20%-30%, 4 represented 30%-40%, and 5 represented Over 40%. The results were as presented in table 4.10.

Table 4.10: Descriptive Statistics for Performance

	n	Minimum	Maximum	Mean	Std. Deviation
Return on shareholders' equity	81	1	5	3.33	1.032
Market share	81	1	5	3.31	1.004
Return on asset	81	1	5	3.27	1.016
Overall				3.31	1.017

Source: Research Data (2020)

The results in table 4.10 indicated that overall performance of DT- SACCOs in Kiambu County was 3.31 indicating that performance ranged between 20% and 30%. Specifically, shareholders' equity had a mean score of 3.33, market share had a mean score of 3.31 while return on asset had a mean score of 3.27. Thus, all indicators of performance averaged between 20% and 30%.

4.4 Diagnostic Tests

Prior to inferential analysis, the study sought to determine if the assumptions of multiple regression models were met. This section thus presents results of diagnostic tests conducted. Specifically, tests for normality, multicollinearity, and heteroskedasticity were conducted.

4.4.1 Test for Normality

The study intended to determine whether the gathered data error term was normally distributed. Normality test was done using the Shapiro-Wilk test. Conclusion on normality was made based on the test statistic p-value.

Table 4.11: Tests of Normality

	Kolmogorov-Smirnov^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Performance of DTS	.050	81	.200*	.988	81	.625

Source: Research Data (2020)

From table 4.11, the Shapiro-Wilk test score for performance of DTS was 0.988. It is also evident that the variable's P-value is more than 0.05 indicating that the error terms were normally distributed.

4.4.2 Test for Multicollinearity

Multicollinearity test was conducted to determine if two or more independent variables are highly correlated. This test was done using Variance Inflation Factor (VIF) as recommended by Iacobucci, et al. (2017). To do so, strategic physical resources were regressed on the other independent variables and table 4.12 is a presentation of the results.

Table 4.12: Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Strategic human resources	.906	1.104
	Strategic financial resources	.918	1.089
	Strategic intellectual resources	.977	1.023

a. Dependent Variable: Strategic Physical Resources

It is observed in table 4.12 that strategic human resources had a VIF 1.104, strategic financial resources had a VIF 1.089 while strategic intellectual resources had a VIF 1.023. According to Iacobucci, et al. (2017) a VIF 3 or less suggest absence of multicollinearity. Consequently, the study established that since all the variables had a VIF less than 3, multicollinearity was not there.

4.4.3 Test for Heteroskedasticity

The study also aimed to determine if the error terms had a constant variance. In this study heteroskedasticity was tested via Breusch-Pagan test. The decision was based on P-values. Vogelsang (2012) indicates that P-value of less than 0.05 indicate presence of heteroskedasticity.

Table 4.13: Breusch-Pagan and Koenker Test Statistics

	LM	Sig
BP	0.544	0.192
Koenker	0.720	0.247

Source: Research Data (2020)

The study results in table 4.13 suggest that the level of significance for Breusch-Pagan statistic was 0.192 and is greater than 0.05 indicating that there was no heteroskedasticity.

4.5 Correlation Analysis

The study aimed to establish the kind of relationship existing between the variable in the study. To achieve this, the Pearson's moment correlation coefficient was used to conduct a correlation analysis. According to Taylor, et al., (2015) correlation coefficients of < 0.5 indicates a weak correlation while a coefficient of 0.5 or more indicates a strong correlation. On the other hand, a coefficient less than 0 (zero) indicates negative correlation while a coefficient greater than zero indicates there is a positive correlation. Table 4.14 is a presentation of the results.

Table 4.14: Correlations Results

		Performance of DTS	Strategic human resources	Strategic financial resources	Strategic Intellectual Resources	Strategic physical resources
Performance of DTS	R	1				
	Sig. (2-tailed)					
	N	81				
Strategic human resources	R	0.470	1			
	Sig. (2-tailed)	0.013				
	N	81	81			
Strategic financial resources	R	0.412	0.274	1		
	Sig. (2-tailed)	0.026	0.013			
	N	81	81	81		
Strategic Intellectual Resources	R	0.253	0.125	0.048	1	
	Sig. (2-tailed)	0.677	0.267	0.668		
	N	81	81	81	81	
strategic physical resources	R	0.494	0.209	0.041	0.053	1
	Sig. (2-tailed)	0.034	0.061	0.716	0.641	
	N	81	81	81	81	81

*. Significant level 0.05 (2-tailed).

Source: Research Data (2020)

From table 4.14, it was observed that the correlation coefficients values of performance of DTS and strategic HR, strategic financial resources, strategic intellectual resources, and strategic physical resources were 0.470, 0.412, 0.253, and 0.494, respectively. Therefore, there was positive correlation between performance and all independent

variables. Results also showed that P-values for all the correlation coefficients were below 0.05 indicating that they were statistically significant.

Sembiring (2016) also revealed a positive link between HR and university performance. Similarly, Neneh, (2016) and Rahim, et al. (2015) showed that financial resources financial literacy influences SME performance positively. Mungai and Stephen (2015) also showed that performance and intellectual resources were positively related. Terry and Zhang (2018) found that a positive relationship between physical resources and firm performance. However, Vivares, et al. (2016) and Feng, et al. (2019) found there a non-significant link between human resource and physical resources and performance.

4.6 Regression Analysis

Hypotheses testing were based on multiple regression results. This test was done to determine if the independent variable (strategic HR, strategic financial resources, strategic intellectual resources, and strategic physical resources) significantly influences performance of DTS in Kiambu County. The decision on the significance of the variables was based on significance level of the variable coefficients as recommended by Field (2013). In so doing, performance was regressed on strategic HR, strategic financial, strategic intellectual, and strategic physical resources. Table 4.15 shows the model summary.

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.850 ^a	.723	.708	.51049

a. Predictors: (Constant), Strategic PR, Strategic FR, strategic IR, Strategic HR.
Source: Research Data (2020)

The model summary in table 4.15 indicate that the adjusted model R-squared was 0.708 indicating that strategic organisational resources predicted 70.8% of all variations in performance of DT - SACCOs in Kiambu County. Results also indicated that 29.2% of all performance of DTS variations was described by other variables other than those discussed in this study.

The study also conducted ANOVA to determine if the model as constituted was fit. Table 4.16 shows the results.

Table 4.16: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression ³	53.659	4	13.41475	49.523	.000 ^b
Residual ³	20.587	76	.271		
Total	74.246	80			

a. Dependent³Variable: Performance³ of³DTS

b. Predictors: ³ (Constant), strategic³physical³resources, Strategic³ financial³resources, Strategic³ intellectual³resources, Strategic³ human³resources

Source: Research³Data (2020)

From the findings in table 4.16 indicates that the F-statistic for the model was 49.523 > (4, 76=2.4920) f critical indicating that the model was fit. The findings also showed that the F-statistic p-value was 0.000 < 0.05 indicating that it was statistically significant.

Further, the study conducted student t-test to establish the significance of the variables in influencing performance. The p-value 0.05 level of significance was used to make the decision on the significance. Table 4.17 shows the results.

Table 4.17: Coefficients Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.840	1.776		2.162	.034
Strategic human resources	.297	.127	.286	2.339	.022
Strategic financial resources	.212	.101	.194	2.099	.039
Strategic Intellectual Resources	.126	.017	.109	7.412	.000
Strategic Physical Resources	.243	.113	.178	2.150	.035

a. Dependent Variable: Performance of DTS

The findings in table 4.17 indicated that 3.840 was the constant suggesting that if all the independent variables were absent, performance would be equal to 3.840. Similarly, it was observed that the strategic human resources beta was 0.297 suggesting that when each factor is held constant and increasing strategic HR by a unit would result to a 0.297 rise in performance. Similarly, strategic financial resources had a beta of 0.212

indicating that when each factor is held constant, a unit rise in financial resources would lead to a 0.212 rise in performance. Strategic Intellectual resources had a beta of 0.126 implying that a unit rise in strategic Intellectual resources when each factor is held constant would result to a 0.126 rise in performance. Finally, strategic physical resources had a beta of 0.243 showing that when each factor is held constant and rising strategic physical resources by a unit would rise performance by 0.243. The model was summarised as follows:

$$FP = 3.840 + 0.297SHR + 0.212SFR + 0.126SIR + 0.243SPR + \epsilon$$

Where:

FP = Financial Performance

SHR = Strategic Human Resources

SFR = Strategic Financial Resources

SIR = Strategic Intellectual Resources

SPR = Strategic Physical Resources

ϵ = Error Term

From these results it was established that strategic human resources had the highest influence on performance of DT-SACCOs in Kiambu County followed by, strategic physical resources, and strategic financial resources while strategic intellectual resources had the least influence.

The obtained results concurred with the conclusion reached by Odhon’g and Omolo, (2015) who revealed that a significant link does exist between human capital investment and firm performance. Similarly, Sembiring, (2016) noted that HR practices has a significantly affects performance of universities. The results also concurred with the finding of Murimi, *et al.* (2019) who opined that physical resources significantly affect performance of SMEs. However, reported results contradicted the postulation of Vivares, *et al.* (2016) who stated that HRM practices have no significant influence on performance of a business. The findings further did not agree with those of Feng *et al.* (2019) who observed that physical resource do not affect performance of firms in the ICT design industry.

4.7 Hypotheses Testing

Test of hypotheses was based on multiple regression results. The decision on the significance of the independent variables in influencing the dependent variable was formed based on P-value at 0.05 significance level.

4.7.1 Influence of Strategic Human Resources on Performance

The first study objective was to establish the influence of strategic human resources on performance of DT-SACCOs in Kiambu County. The associated hypothesis was that strategic human resources have no significant influence on performance of DT-SACCOs. Table 4.17 shows the multiple regression findings, it was observed that strategic human resources (P-value = 0.022) which was less than the 0.05 significance level. Therefore, the null hypothesis was rejected, and the study concluded that strategic HR had a statistically significant influence on performance of DT-SACCOs in Kiambu County.

These results concurrent with the descriptive results which showed that majority of the respondents believed that strategic HR influenced performance of their SACCO to a great extent. Descriptive findings further showed that human resource attributes were emphasised to a moderate extent among SACCOs indicating the relevance of strategic human resources in influencing financial performance deposit taking SACCOs in Kiambu County. Empirical studies by Sembiring, (2016) points that HR practices significantly affects performance. The results also concurred with the conclusion reached by Munjuri, *et al.* (2015) who revealed that human capital has a statistically significantly affects firm performance.

4.7.2 Influence of Strategic Financial Resources on Performance

The second study objective was to assess the influence of strategic financial resources on deposit taking SACCOs performance. The null hypothesis was that strategic financial resources have no significant influence on performance of DT-SACCOs was tested. Further, results postulated that the strategic financial resources coefficient was 0.212 with a significance level of $0.039 < 0.05$. Also, it was established that strategic financial resources were statistically significant. Thus, the null hypothesis was rejected, and conclusion made that strategic financial resource significantly influences performance of DT- SACCOs in Kiambu County.

The results posted on this variable were consistent with descriptive results which indicated that most of the respondents believed that strategic financial resources, which were deployed to a moderate extent, influenced financial performance of their SACCO to a great extent underscoring the significance of strategic financial resources in driving financial performance of the firm. The results also agreed with the existing empirical literature such as Njagi and Muchemi (2018) who showcased that financial resources and health organizations performance were significant and positively related. Irene (2015) also showed that bank financing of SMEs positively affected their financial performance. The results however, failed to agree with assertions by Rahim, et al. (2015) that financial resources have no affect the financial performance of Top 100 companies in Kenya.

4.7.3 Influence of Strategic Intellectual Resources on Performance

Thirdly, the study sought to examine the influence of strategic intellectual resources on performance of deposit taking SACCOs in Kiambu County. The associated null hypothesis was that strategic intellectual resources have no significant influence on performance of DT-SACCOs. Regression results indicated that the 0.126 coefficient of strategic intellectual resources was statistically significant at 0.05 ($0.000 < 0.05$). Therefore, the null hypothesis was rejected, and a conclusion made that strategic intellectual resources have statistically significant influence on performance of DT-SACCOs in Kiambu County.

The results on this variable were consistent with descriptive results which indicated that most of respondents supported the fact that strategic intellectual resources influenced financial performance of DT-SACCOs in Kiambu County to a great extent. Results also showed that overall mean score for strategic intellectual resources was 4.05 suggesting that most deposit taking SACCOs in Kiambu County emphasised on intellectual resources to a great extent. The findings were also consistent with the findings of Ismail and Karem (2017) that intellectual capital positively impacts on banks financial performance in Bahrain. At the same time Kariuki, *et al.* (2015) supports the hypothesis that the integrating intellectual capital elements would result to competitive advantage and enhanced performance.

4.7.4 Influence of Strategic Physical Resources on Performance

The last study objective was to establish the influence of strategic physical resources on performance of DT-SACCOs in Kiambu County. The hypothesis that strategic physical resources have no significant influence on performance of DT-SACCOs was tested. Study results showed that strategic physical resources have (P-value = $0.035 < 0.05$) meaning that it was a significant predictor of performance of DT-SACCOs in Kiambu County. Thus, the null hypothesis was rejected, and a conclusion made that strategic physical resources have a statistically significant influence on performance of deposit taking SACCOs in Kiambu County.

These results resonated with descriptive results indicating that strategic physical resources influence performance of DTS to a great extent. Descriptive results also indicated that strategic physical resources were moderately emphasised amongst DT-SACCOs in Kiambu County. The findings were consistent with findings of Murimi, et al. (2019) who opined that physical resources significantly influence performance of SMEs in Kenya and Anglia (2018) who showed a positive link amid availability and efficient use of physical resources and performance. The findings, however, did not agree with those of Feng *et al.* (2019) who indicated that a firm's physical resource have no effects on its performance.

4.8 Conceptual Analysis of Qualitative Data

Respondents were requested to express their opinion on how strategic resources influenced performance of their SACCO. In this section, responses from respondents are analysed conceptually for strategic HR, strategic financial resources, strategic intellectual resources, and strategic physical resources in the same order.

4.8.1 Influence of Strategic Human Resources on Performance

Regarding strategic HR, respondents were required to express their views on how strategic human resources influenced performance of their SACCOs. It was observed that by ensuring that the right persons get the right jobs better decisions are made and therefore better performance. Additionally, respondents indicated that it is vital to ensure that employees have the required skills and experiences they would be able to execute their tasks better leading to better performance. Further, respondents indicated that motivated employees are likely to perform better than those that are not motivated. Consequently, they viewed that organisations should endeavour to motivate their

employees through paying them competitively and prompting them when they are due and when they have shown commitment in their work. Accordingly, if employees are well taken care of, they are likely to perform better.

4.8.2 Influence of Strategic Financial Resources on Performance

On strategic financial resources, respondents were requested to explain how strategic financial resources would influence performance of their SACCOs. It was noted that availability of money anytime it is required will improve performance of the firm. This is mainly because the firm will acquire the required fixed assets, pay for operational costs, and make purchases on time. Respondents also indicated that availability of financial resources enables the firm to market their products effectively which improves performance. Availability and proper utilisation of money enables the firm to take advantage of new technologies that trickle into the market while at the same time taking advantage of opportunities that present themselves in the market. From the foregoing, it is deduced that SACCOs should be able to obtain finances when required through issue of equity shares, borrowings from financial institutions such as central bank and commercial banks as well as disposal of fixed assets and cash equivalents.

4.8.3 Influence of Strategic Intellectual Resources on Performance

Respondents were requested to indicate their view on how and to what extent strategic intellectual resources influence performance of SACCOs. Respondents indicated that strategic intellectual resources are important for research and development, developing new products, coming up with new strategies, bringing in new business models and fast decision making. It was noted that when the management is composed of fast thinkers and those with high IQ, the performance of the firm will improve because they will form the right decisions quickly. Results also suggested that when the management are innovative, they may motivate employees to perform better.

4.8.4 Influence of Strategic Physical Resources on Performance

The study sought views from the respondents on how strategic physical resources influence performance of SACCOs. The study established that physical resources are key to performance because they influence the mode of delivery. Respondents indicated that customers like neat places when they visit the business premises. It was also observed that the location of the Sacco influences their clientele. It was indicated that physical resources such as long-term assets increase the confidence of investors which

persuade them to invest more share capital in the firm. At the same time asset base increase the confidence of creditors and the firm can access debt due to availability of collateral. Some respondents also suggested that performance of the company is a function of efficient utilisation of resources such that the more the resources, the better the performance of the firm. Respondents also indicated that physical resources can be disposed of when cash is required to finance business operations.

CHAPTER FIVE: SUMMARY, CONCLUSION, AND POLICY RECOMMENDATIONS

5.1 Introduction

In this chapter, the study findings summary is presented, conclusions made based on the results and policy recommendations made. The chapter also presents the study limitations and suggestion for further research.

5.2 Summary of Findings

The study general objective was to establish the influence of strategic organisational resources on performance of DT-SACCOs in Kiambu County. Precisely, the study set out to establish the influence of strategic HR, strategic financial resources, strategic intellectual resources, and strategic physical resources on performance of deposit taking SACCOs in Kiambu County. RBV theory, organisational learning theory, and balanced score card model anchored the study. To achieve the objective, the study adopted descriptive research design. The target population comprised the management staff of DT-SACCOs in Kiambu County. A sample of 121 respondents was drawn from the three levels of management (top level, middle level and lower level) through stratified sampling technique. Semi-structured questionnaires were used to gather data and they were personally presented to the respondents. Collected data was analysed using descriptive statistics as well as correlation analysis and multiple regression analysis. Data analysis was aided by SPSS version 23.

The results of the study are presented based on objectives as follows. Firstly, the study sought to determine the influence of strategic human resources on performance of DT-SACCOs in Kiambu County. It was established that a great number of the respondents were of the view that strategic human resources, which adopted to a moderate extent, influenced deposit taking SACCOs performance to a great extent. A strong positive correlation on strategic human resources and performance was established. Hypothesis testing also showed that strategic human resources had a statistically significant influence on performance of DT-SACCOs in Kiambu County.

On strategic financial resources, the study aimed at evaluating the influence of strategic financial resources on performance of deposit taking SACCOs in Kiambu County. Results showed that respondents believed strategic financial resources influenced performance of their SACCO to a great extent. Further, strategic financial resources

were deployed among deposit taking SACCOs in Kiambu County to a moderate extent. Correlation findings indicated that there was a positive correlation between strategic financial resources and performance. It was also revealed that strategic financial resources and performance of DT-SACCO had a statistically significant relationship.

The third study goal was to establish the influence of strategic intellectual resources on performance of DT-SACCOs in Kiambu County. Results showed that respondents agreed that strategic intellectual resources, which were emphasised to a great extent, influenced performance of DT-SACCOs in Kiambu County to a great extent. Strategic intellectual resources were positively correlated with performance of DTS in Kiambu County. It was also established that strategic intellectual resources statistically and significantly influenced performance of DTS in Kiambu County.

Finally, the study aimed to examine the influence of strategic physical resources on performance of DTS in Kiambu County. Majority of respondents believed that strategic physical resources influence performance of their SACCO to a great extent, and this was moderately emphasised among the responding SACCOs. At the same time, strategic physical resources were strongly and positively correlated with performance of DT-SACCOs in Kiambu County. Regression results also showed that strategic physical resources have a statistically significant influence on performance of DTS in Kiambu County.

5.3 Discussion of Findings

This section provides a discussion of the findings obtained from the study in conjunction with the existing literature.

On the first objective the study revealed that strategic HR had a statistically significant influence on performance of DTS in Kiambu County. The results were consistent with the provisions of RBV that internal¹ resources of¹ the¹ firm¹ such as human capital may be configured in such a way that they may help the firm to gain competitive¹ advantage and thus improving performance. Additionally, the results were consistent with the provisions of the organisational learning theory that organisations can achieve better through behaviour modification achieved through experience and organisational learning.

On the second objective the study showed that strategic financial resources had a statistically significant influence on performance of DTS in Kiambu County. The results coincided with the provisions of RBV that access to resources such as financial resources, assets, capabilities, and competencies is key to achieving superior performance. Therefore, access to strategic financial resources such as equity capital from shareholders and short-term investments enable the firm to achieve greater performance.

On the third objective, the study revealed that strategic intellectual resources have statistically significant effect on performance of DTS in Kiambu County. These results were consistent with provisions of organisational learning theory which alludes that intellectual resources such as human capital in achieving organisational efficiency. At the same time, the RBV suggests that valuable and unique and rare organisational resources enable organisations to achieve better performance by making it hard for competitors to imitate them. Since intellectual resources are perfectly inimitable their availability to SACCOs enable them to achieve better performance.

Regarding strategic physical resources, it was established that strategic physical resources statistically and significantly influenced the performance of DTS in Kiambu County. These findings were consistent with the tenets of RBV that valuable resources owned and controlled by the company may enable them to gain complete edge if they are able to restrict access to such resources. Physical resources such as strategic business locations and ample space controlled by the SACCOs may enable them to gain more business and streamline their operations thus maximising performance.

5.4 Conclusion

On the first objective, the study established a strong positive correlation between strategic human resources and performance and that strategic human resources had a statistically significant influence on performance of DT-SACCOs in Kiambu County. The study thus concluded that strategic HR had a statistically significant influence on performance of DTS in Kiambu County.

Secondly, the study revealed that there was a positive correlation between strategic financial resources and performance. Further, the strategic financial resources were statistically significant in predicting performance of deposit taking SACCOs in Kiambu

County. It was thus concluded that strategic financial resources have a statistically significant influence on performance of DTS in Kiambu County.

Thirdly, the study established a weak positive but statistically significant correlation between strategic intellectual resources and performance. However, strategic intellectual resources were statistically significant in predicting performance of DTS in Kiambu County. The study thus concluded that strategic intellectual resources significantly influence on performance of DTS in Kiambu County.

On the fourth specific objective, the study established that strategic physical resources were strongly and positively correlated with performance and that strategic physical resources significantly predicted performance of DTS in Kiambu County. It was thus concluded that strategic physical resources have a statistically significant impact on performance of DTS in Kiambu County.

5.5 Recommendations for Policy Implication

The study concluded that strategic human resources significantly influence performance of DTS in Kiambu County. It is thus recommended that the management of SACCOs and other financial institutions should emphasis more on identification and investment in their human capital to improve on their performance. This may be achieved by emphasising more on expertise during recruitment and promotion, decision making capability and motivating employees.

Secondly, the study concluded that strategic financial resources significantly influence performance of DT-SACCOs in Kiambu County. Consequently, the study recommends that SACCOs should always ensure that they have a guaranteed source of financial resources either through issue of share capital or a guaranteed line of credit. The study also recommends that SACCOs should invest in marketable securities that can be sold when the firm require short term financing.

Thirdly, the conclusion was that strategic intellectual resources have significant influence on performance of DTS in Kiambu County. The study, therefore, recommends that SACCOs should emphasise more on strategic intellectual resources by encouraging innovation, patenting new products introduced into the market and investing significantly in research and development.

Finally, the conclusion was that strategic physical resources have a significant effect on performance of DTS in Kiambu County. The study recommended that all deposit taking SACCOs ought to ensure that they have adequate physical resources such as buildings with ample working space among others since they directly affect sales volumes.

5.6 Areas of Further Research

The study was based on deposit taking SACCOs in Kiambu County and therefore the findings thereof can only be generalised on a similar population or one that has significant similarity with the current population. It is thus suggested that other studies should be carried out in other sectors such as agricultural sector to identify which resources are strategic in nature and the influence they have on firms' performance.

Secondly, the study only focused on strategic HR, strategic financial resources, strategic intellectual resources, and strategic physical resources as the most appropriate strategic resources affecting performance of SACCOs. It is thus recommended that further research should be done to identify whether there are other strategic resources not covered in this study that may significantly influence performance of deposit taking SACCOs.

The period under consideration in coming up with the study conclusion was five years. This means that the predictions made in the study can only hold for such a similar timeframe. It is thus suggested that other studies should be conducted covering longer duration to establish if there are any externalities that may affect the responsiveness of performance to variations in strategic resources.

REFERENCES

- Amadi, E. & Ezeugo & Chinyere, R. (2019). Physical Resources Availability and the Academic Performance of Students in the Universal Basic Education Scheme, Rivers State. *International Journal of Innovative Development and Policy Studies* 7(1):13-23.
- Anania, P., Gikuri, A., & Hall, J. N. (2015). SACCOS and members 'expectations: factors affecting sacco's capacity to meet members 'expectations. In *Workshop Proceedings of the Co-operative Research Workshop held on 24th March*.
- Andersén, J. (2017). Strategic resources and firm performance. *Management Decision*, 7(12), 103-114.
- Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of management*, 27(6), 643-650.
- Blumberg, B., Cooper, D., & Schindler, P. (2014). *EBOOK: Business Research Methods*. New York: McGraw Hill.
- Bromiley, P., & Rau, D. (2016). Operations management and the resource-based view: Another view. *Journal of Operations Management*, 41, 95-106.
- Campbell, J. M., & Park, J. (2017). Extending the resource-based view: Effects of strategic orientation toward community on small business performance. *Journal of Retailing and Consumer Services*, 34, 302-308.
- Cascio, W. F. (2015). *Managing human resources*. New York: McGraw-Hill.
- Chetty, S., Naidoo, R., & Seetharam, Y. (2018). The impact of corporate social responsibility on firms' financial performance in South Africa. *Contemporary Economics*, 9(2), 193-214.
- Chu, H., & Ke, Q. (2017). Research methods: What's in the name? *Library & Information Science Research*, 39(4), 284-294.
- Crano, W. D., Brewer, M. B., & Lac, A. (2014). *Principles and methods of social research*. Oxfordshire: Routledge.
- Crossan, M. M., Maurer, C. C., & White, R. E. (2019). Reflections on the 2009 AMR decade award: do we have a theory of organizational learning? *Academy of Management Review*, 36(3), 446-460.
- Dimba, B., & Obonyo, P. K. (2015). Influence of culture on strategic human resource management (SHRM) practices in multinational companies (MNC) in Kenya: A critical literature review. *DBA Africa Management Review*, 11(23) 124-140.
- Dixon, N. M. (2017). *The organizational learning cycle: How we can learn collectively*. Oxfordshire: Routledge.

- Dzhandzhugazova, E. A., Blinova, E. A., Orlova, L. N., & Romanova, M. M. (2017). Intellectual resources used in developing tourism and hospitality industry. *Eurasian Journal of Analytical Chemistry*, 12(5b), 705-722.
- Earl, W. J. (2017). U.S. Patent No. 9,635,103. Washington, DC: U.S. Patent and Trademark Office.
- Esser, F., & Vliegenthart, R. (2017). Comparative research methods. *The international encyclopedia of communication research methods*, 6(9), 1-22.
- Feather, C., & Meme, C. K. (2018). Consolidating inclusive housing finance development in Africa: Lessons from Kenyan savings and credit cooperatives. *African Review of Economics and Finance*, 10(1), 82-107.
- Feng, Y. Y., Huang, Y. H., & Chen, Y. K. (2019). The effect of firms' resources and capabilities on its performance of IC design industry in Taiwan. *Information Technology Journal*, 8(5), 688-697.
- Field, A. (2013). *Discovering statistics using IBM SPSS statistics*. California: Sage publications.
- Filser, M., Eggers, F., Kraus, S., & Málovics, É. (2018). The effect of financial resource availability on entrepreneurial orientation, customer orientation and firm performance in an international context: an empirical analysis from Austria and Hungary. *Journal for East European Management Studies*, 16(23) 7-30.
- Garengo, P., & Biazzo, S. (2012). Unveiling strategy in SMEs through balanced scorecard implementation: A circular methodology. *Total Quality Management & Business Excellence*, 23(1), 79-102.
- Gillham, J., Adams-Deutsch, Z., Werner, J., Reivich, K., Coulter-Heindl, V., Linkins, M., ... & Contero, A. (2017). Character strengths predict subjective well-being during adolescence. *The Journal of Positive Psychology*, 6(1), 31-44.
- Gitahi, A. W., Wakhungu, L. N., & Modi, R. O. (2016). *Organizational capacity, strategy implementation, competitive environment, and performance of companies listed on the Nairobi securities exchange*. (Doctoral dissertation), University of Nairobi.
- Golafshani, E. M., & Behnood, A. (2018). Application of soft computing methods for predicting the elastic modulus of recycled aggregate concrete. *Journal of cleaner production*, 176, 1163-1176.
- Grant, R. M. (2016). *Contemporary strategy analysis: Text and cases edition*. New Jersey: John Wiley & Sons.
- Hayes, A. F. (2017). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. New York: Guilford Publications.

- Hitt, M. A., Carnes, C. M., & Xu, K. (2016). A current view of resource-based theory in operations management: A response to Bromiley and Rau. *Journal of Operations Management*, 41(10), 107-109.
- Irene, A. S. (2015). The effect of bank financing on the financial performance of small and medium-sized enterprises in Nairobi County. *European Journal of Economic and Financial Research*. 13(1), 379-388.
- Ismail, K. N. I. K., & Karem, M. A. (2017). Intellectual capital and the financial performance of banks in Bahrain. *Journal of Business Management and Accounting*, 1(1), 63-77.
- Jones, G. R. (2013). *Organizational theory, design, and change*. Upper Saddle River, NJ: Pearson.
- Kaplan, R. S., & Norton, D. P. (1996). *The balanced scorecard: translating strategy into action*. Boston, US: Harvard Business Press.
- Kaplan, R. S., & Norton, D. P. (2001). Transforming the balanced scorecard from performance measurement to strategic management: Part II. *Accounting horizons*, 15(2), 147-160.
- Kaplan, R. S., Norton, D. P., & Rugelsjoen, B. (2010). Managing alliances with the balanced scorecard. *Harvard business review*, 88(1), 114-120.
- Kariuki, A., K'Obonyo, P., & Ogutu, M. (2015). Intellectual Capital and Performance of Firms Listed on Nairobi Securities Exchange. *DBA Africa Management Review*, 5(2), 283-301.
- Karltorp, K. (2016). Challenges in mobilising financial resources for renewable energy. The cases of biomass gasification and offshore wind power. *Environmental Innovation and Societal Transitions*, 19, 96-110.
- Kiragu, D. N. (2015). *Influence of financial innovations on financial performance of savings and credit co-operative societies in Nyeri County, Kenya*. (Unpublished doctoral dissertation), Kenyatta University.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.
- Kumar, R. (2019). *Research methodology: A step-by-step guide for beginners*. California: Sage Publications Limited.
- Lampard, R., & Pole, C. (2015). *Practical social investigation: Qualitative and quantitative methods in social research*. Oxfordshire: Routledge.
- Liamputtong, P. (Ed.). (2019). *Handbook of research methods in health social sciences*. Singapore: Springer Nature.

- Lindlof, T. R., & Taylor, B. C. (2017). *Qualitative communication research methods*. California: Sage publications.
- Matser, I. A. (2018). *Strategic resources and family firm performance*. (Unpublished thesis), Utrecht University, Netherlands.
- Mecagni, M. (2015). Dollarization in Sub-Saharan Africa: Experience and Lessons. Washington: International Monetary Fund, April. *Journal of Operations Management*, 4(11), 195-216.
- Mensah, B. K. (2016). Internal control information disclosure and corporate governance: evidence from an emerging market. *Corporate Governance: The international journal of business in society*.
- Mugenda, O. M., & Mugenda, A. G. (2003). *Research methods*. Quantitative and qualitative methods. Nairobi: Accelerated Actors.
- Muigai, R. G., & Gitau, S. N. (2018). Effect of strategic resources on financial performance of the banking industry in Kenya. *European Journal of Economic and Financial Research*. 3(17), 256-268.
- Mungai, Stephen N. (2015) *Intellectual capital and operational performance of commercial banks in Kenya*. (Unpublished thesis), University of Nairobi, Nairobi, Kenya.
- Munjuri, M. G., K'Obonyo, P., & Ogutu, M. (2015). Human Capital and Performance of Commercial Banks and Insurance Firms in Kenya. *DBA Africa Management Review*, 5(2), 156-168.
- Murimi, M. M., Ombaka, B., & Muchiri, J. (2019). Influence of Strategic Physical Resources on Performance of Small and Medium Manufacturing Enterprises in Kenya. *International Journal of Business and Economic Sciences Applied Research (IJBESAR)*, 12(1), 20-27.
- Mutandwa, E., Grala, R. K., & Grebner, D. L. (2016). Family forest land availability to produce ecosystem services in Mississippi, United States. *Forest policy and economics*, 7(3), 18-24.
- Neneh, B. N. (2016). Performance implications of financial capital availability on the financial literacy–performance nexus in South Africa. *Investment Management and Financial Innovations Journal*, 13(2), 39-47.
- Ng'ang'a, L. W., Waiganjo, E. W., & Njeru, A. (2017). Influence of organizational resources portfolio on organizational performance in tourism government agencies in Kenya. *International Journal of Business and Commerce*, 6(4), 1-17.
- Njagi, E., & Muchemi, S. M. A. (2018). *The effect of financial and physical resources on the performance of public health institutions in Embu County*. Unpublished thesis), Kenyatta University, Kenya.

- Njoroge, G. J. (2015). *Organizational resources and performance of mobile phone companies in Kenya*. (Unpublished doctoral thesis), Kenyatta University, Kenya.
- Nkuru, F. N. (2015). Factors affecting growth of SACCOS within the agricultural sector in Kenya: A case of Meru farmers SACCOS. *Global Journal of Commerce & Management Perspective*, 4(1), 34-45.
- Northcott, D., & Ma'amora Taulapapa, T. (2018). Using the balanced scorecard to manage performance in public sector organizations: Issues and challenges. *International Journal of Public Sector Management*, 25(3), 166-191.
- Nwachukwu, C., & Chladkova, H. (2019). Firm resources, strategic analysis capability and strategic performance: Organisational structure as moderator. *International Journal for Quality Research*, 13(1), 201-220.
- Nyaga, J. N. (2017). *Factors affecting growth of rural Saccos in Embu County: a case study of county Sacco society limited in Embu*. (Doctoral dissertation), MUA, Kenya.
- Odhon'g, E. A., & Omolo, J. (2015). *Effect of human capital investment on organizational performance of pharmaceutical companies in Kenya*. (Doctoral dissertation), University of Nairobi, Kenya.
- Olthaar, M., & Noseleit, F. (2017). Deploying strategic resources: comparing members of farmer cooperatives to non-members in sub-Saharan Africa. *Review of Social Economy*, 75(3), 339-370.
- Ongeti Walter, J & Machuki, Vincent. (2018). Organizational Resources and Performance of Kenyan State Corporations. *European Scientific Journal ESJ*. 14.10.19044/esj. 2018.v14n34p91
- Petrick, J. (2017). Total quality in managing human resources. Oxfordshire: Routledge.
- Pfeffer, J. (2014). People, capability, and competitive success. *Management Development Review*, 8(5), 6-10.
- Rahim, H. A., & Bakar, S. M. Syed Abu (2015). The impact of financial resources management on SME performance. *International Journal of Humanities and Social Science*, 4(9), 198-200.
- Ruska, R. (2017). Evaluation positions of credit unions in the world market of financial services. (Unpublished thesis), West Ukrainian National University, Ukraine.
- Sacco Societies Regulatory Authority (SASRA) (2018). Sacco Supervision Report (Deposit Taking Saccos) 2017. Nairobi, SASRA.
- Sacco Societies Regulatory Authority (SASRA) (2019). Sacco Supervision Report (Deposit Taking Saccos) 2018. Nairobi, SASRA.

- Sacco Societies Regulatory Authority (SASRA) (2020). Sacco Supervision Report (Deposit Taking Saccos) 2019. Nairobi, SASRA.
- Scafarto, V., Ricci, F., & Scafarto, F. (2016). Intellectual capital and firm performance in the global agribusiness industry: the moderating role of human capital. *Journal of Intellectual Capital*, 17(3), 530-552.
- Schön, D., & Argyris, C. (1996). Organizational learning II: Theory, method, and practice. *Reading: Addison Wesley*, 305(2) 133-172.
- Schultz, C. (2015). *Reinventing HR: Strategic and organisational relevance of the human resources function*. Johannesburg: Knowres Publishing.
- Sembiring, R. (2016). Impact of human resources' knowledge and skills on SMEs in Medan City, Indonesia. *International Journal of Management, Economics and Social Sciences*, 5(3) 156-168.
- Taylor, S. J., Bogdan, R., & DeVault, M. (2015). *Introduction to qualitative research methods: A guidebook and resource*. New Jersey: John Wiley & Sons.
- Terry, S. E., & Zhang, G. (2018). Method and apparatus for allocation of physical resources for uplink transmissions. U.S. Patent Application 15/783,772.
- Tracey, W. R. (2016). *The human resources glossary: The complete desk reference for HR executives, managers, and practitioners*. Florida : CRC Press.
- Vivares, J. A., Sarache, W. A., & Naranjo, J. C. (2016). Impact of human resource management on performance in competitive priorities. *International Journal of Operations & Production Management*, 36(2), 114-134.
- Waweru, C., & Ngugi, K. (2014). Influence of financial management practices on the performance of micro and small enterprises in Kenya. *European Journal of Business Management*, 1(11), 141-161.
- World Council of Credit Unions (WOCCU) (2018). *Prudence and financial self-regulation in credit unions*. World Council of Credit Unions. 39.
- Zambon, S., & Dumay, J. (2016). A critical reflection on the future of intellectual capital: from reporting to disclosure. *Journal of Intellectual capital* 7(25), 12-36.

APPENDICES

Appendix I: Introduction Letter

20th October 2019,

Cooperative university,
School of cooperatives and community development,
P.O Box 24814-00502,
Karen, Nairobi.

Dear Respondent,

Re: Participation in Research

I am a student at Co-operative University currently, undertaking a degree of master of cooperative management. As part of my qualifications, I am required to undertake a research project aimed at bridging some gap in the existing literature. I am therefore conducting a study to investigate **THE INFLUENCE OF STRATEGIC ORGANISATIONAL RESOURCES ON PERFORMANCE OF DEPOSIT TAKING SACCOS IN KIAMBU COUNTY**. By completing this questionnaire, you participate in a study for my final project. You were selected to respond because the researcher believe that you have the required information sought by the study. Kindly respond to the research questions with the most honest opinion regarding your deposit taking Sacco on organisation resources and performance. Your identity and responses will remain completely anonymous while the information provided will be treated with maximum confidentiality. I look forward to your cooperation.

Yours Faithfully,

Jacquiline Kageni

Appendix II: Questionnaire

This study aims at investigating the influence of ***STRATEGIC ORGANIZATIONAL RESOURCES ON PERFORMANCE OF DEPOSIT TAKING SACCOS IN KIAMBU COUNTY***. The questionnaire is designed to collect data on the study variables. All responses will be treated in strict confidence and will not be used for any other purpose apart from that stated. Please answer all the questions in the sections as indicated by either ticking or filling in the blank space provided.

Section A: Background information

1. Which is your highest education level?

- Certificate
- College diploma
- Undergraduate
- Postgraduate

2. Please indicate your level of management in the organisation

- Top level
- Middle level
- Lower level

3. How long have you been working in your current organization?

- Less than 1 year
- 1-5 years
- 6-10 years
- Above 10 years

Section B: Human Resources and Performance of Deposit Taking SACCOs

4. To what extent does strategic human resources influence performance of this deposit taking SACCOs?

- No extent
- Little extent
- Moderate extent
- Great extent
- Very great extent

5. Indicate the extent to which you agree or disagree with the adoption of the listed aspects of strategic human resources in your SACCO. Scale (1=strongly disagree (SD), 2=disagree (D), 3- undecided (U), 4= agree (A) and 5= strongly agree (SA).

Strategic human resources and performance	1	2	3	4	5
Our company emphasise on personnel expertise during recruitment					

We encourage our staff to go for further on-job training to improve on their skills					
To be promoted to higher ranks employees must possess the required skills					
Employees are always motivated to improve their commitment to organisation goals					
Involvement in decision making at all levels is emphasised to improve employee commitment					
We endeavour to internally recruit to make our staff to be committed					
Among the key attributes emphasised during recruitment is the ability of the employee to learn					
We encourage our staff to freely share knowledge among themselves to improve learning of new skills					
We emphasise on decision making capability among our employees					
We continuously train our staff on organisation goals, products, and process to improve their decision-making skills					

6. In your own views how does strategic human resources influence performance of SACCOs?

.....

.....

Section C: Financial Resources and Performance of Deposit Taking SACCOs

7. To what extent does financial resources influence performance of this deposit taking SACCOs?

- No extent []
- Little extent []
- Moderate extent []
- Large extent []
- Very large extent []

8. Indicate the extent to which you agree or disagree with the adoption of the listed aspects of financial resources in your SACCO.

Use a scale where 1=SD, 2=D, 3= U, 4= A and 5= SA.

Strategic financial resources and performance	1	2	3	4	5
This SACCO has raised adequate capital through issue of ordinary shares					
The SACCO endeavour to retain earnings for investment purposes					
The SACCO can access unlimited amount of equity capital					
we raise debt capital by borrowing from commercial banks					
The SACCO has a line of credit from the central bank of Kenya					

We are guaranteed of unlimited line of credit from central bank if need be.					
Bank loans are preferred in this SACCO due to interest tax savings					
Our SACCO invest excess cash balances in in marketable securities					
The SACCO can liquidate short term investments with ease					
We invest in short term investments to ensure the SACCO is always liquid					

9. In your own views how does strategic financial resources influence performance of SACCOs?

.....

.....

Section D: Intellectual Resources and Performance of Deposit Taking SACCOs

10. To what extent does intellectual resources influence Performance of this Deposit Taking SACCO?

No extent [] Little extent [] Moderate extent []
 Great extent [] Very great extent []

11. Indicate the extent to which you agree or disagree with the adoption of the listed aspects of strategic intellectual resources in your SACCO.

Use a scale of 1-5 where 1=SD, 2=D, 3- U, 4= A and 5= SA.

Strategic intellectual resources and Performance	1	2	3	4	5
This SACCO review and introduce new processes periodically					
We encourage our staff to come up with new strategies from time to time					
Our SACCO encourage employees to be innovative and recommend new way of delivering services					
We always introduce new products in the market before our competitors					
We have a team tasked to develop new products in the SACCO					
We always patent our products and processes					
We register at least two patents every year					
We have a research and development department designed to help our staff to be innovative					

12. In your own views how does strategic intellectual resources influence performance of SACCOs?

.....

Section E: Physical Resources and Performance of Deposit Taking SACCOs

13. To what extent do physical resources influence Performance of this Deposit Taking SACCO?

- No extent []
- Little extent []
- Moderate extent []
- Great extent []
- Very great extent []

14. Indicate the extent to which you agree or disagree with the adoption of the listed aspects of strategic physical resources in your SACCO.

Use a scale of 1-5 where 1=SD, 2=D, 3- U, 4= A and 5= SA.

Strategic physical resources and performance	1	2	3	4	5
Our SACCO has automated all processes					
This SACCO is interconnected through a firm-wide computer network					
The SACCO has an operating system to optimise our operations					
The SACCO has heavily invested in ICT					
The SACCO has a wide marketing and distribution network					
We recruit highly competent sales and marketing team					
We boast of the most robust sales and marketing strategy in the industry					
We ensure that there is enough working space for our staff					
The SACCO has enough building space to comfortably accommodate all our employees					
We ensure that the work environment is always conducive for our staff.					

15. In your own views how does strategic physical resources influence performance of SACCOs?

.....
.....

SECTION F: Performance of Deposit Taking SACCOs

This section contains measures of performance of deposit taking SACCOs in terms of market share, return on asset, and return on shareholders' equity and its achievement.

Performance of Deposit Taking SACCOs	
Market share (number of customers in a SACCO/ total number of customers for all deposit taking Saccos)	
Profitability (Return on asset = Net Profit / Total Assets)	
Return on shareholders' equity= Net Profit / Shareholders' Equity	

Thank you for your participation.

Appendix III: List of Licensed Deposit Taking SACCOS in Kiambu County as of 27th January 2019.

- | | |
|--|--|
| 1. Afya Sacco society Ltd | 28 Mentor Sacco society Ltd |
| 2. All churches Sacco society Ltd | 29 Metropolitan national Sacco society Ltd |
| 3. Banana hill Sacco society Ltd | 30 Mweitheri Sacco society Ltd |
| 4. Baraka Sacco society Ltd | 31 Nawiri Sacco society Ltd |
| 5. Biashara Sacco society Ltd | 32 NRS Sacco society Ltd |
| 6. Bingwa Sacco society Ltd | 33 Nufaika Sacco society Ltd |
| 7. Carriers Sacco society Ltd | 34 Nyala Sacco society Ltd |
| 8. Daima Sacco society Ltd | 35 Ollins Sacco society Ltd |
| 9. Dimkes Sacco society Ltd | 36 Orient Sacco society Ltd |
| 10. Enea Sacco society Ltd | 37 Smart champions Sacco society Ltd |
| 11. Faraji Sacco society Ltd | 38 Solution Sacco society Ltd |
| 12. Fariji Sacco society Ltd | 39 Southern star Sacco society Ltd |
| 13. Fortune Sacco society Ltd | 40 Stake Kenya Sacco society Ltd |
| 14. Githunguri dairy & community Sacco society Ltd | 41 Suba Sacco society Ltd |
| 15. Good faith Sacco society Ltd | 42 Tai Sacco society Ltd |
| 16. Goodway Sacco society Ltd | 43 Taifa Sacco society Ltd |
| 17. IG Sacco society Ltd | 44 Tembo Sacco society Ltd |
| 18. Imarika Sacco society Ltd | 45 Tower Sacco society Ltd |
| 19. Jacaranda Sacco society Ltd | 46 Ufanisi Sacco society Ltd |
| 20. Jamii Sacco society Ltd | 47 Unaitas Sacco society Ltd |
| 21. Joinas Sacco society Ltd | 48 Unison Sacco society Ltd |
| 22. Kenya canners Sacco society Ltd | 49 United nations Sacco society Ltd |
| 23. Kiambu Sacco society Ltd | 50 Vision Africa Sacco society Ltd |
| 24. Kingdom Sacco society Ltd | 51 Wakulima Sacco society Ltd |
| 25. K-unity Sacco society Ltd | 52 Wanachi Sacco society Ltd |
| 26. Kwetu Sacco society Ltd | 53 We can youth Sacco society Ltd |
| 27. Maisha Bora Sacco society Ltd | 54 Wevarsity Sacco society Ltd |
| | 55 Winas Sacco society Ltd |

Appendix IV: Originality Report

ORIGINALITY REPORT			
15%	13%	5%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
PRIMARY SOURCES			
1	Submitted to The Cooperative University of Kenya Student Paper	<1%	
2	www.projectshelve.com Internet Source	<1%	
3	www.ijssit.com Internet Source	<1%	
4	www.cbmsbm.com Internet Source	<1%	
5	docplayer.net Internet Source	<1%	
6	www.ijmbs.com Internet Source	<1%	
7	ijecm.co.uk Internet Source	<1%	
8	usiusericedesk.usiu.ac.ke Internet Source	<1%	
9	elibrary.pu.ac.ke Internet Source	<1%	