INFLUENCE OF STRATEGY IMPLEMENTATION ON PERFORMANCE OF FINANCIAL SERVICES ASSOCIATIONS IN KENYA. A SURVEY OF MAKUENI AND KITUI COUNTIES

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A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF KENYA METHODIST UNIVERSITY

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DECLARATION

I hereby declare that this thesis is my original work and that it has not been presented in the Kenya Methodist University or any other institution of higher learning for a degree award

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Declaration by the Supervisors

This thesis has been submitted for examination with our approval as the appointed university supervisors.

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DEDICATION

I wish to dedicate this thesis to my husband Jayray Munyao Simeon, my daughters Alicia Katunge Jayray and Zuri Kaiyu Jayray, and my parents Mr and Mrs Kioko Mumina.

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First and foremost, I'd like to thank Almighty God for keeping me safe and healthy throughout this research. Second, I'd like to thank my supervisors, Ms. Mary Mbithi and Dr. Wilson Muema, for agreeing to guide me in conducting quality research. Finally, I want to thank my classmates, family, and friends for their financial and moral support. May the Almighty God bless you all. I finally would like to thank all the participants who took their time to fill out the questionnaires.

ABSTRACT

Statistics indicated that three financial service associations (FSAs) closed down their business activities in Kitui and Makueni counties between the years 2019 and 2022 which has negatively affected the accessibility to credit among new start-ups in the region, which has indirectly caused insecurities through loss of jobs and livelihood among the residents. This study examined the influence of strategic implementation performance of FSAs in Kitui and Makueni Counties. The specific study objectives implementations were to: establish the influence of organizational structure, strategic leadership, organizational culture, and organizational resources on the performance of FSAs. Anchoring theory was resource base-view theory. Other theories included were stakeholder, stewardship, and communication theories. The study applied a descriptive survey design. The population of interest in the study was middle-level managers working in 37 FSAs in Kitui and Makueni counties. 938 middle-level managers were the target respondents for the study. The sample for the study was 280, achieved through the stratified-random sampling method. This study used electronic and hard copy questionnaires delivered in person at the offices of the target respondents. The research used both qualitative and quantitative methods to analyze the data. Content analysis for the open questions was done through thematic analysis of concepts arising from the data collected. On the quantitative data, both descriptive and inferential analysis were mainly used for data analysis. The inferential analysis involved a binary logistic regression analysis. Results of the study were presented through tables, charts, and narratives for interpretation and discussion of findings. The study obtained 264 responses. This study deduced that the organizational structure consisted of a Wald of 7.572, which was associated with a p-value of 0.006 and an odds ratio of 3.559. The study found a Wald of 13.357 with a p-value of 0.001 and an odds ratio of 1.302. The study also revealed Wald statistics for Innovative culture, Market culture, and Hierarchy culture as (0.014,3.358 and 0.002) whereas the p values corresponding with Wald statistics were (0.906, 0.067, and 0.968) respectively. The study finally found that Organizational Resources had a Wald of 18.439 which was associated with a p-value of 0.001 and odds ratio of 6.411. The study concluded the study variables of structure, leadership, and organizational resources had a positive significant impact on the performance of FSAs. The study recommended that FSAs ensure that they align their structures with the overall business strategy to implement the strategy through the right organizational structure. The strategic leaders in the FSA need to develop a very clear vision and mission and communicate it often to all other employees. The FSAs should encourage employees to work together and communicate freely and openly to ensure they share ideas, insights, and feedback that can lead to better performance. FSAs also need to continuously reassign resources to cope with emerging demands for resources during strategy implementation. Allocating resources should be done where there is a high-value achievement. The study recommends for a future study where more variables are added to the model to improve its prediction of performance, the additional variables can be moderating or intervening variables. Future studies should consider expanding the geographical scope to include FSAs across other counties in the country to overcome current study scope limitations.

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LIST OF ACRONYMS AND ABBREVIATIONS

CFA	Confirmatory Factor Analysis
CVF	Competing Values Framework
FSA	Financial Services Associations
KFS	Krep Fedha Services
MFCK	Mortgage Financing Corporation study
MFIs	Microfinance finance institution
NACOSTI	National commission for science, technology, and innovation
OC	Organizational Culture
RBV	Resource-Based View Theory
SPSS	Statistical package for social sciences

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy implementation is a methodical process that involves executing a plan through a series of organized and logical steps to reach a specific objective (Franco et al., 2020). This phase involves extracting details from the organizational plan, breaking down its complexities into manageable daily activities, and delegating these tasks to team members to ensure they can effectively perform their roles and achieve the organization's goals. Before establishing the necessary internal environment for successful strategy execution, institutional leaders must first evaluate the current internal conditions (Makwana & Patange, 2022).

Moreover, the managers should provide supporting resources for the established plan by ensuring that the organization is structured for success (Kuria & Kimutai, 2020). A fundamental duty of general management is to position and connect a company to its environment to ensure ongoing success and secure it from surprises. Consequently, strategic planning strongly emphasizes how unpredictable and tumultuous the business world is becoming. Therefore, it has become clear over time that senior managers need to change their emphasis from strategy formulation to strategy implementation and management. For a proper competitive edge in this highly dynamic environment, management has a clear-cut responsibility to ensure the alignment of the firms from strategy creation to implementation (Haseeb, et al., 2019).

Makwana and Patange (2022) opine that the major aspect of strategic management is to implement suitable strategies to increase organizational efficiency. One of the main differences between the formulation of a strategy and the implementation of that strategy is the number of organizations engaged. However, one should not forget that even the most efficient strategy will not be effectively implemented if it does not incorporate a strategy execution plan. Situation two: Companies will be able to get higher returns on investment because of the efficiency of plans and their implementation. The main advantage of the implementation of a plan is the following; there is usually an increase in the retention of the clients, satisfaction and loyalty from the clients, and increased brand awareness. Also, the strategy should emerge from the combined ideas of everybody interested in the company's operations. Engaging all the stakeholders in the decision-making process regarding the strategies to be implemented reduces the chances of disagreement in the future.

Financial Services Associations (FSAs) FSAs have become relatively new types of organizations in the economic sector that assist individuals to live financially secure lives. To recap, FSAs are hybrid institutions that blend the characteristics of both community finance and investment companies to offer funding for rural residents. The implementation of this model enables local ownership and results in FSAs being very sensitive to the needs of the community hence making the users more confident in using the systems. Several issues that are characteristic of rural financial institutions are solved by FSAs by providing cheap and accessible financial services meeting the local customers' needs. All these are local associations and are run to fit those within the particular societies. This decentralization strategy minimally eliminates the gap in banking between the commercial banks located in urban areas and the individuals, groups, and companies in the less developed regions. They are also users and bind the consumer to the institution while at the same time minimizing the rate of default on loans (Bouman, 2021).

1.1.1 Global Perspective

Many financial institutions worldwide emphasize ensuring their employees are competent enough to handle their roles. For instance, the American Financial Service Association (AFSA) has a well-established structure that ensures service effectiveness. The company's management balances all elements in the strategy's implementation process. Consequently, it takes an organizational structure to coordinate staff efforts, inspire creativity, foster skill development, and ensure customer responsiveness (Gyasi, et al., 2022).

Indeed, people's behavior is governed by organizational structure, which also influences how they will behave within the organization. Technology has also been a priority in many financial associations across the world. For instance, Russia approved the guidelines for financial technology development for the sector to adapt to changes in the modern world. Financial Services associations require many resources for the operations to proceed. For instance, the organizations obtain financial aid from universal institutions, e.g., the World Bank and China Development Bank. Financial Services Associations in Africa have become a standard norm in most countries. Most nations are still developing, and thus there is a need for mechanisms that empower people economically. For instance, one of the reasons for poverty, especially in sub-Saharan Africa, is the poor saving culture. Therefore, the proper strategic implementation of the various necessities of the Associations bolsters the performance and produces good results (Bouman, 2021).

1.1.2 Regional Perspective

The Agenda 2063 seeks the creation of African Financial Institutions to aid in economic development through resource mobilization and financial sector management. The African Financial Institution is mandated to aid in ensuring Africa’s socio-economic growth through regional integration. The Organization’s mission is spelled out in the Abuja Treaty which identified economic integration as key to solving the continent’s growth. The AU also passed protocols for the establishment of AMF and AIB to aid the organization in its goals (Akinola, 2018). Other than the finances, relevant parties work to ensure they provide necessary assistance for the various Associations. For instance, the Nigerian government organizes multiple seminars where they train members of the financial service associations on the various implementation strategies. For example, the experts illustrate the possible methods of establishing viable institutional structures.

1.1.3 Local Perspective

Since 2005, Financial Sector Deepening Kenya (FSD Kenya) has worked with K-Rep Fedha Services (KFS) to help FSAs become respectable financial institutions on the assumption that they serve a different demographic than banks and MFIs. Within the current prudential regulatory framework for the financial sector, the current phase of this support aims to establish a completely sustainable FSA network. Overall, the network of FSAs and KFS has witnessed business growth. Additionally, the associations are part of the long-term sustainability plans for the economic well-being of the citizens. Instead of an empirical analysis of the usefulness and impact of FSAs for lower-income households and the causal processes, Kenya's sustained support for the FSAs is influenced by growing membership in the associations. According to its 2016 to 2020 strategy, which seeks to develop value through financial inclusion, FSD Kenya hired BFA to evaluate how FSAs are helping the poor grow their livelihoods and look into ways to provide even more value to these target households (Elzahi, 2022). The strategy is one of the ways to bolster the citizens' financial well-being.

The administrators and private investors have established various measures to ensure effective implementation of the strategies within the associations (Kisungi, 2021). For example, some shareholders take the initiative of sensitizing the community members on the importance of aligning themselves with the institutions. For example, the mobilizers usually urge the community members in the Kitui and Makueni counties to join the Associations because they could get financial boosts for their endeavors (Kisungi, 2021).

1.1.4 Organizational Structure

An organizational structure establishes the framework within which a company functions, detailing the hierarchy, roles, responsibilities, and communication pathways (Griffin et al., 2020). It specifies how tasks are allocated, coordinated, and managed to achieve the organization's objectives. There are several types of organizational structures, including functional, divisional, matrix, and flat, each with its own set of benefits and drawbacks. A well-crafted organizational structure promotes efficiency, clarity, and effective decision-making. Additionally, it enhances coordination and collaboration across various departments, resulting in improved overall performance (Hanelt et al., 2021).

1.1.5 Strategic Leadership

Strategic leadership entails steering an organization towards its long-term goals by establishing a clear vision, making strategic choices, and motivating others to reach these aims (Ali & Anwar, 2021). Strategic leaders are tasked with recognizing opportunities and threats in the external environment, efficiently allocating resources, and nurturing a culture of innovation and flexibility (Alayoubi et al., 2020). They must also balance short-term achievements with long-term development to ensure the organization stays competitive. Effective strategic leadership demands excellent communication skills, the ability to inspire and empower employees, and a deep understanding of industry and market dynamics (AlNuaimi et al., 2022).

1.1.6 Organizational Culture

Organizational culture encompasses the collective values, beliefs, norms, and practices that shape how employees behave and think within a company. It affects interactions among employees, their work approach, and their reactions to challenges (Paais & Pattiruhu, 2020). A positive culture boosts employee satisfaction, productivity, and loyalty, whereas a negative one can cause disengagement and high turnover. Cultivating a strong organizational culture requires promoting values like trust, respect, collaboration, and continuous learning. Leaders are essential in exemplifying and reinforcing the desired culture through their actions and decisions (Azeem et al., 2021).

1.1.7 Organizational Resources

Organizational resources include all the assets, capabilities, processes, and knowledge that a company has and uses to meet its goals (AlHamad et al., 2022). These resources can be divided into categories such as human resources, financial resources, physical assets, and intangible assets like intellectual property and brand reputation. Effective management of organizational resources involves optimizing their use to maximize efficiency and value creation. This includes recruiting and retaining skilled employees, managing financial resources prudently, maintaining and upgrading physical assets, and leveraging intangible assets for competitive advantage. Properly aligned resources enable an organization to execute its strategy and sustain its growth (Werdhiastutie, et al., 2020).

1.2 Statement of the Problem

The performance of an organization is paramount as it enables the organization to edge out its competitors or retain dominance in the sector it plays. Besides, the good performance of an organization enhances its ability to conduct market research as well as bring out new products and services. Companies are also to offer their customers exceptional services when strategies are well implemented. Through the effective allocation of resources, aligning organizational structure and culture with the overall company goals, and effectively spearheading the organization through strategic leadership organizations can boost their performances. On the surface, strategy implementation may seem straightforward develop a strategy and execute it. However, the reality is far more complex and challenging (Bosire, et al., 2019; Chege, et al., 2022). Financial Service Associations (FSAs) in Kitui and Makueni counties have experienced a troubling decline in profitability, averaging a 1.5% annual drop since 2018 (from 20.5% in 2018 to 16.1% in 2021) (Shale, 2020). Furthermore, between 2019 and 2022, three FSAs shut down operations in the region, severely impacting credit accessibility for new start-ups and leading to increased job loss and insecurity among residents (Elzahi, 2022).

Several studies have examined the impact of strategic implementation on organizational performance. Kolek (2017) found that strategy implementation through formal firm structure and strategic leadership significantly influenced the performance of the top 100 medium enterprises in Nairobi County. Conversely, Echessa (2020) discovered an insignificant relationship between strategy implementation (strategic consensus and strategic communication) and the performance of agribusiness firms in the Nyanza region. These studies present contextual gaps due to their focus on different sectors and independent variables, resulting in conceptual gaps. Additionally, the studies were conducted in diverse geographical locations and employed various methodologies, leading to geographical and methodological gaps. This study aims to address these gaps by investigating the influence of strategy implementation on the performance of FSAs in Kitui and Makueni Counties through a cross-sectional survey.

1.3 Research Objectives

1.3.1 General Objective

To determine the influence of strategy implementation on the performance of FSAs in Makueni and Kitui counties of Kenya.

1.3.2 Specific Objectives

i. To evaluate influence of organizational structure on the performance of FSAs in Makueni and Kitui counties of Kenya.

ii. To establish influence of strategic leadership on the performance of FSAs in Makueni and Kitui counties of Kenya.

iii. To evaluate the influence of organizational culture on the performance of FSAs in Makueni and Kitui counties of Kenya.

iv. To establish the influence of organizational resources on the performance of FSAs in Makueni and Kitui counties of Kenya.

1.4 Research Hypothesis

H_{O1}: Organizational structure has no significant influence on the performance of FSAs in the Makueni and Kitui counties of Kenya

H_{O2}: Strategic leadership has no significant influence on the performance of FSAs in the Makueni and Kitui counties of Kenya

H_{O3}: Organizational culture has no significant influence on the performance of FSAs in the Makueni and Kitui counties of Kenya

H_{O4}: Organizational resources have no significant influence on the performance of FSAs in the Makueni and Kitui counties of Kenya

1.5 Justification of the Study

The current study was critical to these main groups; future researchers, financial institutions, and theory development.

1.5.1 Researchers

First, the study enrichens the existing empirical studies on the impact of strategy implementation, in particular, the study provides literature within the context of financial service associations which has not been covered by past scholars, especially within Kenya. Future scholars can therefore borrow from the findings of the current study to investigate other studies outside the scope of this study.

1.5.2 Financial Institutions

The study also presents policy recommendations that are important in formulating policies that can lead to the growth of the financial industry and in particular financial services associations. The recommendations presented can enable the top managers to identify policies that enhance strategy implementations to improve performance.

1.5.3 Theory Development

Finally, the study was useful in theory development, the study tested the hypothesis that help in supporting the theories applied in the study as well as criticizing the theories, this approach enhances the predictability of the theories in explanation of the different phenomena on strategy implementation and performance.

1.6 Scope of the Study

The study covered four main objectives that form the rest of the content in the document: organizational structure, strategic leadership, organizational culture, and organizational resources, which will guide the nature of the literature review and reporting of findings as well as recommendations given. The study took up to one year (June 2022-July, 2023). The study was conducted among middle-level managers working at FSA in both Kitui and Makueni counties where questionnaires were mainly used in gathering data. Data analysis techniques were quantitative by implementing descriptive analysis. The descriptive analysis was anchored on four major theories: stewardship theory, stakeholder theory, and resource-based view theory.

1.7 Limitations and Delimitations of the Study

Some respondents were hesitant to participate in the study due to confidentiality concerns, fearing that their responses might be misused by third parties to benefit competitors. Additionally, some assistants of the target respondents informed us via email that their organizations were restricted from participating in research not approved by the owners or top managers. Nevertheless, the study secured voluntary consent from the participants. The researchers also provided a research authorization letter from the university and a letter from NACOSTI, which were presented to the respondents to reassure them that the research was solely for academic purposes and that no information would be disclosed to third parties.

The validity of the research instrument relied heavily on the honesty of the respondents. When questionnaires were emailed, there was a possibility that assistants completed them on behalf of the managers, making it difficult to ascertain the true position of the data. To address this, the study included both factual and open-ended questions to verify the validity of the responses. The factual responses were compared with the answers to closed questions to ensure that the respondents had a thorough understanding of the questions they were answering.

Access to some staff was also restricted due to their busy schedules. To overcome this, the researcher used Google questionnaires sent via email and social media (WhatsApp) to allow respondents to complete them at their convenience. This approach enabled more participants to respond flexibly.

1.8 Operational Definition of Terms

Financial Services Associations: The FSA is a method of rural financing areas that combines elements of community finance with those of investment companies. Also, the approach emphasizes local accessibility, user ownership, and outreach to the underprivileged (Bouman, 2021).

Organizational Culture: refers to what defines an organization in terms of its practices, attitudes as well and values, common examples include clan culture, market culture, adhocracy culture as well and market culture (Auchter, et al., 2018).

Organizational Resources: refers to the different forms of capital that an organization has, including; human resources, information resources, physical resources such as buildings, and financial resources (Haseeb, et al., 2019).

Organizational Structure: refers to the practice of organizing human resources in an organization to achieve a common objective /goal. Every individual has their roles and responsibilities defined to achieve a seamless flow of information as well as the smooth running of the enterprises (Echessa, 2020).

Performance: the term refers to what an organization can achieve when different resources in an organization are put into use. Performance mainly looks at actual against the budgeted or intended. Profit levels, sales revenues or volumes, and operational efficiency are commonly used terms to refer to the performance of an organization (Makwana & Patange, 2022). The term performance in the study refers to the changes in the market share, sales revenues, net profits, Customer base, and Assets value.

Strategic Leadership: refers to the ability of the leaders to offer leadership in the interpretation of the strategic plan or the vision of where the organization intends to be in the future. Strategic leaders also use available resources to implement the pans at hand (Kolek, 2017).

Strategy Implementation: refers to steps taken to put into action a particular strategy chosen in an organization to achieve desired goals/objectives. The term will be used in the study to refer to how organizations amalgamate particular organizational structures, cultures, and communication styles in following a particular strategy that rewards the organization with better performance or attaining competitive advantage.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section will examine the theories employed in the study and the empirical review of past scholars' findings that related to the study, the findings of the past scholars are also criticized as supportive of the literature required as well as giving their weakness as not generally acceptable which gave the research gaps for the study. The chapter also gave the conceptual framework and operationalization of research variables.

2.2 Theoretical Literature

This section highlights the many theories employed to describe the current study, highlighting their applicability and connecting them to the research variables. The approaches mentioned include the stakeholder theory, the resource-based perspective theory, the stewardship theory, and the communication theory.

2.2.1 Stewardship Theory

Donaldson and Davis (1989), came up with the stewardship theory, which explains the vital link between employee involvement and firm success, and states that CEOs would spend their resources properly if left to themselves (Chrisman, 2019). The theory is a normative alternative to the agency theory, stewardship theory notes that left on their own the managers will use the companies' assets under them optimally to bring about organizational success and personal satisfaction. The stewards believe that better results come in when people work together and cooperate in every activity. The idea behind stewardship is that when managers achieve the overall organizational goals individual pursuits, self-interests, and self-centered goals are simultaneously achieved. A steward is chosen to oversee and manage another's property. They must provide their skills to the maximum potential to guarantee the company's value rises and its goals are met. Stewards aren't the owners of the assets. They are in charge of managing. Yet, they are nonetheless required to conduct their jobs diligently as they must answer for their actions to shareholders and other parties involved.

Good stewardship operates in teams instead of independently. According to the stewardship idea, the executive personnel genuinely want to perform excellent work and be a great representative of the business assets rather than acting as an opportunistic shirker. The stewardship theory explains that people are inherently motivated to achieve common goals in a group. The stewardship theory will help explain how companies can manage different groups of people in the workplace.

The stewardship theory promotes the idea that people, including executives, are frequently driven by ideas of morality and equality in the organization. According to the stewardship theory, long-term contractual relationships are built on prestige, honesty, participation, and shared goals, with synchronization emerging as a byproduct of interpersonal reciprocity (Chrisman, 2019). The stewardship theory identifies the need for psychological encouragement in individuals to help them perform their duties. Managers have a role to play to ensure that individuals are comfortable in the organization by providing psychological support to the workers. Stewards need some form of motivation tenable to maximize the shareholder’s value. Similarly, the organization's performance may improve due to the management's trust and fidelity to their obligations.

Essentially, according to the stewardship idea, autonomous, pragmatic, and self-serving goals will be accomplished if work is completed for the sake of the company at large (Davis et al., 2018). The statement also highlights the necessity for managers and employees to act more independently to maximize revenues for shareholders. The professionals assume responsibility for their roles and dutifully execute them. Since it promotes service to the public rather than concentrating on self-interest for the broader welfare of everyone, this theory was employed to lead this study (Chrisman, 2019). In this instance, ensuring that the organization's staff members cooperate to further their individual organizations' goals and protect the owners' interests promotes the firm value of financial services associations.

Stewardship theory was traditionally the business of the accountants in the organization who were tasked with the responsibility of creating value for the business through the assets they controlled. However, scholars including Kota and Charumathi (2018) and Schillemans and Bjurstrøm (2020), argued that with the changes in how business is conducted, globalization, and intensive use of technology, strategic leaders are nowadays more inclined to safeguard the reputation and the success of the business by ensuring that they offer visionary leadership and offer clarity of business mission.

Stewardship theory has been critiqued for its idealistic assumptions about managerial behavior. Critics argue that the theory overlooks the potential for self-interested actions and agency problems that can arise in corporate governance. The assumption that managers inherently prioritize organizational goals over personal gain is seen as overly optimistic and not reflective of real-world scenarios. Additionally, stewardship theory may underestimate the need for checks and balances, such as board oversight and performance incentives, to ensure managerial accountability (Davis et al., 2018).

Stewardship theory explains strategic leadership variables since it explains how managers overcome the agent-principal challenge. Leaders are considered to be the stewards of the company and are expected to ensure good governance in the companies, especially the FSAs. Strategic rewards seek to motivate employees to improve productivity and foster creativity within the workforce.

2.2.2 Stakeholder Theory

Introduced by Edward Freeman in 1984, this theory emphasizes the crucial role of managing key stakeholders to achieve organizational success. The idea is that a business should offer services to any entities, not only investors (Freeman, et al., 2021). The Stakeholder Perspective explores and gives solutions in which the administration may consider the concerns of the parties who comprise a company's stakeholders. In an organization, different stakeholders have various interests. In an enterprise, multiple stakeholders have diverse interests. Because of this, it is the organization' management duty to see to it that the interests of the various stakeholders are handled. The several interests often include adhering to laws and norms and maintaining the required quality for goods and services offered to consumers. As a result, it's crucial to ensure that the rules, policies, and regulatory requirements are followed to prevent disputes between the organization and its relevant parties.

Donaldson and Preston (1995) are the recent scholars in the development of the theory whereby they have explained the contentious relationship between all the stakeholders of an organization by adding both the compatible and the incompatible differences of the stakeholders by coming up with contingent measures that counter the incompatibility of the issues among the stakeholders. In corporate social responsibility, the stakeholder theory is applied such as the issuance of ISO certifications as well as integration in the management of organizations to deal with issues of societal, organizational as well and individual differences.

Excellent stakeholder guarantees that a firm's operational processes are correctly done, owing to their significance to the stakeholders. Internal controls, including role integrity, guarantee that conflicts are kept to a minimum, that everyone accomplishes what is expected, and that accountability is enforced to safeguard stakeholders' interests. According to the theory, when a company launches a new support line, it must inform all of the system's affected parties, such as its staff members and the clients it serves, like the neighborhood in which it operates (Freudenreich, et al., 2020). The stakeholder theory is built on the understanding that an organization's usefulness depends on its ability to offer quality services to all partners. This theory is closely linked with corporate social responsibilities in affirming the need for pursuing sustainable development. Noteworthy, the theory states that an organization's success is not just hinged on its profits. This theory explains the need to incorporate other aspects of an organization's success such as project management, strategy formulation, and professional governance. The stakeholder theory is less likely to be abused by management opportunism since it does not just concentrate on ensuring that stakeholders are satisfied to increase profits. Instead, it presents the argument that businesses are crucial to our society's infrastructure. Effective strategy, not purchase or consumption, is the goal. According to the theory, managers can easily reduce the challenges faced with dealing with various stakeholders if they consider these stakeholders as individual units. Importantly, managers need to recognize the stakeholders as networks of interactions that are critical for organizational survival.

Optimizing the interactions and functions of the different stakeholders is crucial for organizational growth and the creation of a sustainable competitive edge. Optimizing these partnerships also ensures that an organization maximizes the shareholder's value which is the organization's main goal (Freudenreich, et al., 2020). The CEO should always identify ways of turning situations around, especially in times of crisis. In this regard, the manager must ensure all stakeholder's needs are addressed to help organizations meet their corporate goals without losing key stakeholders.

Blattberg (2013), has criticized the theory as being too mechanistic in assuming that you can deal with stakeholders' challenges by either compromising or balancing the issues of stakeholders against each other. The scholars argue that stakeholders' interests can effectively be handled through dialogues, negotiations, and conversations.

Stakeholder theory has faced criticism for its lack of clear guidelines on prioritizing stakeholder interests. Critics argue that the theory is overly broad and lacks specificity, making it difficult for managers to implement it effectively. The potential for conflicts of interest among diverse stakeholder groups can lead to challenges in decision-making and dilute the focus on maximizing shareholder value. Additionally, some believe that stakeholder theory can create unrealistic expectations and place undue pressure on organizations to address a wide range of social and ethical issues (Freeman, et al., 2021).

The stakeholder theory is employed in this study as it discusses the relevance of organizational structure to a business in accomplishing the organization's vision and goal and notably in financial services associations that seek to guarantee the satisfaction of the consumers. The stakeholder theory also highlights the organizational structure variable since internal controls such as role transparency ensure that conflicts are minimized. That accountability is upheld to ensure stakeholders' interests are protected in FSAs.

2.2.3 Communication Theory

Scudder introduced the idea of communication theory in 1980; the theory asserts that every person communicates using various communication channels. According to research, communication is essential to a corporation's operation. Accomplishing regular activities and objectives inside a corporation is a challenging process that often involves generating, transmitting, processing, and retaining information. According to "strategic communication," not all communication forms may be considered strategic. When an organization's goal, purpose, and goals are fully reflected in its communication, and when it may improve its rivals' market position and degree of performance, those communications are considered strategic. Consequently, the field of organizational communication has significantly broadened and deepened over the past few years.

Indeed, different administrative experts have expressed personal thoughts and suggestions about strategic management. To maintain the desired corporate culture, workers and supervisors should know how their coworkers interact (Van Ruler, 2018). The study of organizational behavior concentrates on how people might be encouraged to work together more effectively. Organizing teams to work toward a standard set of targets is done through effective communication. Communication helps firms to achieve their goas by enabling managers to communicate their expectations to the employees. Communication is also helpful for systems integration. It helps to control how members of the organization operate in several ways. Employees must follow a set of rules. In an organization, employees must follow multiple hierarchy levels, practices, and ideals. Organization's employees are expected to uphold the firm's guiding philosophies and do their tasks diligently and efficiently. Communication theory has, however, been criticized by Van Ruler (2018) and Deuze (2021) as being too mechanistic by addressing only the inflow and outflow of information as key in decision-making, however, decisions do not necessarily focus on the flow of the quality of the information. the theory besides, proposes for the rationality and formality of structures in the enhancement of performance, the decisions making process would be compromised if the structures became compromised and are not able to function rationally causing poor decision-making.

Critics argue that these theories often lack practical applicability and fail to account for the complexities and nuances of real-world communication. The effectiveness of communication models can be limited by cultural differences, individual perceptions, and organizational contexts, which are not always adequately addressed. Additionally, some communication theories may oversimplify the process, ignoring the potential for misinterpretation, information overload, and barriers to effective communication (Van Ruler, 2018). Therefore, communication theory is essential in this study due to its implication on organization culture since communication supports crucial strategic change in an organization to improve performance. Additionally, employees can nurture and build a strong organizational culture by communicating through effective communication channels with the companies.

2.2.4 Resource-Based View Theory

The Resource-Based View (RBV) is a strategic management framework that assists businesses in identifying and leveraging their internal strengths to secure a sustainable competitive advantage. Originating in the 1980s and 1990s through the pivotal work of Wernerfelt, RBV focuses on the importance of unique, valuable, and difficult-to-imitate resources for long-term success. This strategy underlines the necessity for companies to evaluate and enhance their internal capabilities to seize opportunities and outperform their competitors. These distinctive resources enable firms to differentiate themselves in the market. Effectively utilizing these resources requires knowledge to create value for customers and gain a competitive edge. Resource-based theory posits that access to essential materials allows a company to surpass its competitors. Additionally, these competitive advantages can lead to significant profits over time (Freeman, et al., 2021).

According to McGahan (2021), in resource-based theory, a firm's resources should be as tangible as possible. Some of the types of organization's intangible resources may include its culture, and core values. These assets are hard to touch, calculate, see, or hold. The theory also states that organizations are more likely to create a competitive edge from intangible assets form tangible assets. Therefore, an organization's long-term competitive advantage is built through intangible assets as these are immutable by rivals. Forms of tangible resources include assets, investments in real estate, technology, and money since they can easily be observed, handled, and quantified. These sources of competitive advantage might also enable the business to generate substantial revenues.

A resource is helpful as it aids a company in developing strategies to seize prospects and fend off challenges. Several legal tools, such as brands, copyrights, and licenses, are used to secure some assets that are challenging to replicate. Specific resources are difficult to replicate because they evolve with time and are exclusive to the company. The investment is structured to gain revenue when a company has administrative processes, techniques, and frameworks to capitalize on a resource for a strategic edge. Due to this, the company may have more clout in the market (Davis & DeWitt, 2021).

The theory assumes that each firm's collection of commodities is unique. Every company has a set of resources and competencies that can enable it to achieve a competitive edge in its industry. These resources and capabilities are industry-specific implying that two firms in different industries may not have the same core competencies. These core competencies and capabilities make certain organizations more qualified to carry out certain tasks than other firms in the market. Resource disparities are the main differences between a competitive firm and an uncompetitive firm in the market. Organizational capital, human capital, and physical capital are the categories into which company resources can be divided. Machinery, facilities, raw material availability, location, and tangible technology used by a corporation are examples of physical capital resources. "Human capital resources" encompass a company's employees, including management and staff, who possess knowledge, skills, judgment, connections, and ideas (Nair & Bhattacharyya, 2019). Additionally, organizations may have both formal and informal processes for controlling, planning, and strategizing. Daily interactions between departments within a firm are also linked to organizational capabilities. Beyond its use in strategic management, the Resource-Based View (RBV) theory has been applied in other areas of business management. It can categorize resources into tangible and intangible assets. RBV has been utilized in various business disciplines, including marketing. The impact of RBV on business and management studies is evident, for instance, in using data analytics to evaluate company performance or drive marketing innovation (Chen et al., 2021).

The Resource-Based View (RBV) theory has faced criticism for its narrow focus on internal resources and limited attention to external market conditions. Critics argue that RBV overlooks the dynamic nature of the competitive environment and the necessity for firms to adapt to external changes. Furthermore, the theory often ignores the potential obsolescence of resources and the challenges in measuring and valuing intangible assets. The assumption that possessing valuable, rare, inimitable, and non-substitutable resources alone guarantees sustained competitive advantage is seen as overly simplistic (Davis & DeWitt, 2021).

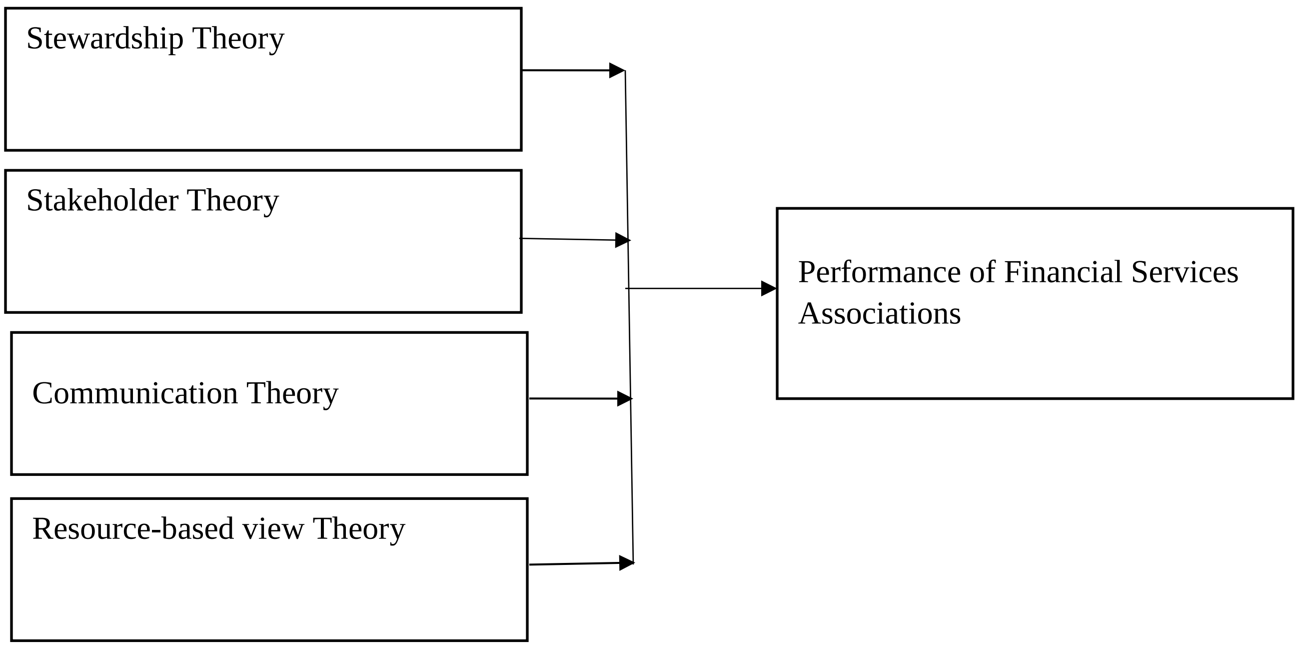
The Resource-Based View theory is relevant to this study as it explains how the strategic allocation of resources is crucial to a company's success. Moreover, the theory emphasizes how organizations endowed with financial and human capital can leverage these resources to achieve better performance.

2.3 Theoretical Framework

This study is grounded in stewardship theory, stakeholder theory, communication, and the resource-based view theory. Stewardship theory posits that organizational leaders should establish a clear vision and mission, alongside setting objectives that improve the organization's performance. On the other hand, stakeholder theory emphasizes the importance of considering the views and contributions of all stakeholders when making decisions. According to this theory, an organization should not function in isolation but as part of a broader system. Organizational structures that are designed in a way that they can easily respond to the customers' demands are more suitable, flexible, and adaptable. Communication theory postulates that organizations should adopt communication channels that enhance the engagement of employees so that they feel part and parcel of the organization by communicating to them frequently about the plans and the milestones that an organization has made. Additionally, communication helps newly inducted employees to learn the culture of their organization and therefore uphold ethical values at times. Lastly, this study applies the resource-based view which opines that every organization should take advantage of internal resources as strengths to offer itself a competitive advantage. Internal resources could be competent staff, financial resources, use of the latest technology, and information to edge out competitors. Based on the given theories the study adopted the following framework.

Figure 2.1:

Theoretical Framework



Source: Adopted from Ahmed, et al. (2018).

2.3 Empirical Literature Review

2.3.1 Influence of Organizational Structure on Performance

Hindasah and Nuryakin (2020) stressed that organizational structure is the set of several components that determine the performance of an organization in Asia. Their qualitative work examined 43 listed medical corporations in 2012-2015. Data were gathered from issued questionnaires to the management of these companies and multiple linear regression was used in data analysis. The results highlighted the need to have communication across the hierarchical levels and organizational departments. Management skills such as leadership, cooperation, and responsibility are extremely important in large organizations. In the study, it was recommended that managers should use appropriate communication techniques for passing information to employees. It also indicated that organizations with complex structures should meet frequently between board and staff to improve their communication and general performance. This research was valuable for providing a framework to assess the variables influencing financial services associations in selected Kenyan counties.

Riany (2021) conducted a survey-based study on the establishment of the relationship between organizational structure and performance. The research adopted a sociological survey research method, and the research instrument used was questionnaires. To establish the effect of strategic knowledge capability on the performance of commercial banks in Kenya, the data gathered was analyzed employing descriptive and inferential analysis. Questionnaires were also fashioned out and administered in a drop-and-pick technique to 43 banks with a request made to the Chief Executive Officers of the sample banks. The research used descriptive analysis, ANOVA as well as regression analysis techniques as inferential tools. This was established from the findings to mean that culture plays a role in the financial performance of commercial banks within an organization in Kenya. As stated and concluded from the study, the definition of strategic knowledge competence in relation to the organizational structure had a significant influence on the economic performance of these banks. This research paved the way for analyzing the effect of organizational structure on the Financial Services Associations (FSAs) among the listed Kenyan counties.

A similar study was conducted by Abdulyakeen et al. (2021) on the subject of financial performance in relation to the organizational structure of Deposit Money Banks in Nigeria. The present study also analyzed various factors that could influence the profitability of these banks including board size, and ownership structure. Based on the secondary research, approved by the annual reports of 34 listed financial institutions in the year 2010 to 2019. The independent variables were board size and ownership structure while ROA and ROCE were used as dependent variables. From the results it was realized that although insignificant, the board size had a negative effect on the two ratios, That is, the ROA and ROCE. However, unlike its negative relation with ROCE, the ownership structure was positively related to the ROA.

The analysis further indicated that a smaller panel size significantly enhances a firm's value. Additionally, having more independent directors improves the performance of medium-sized companies by reducing principal-agent issues and increasing management's alignment with their responsibilities to stakeholders. Consequently, the study recommends appointing more independent directors to strengthen managerial accountability.

Aziz and Samad (2016) explored the role of innovation in achieving a competitive edge among food manufacturing SMEs in Malaysia. Despite their size, these businesses are increasingly integrated into the global market, which is influenced by economic and social changes worldwide. As environmental conditions and competitive dynamics evolve, innovation becomes crucial for business performance. Globalization, shifts in corporate size, changes in government policies, and the need for stakeholder consideration and brand enhancement have all driven the adoption of strategic management practices. To gain a competitive advantage, organizations should focus on innovative methods to create high-quality and distinctive products.

Muogbo (2013) investigated the impact of strategic factors on the performance of manufacturing companies in Anambra State, Nigeria, and found that the evolving business environment has made competition increasingly complex. Modern executive managers must develop strategies that address both internal and external factors by conducting thorough environmental scans and consulting with experts on new projects to manage risks effectively. Successful project implementation involves maintaining detailed communication reports, involving specialists in the project, and allocating resources using evidence-based methods rather than relying on conventional practices.

Abesiga et al. (2015) explored the impact of strategic management on change management within Small and Medium Agribusiness Enterprises in Western Uganda. Their study emphasized that, in today's turbulent and dynamic business environment, successful companies must adopt strategic management practices. Effective strategic management helps organizations achieve their goals, vision, and mission. The study highlighted that managing organizational change is best accomplished through robust strategic management. For businesses aiming to enter new markets or develop new products, it is crucial to align their goals with strategic practices by ensuring proper resource allocation, maintaining stakeholder communication, and engaging experts or consultants. These strategies help organizations transition between business lines and expand into new markets successfully.

Another study done by Waiganjo et al (2012) focused on the impact of strategic human resource management on the performance of firms in Kenya. They concluded that strategic management practices are realistic and should be applied to enhance creativity and innovation culture. These activities build the competence level of people and the effectiveness of the manpower, thus realizing the intangible resources of the organization. Also, the research revealed another social effect that organizational management held for the degrees of innovative and creative tasks within organizations. As firms are more exposed to globalization as well as customers' demand, they have no option but to adopt strategic management practices.

2.3.2 Influence of Organizational Culture on Performance

A study on the relationship between organizational culture and financial performance in Malaysia was done by González-Rodríguez et al. (2019). The targets of their research were 44 industrial companies from the Malaysian stock exchange and they concerning medium-size ones. Information was gathered by questionnaires with the help of open-ended questions and closed questions and then statistical tools and techniques, both descriptive and inferential, were employed. In essence, the study sought to establish that possession of a strong corporate culture that elucidates a firm's objectives and work procedures is rather crucial in business performance. This study showed that a well-managed organization's culture leads to better performance, financial success leads to solid company culture, that performance and culture dictate each other, and that there is no actual link between performance and cultural strength. The research recommended that executives work to ensure that the company's cultural practices foster a positive work environment that would improve the corporation's financial success. The study's conclusions cannot be replicated since the firms under evaluation were not affiliates of any financial services associations. They are located in Malaysia, where services differ from those in Kenya.

Michna and Kmieciak (2020) investigated how organizational culture impacts a firm's financial value, focusing on the Mortgage Financing Corporation (MFCK) in Kenya. Their study analyzed data from 11 Kenyan companies listed under MFCK from 2015 to 2017, employing a descriptive and cross-sectional survey approach. The research utilized financial statements from the subsidiaries of these companies as secondary data. Multiple regression techniques were applied to analyze and interpret the data. The researcher concluded that corporate solid principles best serve the MFCK. The researcher came to the obvious conclusion that the level of dedication from the personnel and executives is the core of the performance of MFCK. The study also urged financial organizations to maintain high standards of loyalty, honesty, regulatory requirements, and adherence to established accounting principles to increase their performance. The study also discovered that the division of tasks, duties, and obligations enhances organizational effectiveness and efficiency since everyone knows their specific debts, which correlates to higher business profitability for the firm. According to the report, listed companies in Kenya should emphasize responsibility and openness to prevent management waste of money and time, which would undoubtedly cause the business to collapse.

Omondi and Jagongo's (2018) study looked at organizational culture and its effect on microfinance firms in Kenya. They adopted descriptive cross-sectional survey research and gathered secondary data from various senior executives' annual reports Besides, they used the structured questionnaire that was sent to CEOs, strategic HR managers, and Sales directors. The data was analyzed utilizing inferential statistics and multiple regression. About organizational culture, the research established that out of all the identified cultures, clan and hierarchical are more dominant in the industry, and organizational culture plays a strong role in determining a firm's performance outside the internal environment.

Additionally, the results show that loan ratios are hugely impacted by the prevailing market culture. The findings showed that the right organization's culture will lead to long-term organizational success. The study concluded that corporate culture is vital to maintaining a competitive edge in microfinance. Furthermore, the findings illustrated that the market environment fosters economic freedom and long-term robustness. In the context of the application, the study shows culture management may fundamentally alter the performance management landscape. Therefore, MFIs in Kenya seem to place more of an emphasis on internal culture than on external culture promotion.

In Palestine, Zhen et al. (2021) examined how corporate culture correlates with financial performance. They gathered data from 186 employees in the Palestinian beverage sector using semi-structured questionnaires and supplemented this with secondary data from the companies' financial and annual reports. The researchers analyzed the data using the PLS-SEM method. According to research, employees' performance may improve in attaining the overall organizational goals if they are devoted and adhere to the same principles as the business. The study offers a synthesis of the pertinent literature on how corporate culture affects productivity and performance in the workplace. The researcher concludes that when employees are directed by consistent, adaptable, and effective communication systems, they feel more like a part of the business, which boosts their dedication to duty and, in turn, results in excellent financial performance. The report suggests that enterprises should ensure that work ethics are spelled out. The company's management should also watch out for any infringements or compromises of the lines between clients and staff. However, because the study was limited to the general beverage manufacturing industry, conclusions about the financial associations' services in Kenya cannot be drawn from its results. Because it identified the factors that support the firms' effective performance, this study gave researchers the data they needed for their research.

Chen et al. (2021) conducted a study to explore how organizational culture influences financial success, focusing on the nursing sector in Taiwan. They used a cross-sectional survey and analyzed data for reliability with Cronbach's alpha and confirmatory methods. Multiple regression analysis was employed to examine the relationships among organizational culture, leadership behavior, job satisfaction, and financial performance. The findings revealed a significant positive association between corporate culture, managerial behavior, and job satisfaction.

Additionally, the study determined that an organization's culture is crucial and plays a significant role in whether it is a positive and healthy workplace. The degree of employee’s acceptance of the firm’s value affects their performance in the firm. The study urged businesses to adopt a robust corporate culture. This is because when there is good communication and collaboration between the leadership and the workforce, the latter will contribute more to teamwork and cooperation and will also be motivated to achieve the institution's goals and objectives, increasing job satisfaction. Since this study was done in the medical industry and the research focuses on the financial sectors in Kenya, it cannot be utilized to generalize the research's conclusions.

Donkor et al. (2018) found out the relationship between corporate culture and performance. The researcher sought to establish the link between culture and the financial performance of the organization located in a developing country; Ghana, Relative to its external and internal environment by using Denison’s Organizational Model because of its comprehensive organ structure and core focus on internal and external factors. The questionnaires employed in measuring all the variables concerning organizational culture and the levels of its effectiveness were the 5-point Likert scale and Denison’s Organizational Survey Instruments. Semi-structured questionnaires were used to elicit the information as administered by the researcher. The survey questionnaires were distributed to nine leading banks in Ghana, these nine banks represent approximately 60% of the banking sector’s profitability in Ghana and include; Public-domestic, private-domestic, Pan-African, and international firms. Two hundred ninety-six respondents from various departments of the institution and with varying ranks composed the population of the analysis. Two hundred ninety-six respondents from different departments and different ranks made up the analysis's sample. The study found no significant differences in effectiveness across the banks, even though there were considerable variances among them regarding organizational culture traits. It appears that no bank is more creative compared to the others. Overall, corporate culture and financial performance in Ghana's banking sector demonstrated a positive correlation. The mission was the cultural trait that had the most potential to positively affect economic performance in each situation. Thus, the research advises financial sector businesses to adopt a robust corporate culture to assure employee work satisfaction and improve the organization's performance. Even though this study helped give broad conclusions that were utilized to pinpoint the pertinent factors that link organizational culture and financial performance, the needs of the Ghanaian banking sector varied from those of the Kenyan economy.

The study by Reino et al. (2022) examined the relationship between organizational culture and financial performance in manufacturing and service firms in Estonia. The survey of the research was conducted with 2,256 employees from 19 SMEs and large firms, who filled in a questionnaire that addressed the company culture according to the CVF model. Analytical methods in data analysis involved using Spearmen rank correlation and confirmatory factor analysis. The findings pointed to another interesting fact that all the types are interrelated and the anticipated antithesis in the CVF are not polar opposites. For some variables, the findings of this study were even lesser than the previous studies, especially regarding the relationship between Market and Hierarchy cultures. Furthermore, what was rather surprising was that Hierarchy culture factor appeared to be positively linked to productivity, whereas the Clan-Adhocracy structure positively correlated with financial performance. Hypothesis 4 stated that Market culture's relationship with financial performance depends on its relationship with Hierarchy culture and economic environment and this hypothesis was supported by the results of the study.

2.3.3 Influence of Strategic Leadership on Performance

Kim and Stepchenkova (2018) sought to ascertain how leadership affected an organization's financial performance. The study concentrated on government firms in Korea. The research's secondary data was obtained from annual reports of 310 Korean businesses. After that, SPSS was employed to evaluate the collected data. The researcher's conclusions showed that a board of management with extensive knowledge positively impacts the organization's performance because they provide skills and information they have gained throughout their vast experience. The research suggests taking expertise into account when choosing board members. The organizational business environment and practices differ because the general environment in Korea is different from that in Kenya, and the businesses listed on the Korean stock exchange are not in the same industry. It is essential to research in Kenya on the relationship between the culture and financial value of Kenyan medical insurance companies because the general environments in Korea and Kenya are different. Furthermore, the corporate culture practices differ, and Korean companies listed on the Korean stock exchange do not operate in the medical insurance sector. Nevertheless, the study results cannot be generalized to the FSAs in Kenya.

Kowo and Akinbola (2019) discuss how strategic leadership influences the financial performance of SMEs in Kenya. In the case of this research, the target population comprised registered SMEs, and the sample included 301 firms using the stratified random sampling technique from a target population of 3,001 such firms. Participants' data were gathered through a structured research questionnaire and the response rate was 56%, with 170 participants. The quantitative used in this study included mean, standard deviations, and percentages to describe data, and Pearson correlation analysis to determine the relationship between strategic leadership and SME performance. Presiding on business strategy, resources management, corporate culture, and general knighthood as well as professional school were other areas of strategic leadership researched by the study. The performance indicators were; the annual revenues, the net profit margins, and staff turnover rates. According to the studies, it was established that strategic leadership had a significant positive relationship with the fortune of SMEs as declared in Kenya. According to the conclusion of the study, balanced organizational controls are important for improving performance and thus, the study suggested that the application of the research topic focus on the strategic leadership in county governments in Kenya.

In this study, Mui et al. (2018) explored the relationship between strategic leadership and SMEs' financial performance in Muar, Johor, Malaysia. The author and the study conducted a literature review in an attempt to understand different theories, different models, and past research done on strategic leadership to establish various factors that influenced financial success. A theoretical framework was established with financial performance as the dependent variable and five key independent variables: managerial self-interest, conception of managerial work, enterprise objectives, proficiency, skill formation, and creativity. To collect data, the researchers created standardized questionnaires consisting of questions created with a 5-point Likert Scale. Two hundred managers consisting of 100 presidents, CEOs, senior administrators, and executives from 10 SMEs selected via convenience sampling in Muar were interviewed qualitatively.

To test the measure's construct validity, Confirmatory Factor Analysis (CFA) by AMOS software was applied in which factor loading was one of the criteria judged. The HOL test and underlying path analysis were carried out using Structural Equation Modeling (SEM). The findings showed that regard towards developing the employees was associated with a very small detrimental or even any kind of positive relationship with the financial bottom line and only a somewhat positive relationship with leadership vision, strategic plan, and fundamental skills. On the other hand, the capability for innovation was established to have a positive relationship with the firm's financial performance. Based on the study, it has also highlighted that among all the concept variables the most significant for enhancing the organizational performance is innovation capabilities involving the introduction of new products, creative activity, value creation, and radical new ideas by strategic leadership. In light of the above findings, the senior management in Malaysian SMEs is encouraged to sharpen its objectiveness in improving organizational performance through innovative and strategic leadership.

Roffia, et al. (2022) conducted a study on the relationship between leadership and organizational performance, and they discovered that openness to change among the employees had a partial mediating effect. The research was able to confirm that organizational employee's readiness to change fully mediates the relationship between the level of leadership and financial performance. The data was collected by surveys from 215 delivery company employees in Greece and focused on understanding employees' perceptions of leadership and their receptiveness to alterations. The full name of the technique applied to analyze the data is called structural equation modeling. The findings showed that enthusiasm and encouragement play the role of complete mediators for the leadership and financial outcome and also it can be interpreted that leadership has a much more extent to enhance return on assets.

2.3.4 Influence of Organizational Resources on Performance

Albrecht, et al. (2018) investigated how organizational resources affect the financial performance of Kenyan parastatals. While it is widely accepted that resources impact performance, further research is needed to clarify how this relationship functions in practice. Their study highlighted that resources alone do not guarantee improved performance; specific conditions must be met for resources to be effective. The research involved collecting data from 63 Kenyan state companies through both primary and secondary sources using a cross-sectional qualitative approach. The findings revealed a statistically significant correlation between financial performance and the availability of organizational resources. However, resources and capabilities together explained only 8.3% of the profitability of these state-owned enterprises.

The study also found that material, human, and intangible assets had a significant impact on performance, although the effects of the company's capabilities on success were not statistically significant. These results support the Resource-Based Theory by providing empirical evidence that the assets held by an organization influence performance. The research suggests that enhancing resource integration, management, and reconfiguration can lead to better outcomes. It also recommends that federal policies should support the acquisition, integration, and optimization of assets to improve organizational performance.

Elbanna and Abdel-Maksoud (2020) examined the context of the resources and capabilities of public organizations and their total productivity in the United Arab Emirates (UAE), which is a wealthy oil-exporting country in the Arab world. Drawing from the RBV theory, the study established that working capital, human resources and organizational capabilities had a positive and significant relationship with the performance of the analyzed government entities. Also, the research indicated that CSR issue is defined by the existence of resource constraints and; more so, financial resources. The assessment concludes by pointing out that decision-makers in the UAE need to look forward to the probable end of the current resource abundance that is in operation due largely to the country's dependence on oil and begin planning for the scarce supply of resources.

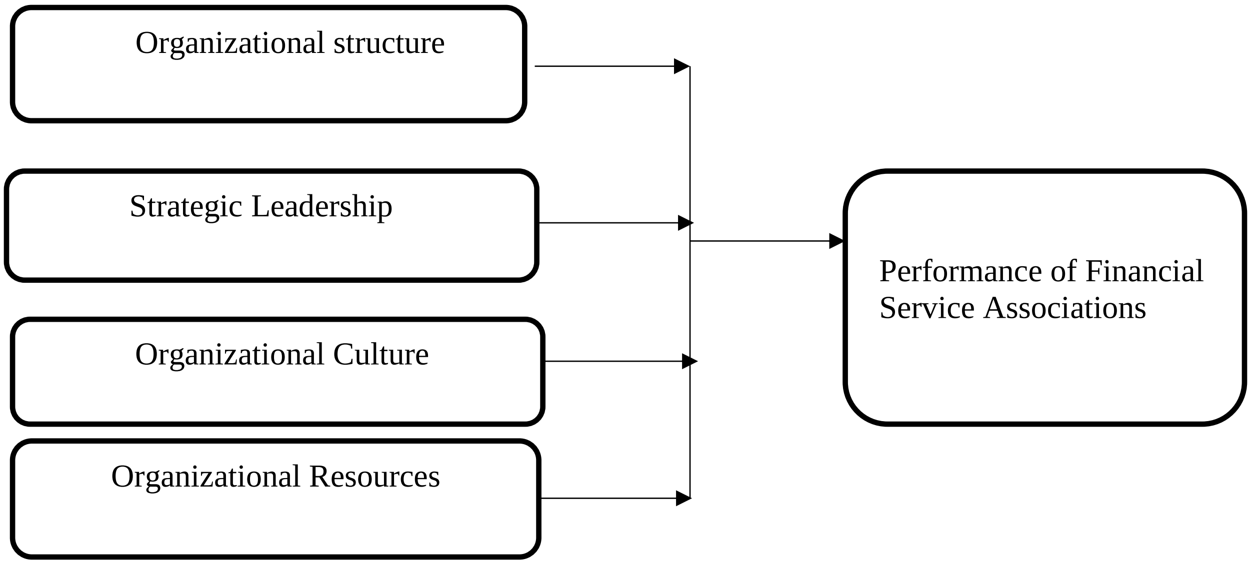
Muiruri and Wepukhulu (2018) undertook a cross-sectional study to evaluate the effects of strategic resources on the performances of firms enlisted in the NSE. Conducted on the cross-section of the total number of forty-three companies that were in operation at the time of sample collection. The primary data was obtained from research questionnaires with a five-point Likert scale and the target respondents were the managers of Finance and Corporate Strategies. Regarding the methodology of the study, the hypothesis was checked with the help of linear regression. The findings of the research indicated that corporations' resources played a critical role in determining firms' profitability levels. First, the ability to bundle resources helps build hypertension corporate capabilities that are difficult for rivals to imitate hence improving performance. Also, it supports the resource-based theory's application. Although, the cross-sectional nature of the study might reduce the generalisability of the results, only one respondent per company was interviewed, and the total number of firms was small. For future studies, longitudinal designs may be employed and the number of participants in each organization might be increased.

2.4 Conceptual Framework

A conceptual framework is a diagrammatic representation showing the relationship between variables in a study, for the independent variables and the dependent variables. Independent variables in the study included: Organizational structure, Strategic Leadership, Organizational Culture, and Organizational Resources. On the other side, the independent variable was the Performance of FSA.

Figure 2.2:

Conceptual Framework



Independent Variables **Dependent Variable**

Source: Stepchenkova (2018)

The organizational structure is people's lens or viewpoint to perceive their organization and its surroundings. Tightly packed bodies come in various organizations. Organizations assume different designs depending on their goals and objectives (Elbanna & Abdel-Maksoud, 2020). The organizational structure will dictate how a company performs and runs. Depending on the organizational structure, a department, division, team, or employee may be expressly assigned responsibility for various duties and procedures. Hierarchical systems are stable and vulnerable because they are rigid making them prone to risks. Throughout various case studies, the influence of corporate culture has proven to impact the financial position of multinational, regional, and local companies.

An organization’s team behavior is determined by the culture's principles, beliefs, and procedures. One could consider corporate culture as an assortment of characteristics that define a business.

Dysfunctional workplace cultures impede productivity while a good culture facilitates employee participation and engagement in the workplace (Auchter, et al., 2018). All organization's operations are influenced by its culture as it determines how employees relate amongst themselves and with clients. An organizational culture that aligns with employee aspirations motivates them to give their best thus increasing customer satisfaction. Companies can leverage their organizational culture to adapt to the new norms in the industry. Culture is a crucial boost concerning bringing more people and exceeding the competitors. Various firms may adopt organizational cultures, including clan, adhocracy, and hierarchical cultures. People-centered culture enables employees to adapt well in the workplace by creating a sense of belonging. Adhocracy cultures appreciate individualism in empowering staff members to explore new ideas and express their opinions. An organization that supports creativity and innovation in its culture allows its employees to advance e career-wise and feel accomplished. Besides, firms can improve their financial performance by adopting the market culture. Such a culture helps the firms to keep tabs on the current happenings in the market thus aligning with the market needs. Organizational culture determines the ability of a firm to achieve its corporate goals thus creating value for the different stakeholders (Auchter, et al., 2018).

Strategic leadership aims to give firms a competitive advantage by enhancing productivity, creativity, and employee engagement. Leaders in this role use rewards and incentives to motivate employees, aligning their efforts with organizational goals while staying within the company's culture. Engaging employees in decision-making processes ensures their support and commitment (Abd Aziz & Samad, 2016).

Strategic leadership also helps organizations adapt to market changes and address specific market needs. This approach allows companies to attract top talent by aligning with the workforce's interests. Effective strategic leaders are committed to the organization's objectives, exercise their authority responsibly, and maintain openness and integrity, even in challenging situations. Research has shown that strategic leadership is crucial for strategy implementation, resource allocation, idea execution, and innovation (Kolek, 2017).

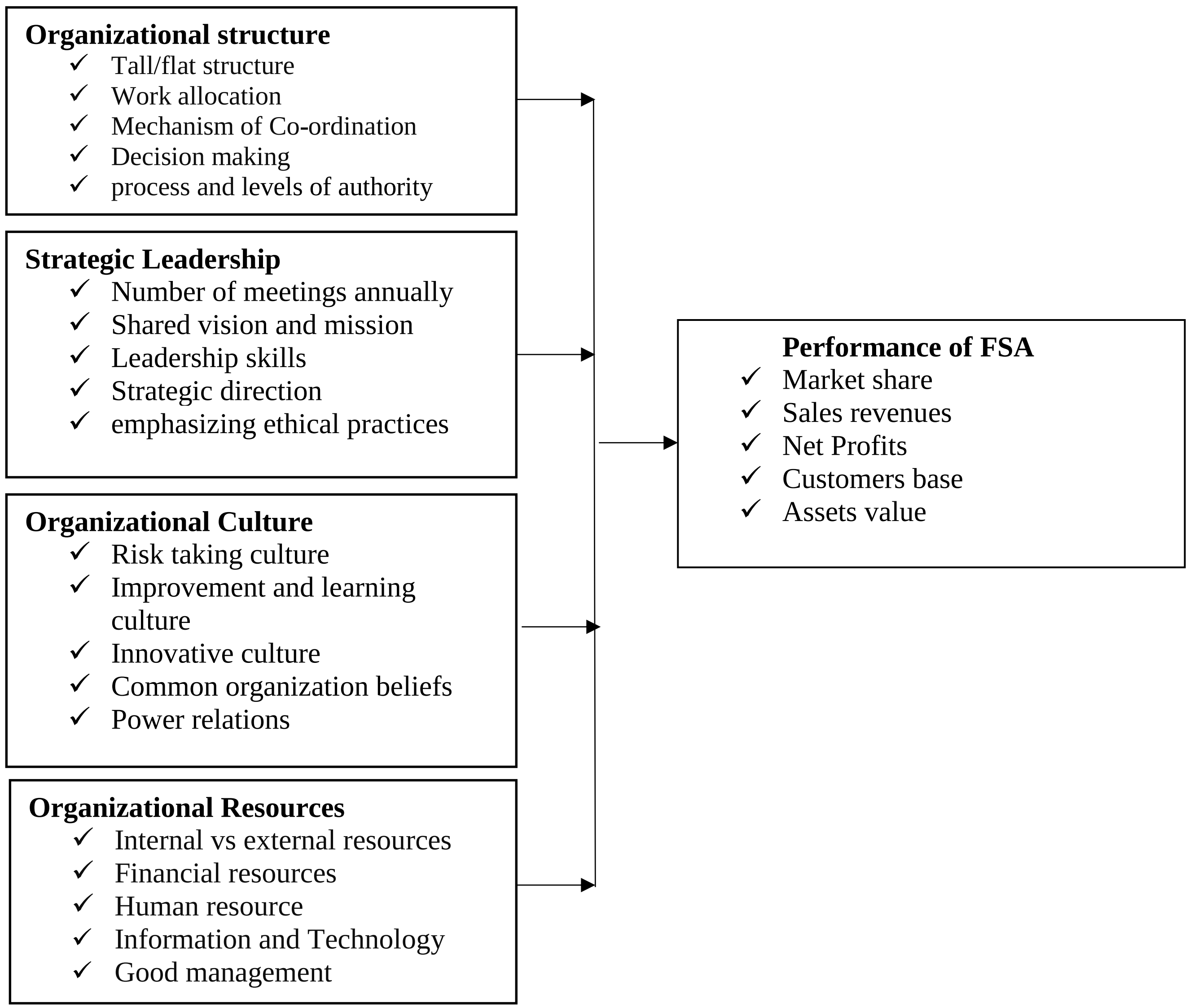
The core managerial function of resource allocation enables the implementation of strategies. Any asset allocation program's true worth is found in fulfilling a company's success as an outcome. Efficient asset distribution is hampered by various issues, such as excessive resource preservation, an overemphasis on short-term economic targets, institutional rivalries, ambiguous strategy aims, an unwillingness to embrace change, and a lack of information (Ahmed, et al., 2018). Resource allocation will require forms to utilize both hard and soft skills effectively to ensure that these resources achieve the organizational goals (Ahmed, et al., 2018).

2.5 Operationalization of Variables

Operationalization of variables in figure 2.3 shows four independent variables, organizational structure, strategic leadership, organizational culture, and organizational resources. Besides the figure shows the dependent variable which is the performance of FSA. Organizational structure has five indicators, tall/flat structure, work allocation, mechanism of co-ordination, decision making, process, and levels of authority. The measures for strategic leadership are five, number of meetings annually, shared vision and mission, leadership skills, strategic direction, and emphasizing ethical practices. The figure also shows five indicators for organizational culture, risk-taking culture, improvement and learning culture, innovative culture, common organization beliefs, and power relations. The last independent variable which is organizational resources had five indicators, Internal vs external resources, financial resources, human resources, information and technology, and good management. lastly, performance had five indicators, market share, sales revenues, net profits, customer base, and asset value.

Figure 2.3:

Operational Framework



Independent Variables **Dependent Variable**

Source: Adopted from Abesiga, et al. (2015).

2.6 Summary of Literature Review and The Study Gaps

Table 2.1:

Summary of literature and Gaps

Study	Focus of the Study	Main Findings	Gaps Identified
tanuiHindasah and Nuryakin (2020)	Influence of organizational structure on the financial performance of 43 businesses listed by medical corporations in Asia from 2012 to 2015.	- Communication between levels or departments is crucial. - Efficient leadership, teamwork, and accountability are critical. - Regular meetings and efficient communication techniques are recommended.	- The study was focused on medical corporations and not on financial services associations.
Riany (2021)	Impact of organizational structure on the performance of commercial banks in Kenya.	- Organizational culture affects financial performance. - Strategic knowledge competence significantly impacts economic success.	- The study focused on commercial banks and not financial services associations.
Abdulyakeen et al. (2021)	Impact of organizational structure on the profitability of Deposit Money Banks in Nigeria.	- Board size had a poor effect on ROA and ROCE. - Ownership structure had a significant impact on ROA and a negative impact on ROCE. - Independent directors improve firm performance.	- Findings are not statistically significant and may not apply to financial services associations in Kenya.
Aziz & Samad (2016)	Influence of innovation on competitive advantage in food manufacturing SMEs in Malaysia.	- Innovativeness profoundly affects business performance. - Strategic management practices are crucial for competitive advantage.	- The study focused on food manufacturing SMEs and not financial services associations.
Muogbo (2013)	Determinants of strategic forces on the performance of manufacturing companies in Anambra State, Nigeria.	- Strategic management practices are essential for adapting to environmental changes. - Engaging strategy consultants helps in risk management.	- The study focused on manufacturing companies and not financial services associations.
Abesiga et al. (2015)	Influence of strategic management on change management among	- Strategic management practices enable organizations to realize	- The study focused on agribusiness

	Small and Medium Agribusiness Enterprises in Western Uganda.	their goals and visions. - Effective strategic management is crucial for organizational change.	enterprises and not financial services associations.
Waiganjo et al. (2012)	Impacts of strategic human resource management on performance in Kenyan firms.	- Strategic management practices cultivate creativity and innovation. - Uplift skills and capabilities of human capital.	- The study focused on general Kenyan firms and not financial services associations.
González-Rodríguez et al. (2019)	Organizational culture and business financial performance in 44 industrial Malaysian listed companies.	- Well-managed organizational culture leads to better performance. - Financial success leads to a solid company culture.	- The study focused on industrial companies in Malaysia and not financial services associations in Kenya.
Michna and Kmieciak (2020)	Influence of culture on a firm's financial value in Mortgage Financing Corporation study (MFCK).	- Strong corporate principles and employee dedication enhance performance. - Emphasis on responsibility and openness.	- The study focused on the mortgage financing sector and not financial services associations.
Omondi and Jagongo (2018)	Impact of organizational culture on Kenyan microfinance firms' performance.	- Clan and rank cultures are most important. - Organizational culture impacts external environment performance.	- The study focused on microfinance firms and not financial services associations.
Zhen et al. (2021)	Relationships between corporate culture and financial success in the Palestinian beverage industry.	- Consistent, adaptable, and effective communication systems improve employee dedication and financial performance.	- The study focused on the beverage industry and not financial services associations.
Chen et al. (2021)	Impact of organizational culture on financial success in Taiwan's nursing sector.	- Corporate cultures and managerial conduct positively correlate. - Good communication and collaboration enhance job satisfaction.	- The study focused on the nursing sector and not financial services associations.
Donkor et al. (2018)	Link between corporate culture and performance	- Positive correlation between corporate culture and financial performance. -	- The study focused on Ghana's banking

	in Ghana's banking sector.	Mission has the most potential to positively affect financial performance.	sector and not financial services associations.
Reino et al. (2022)	Relationships between organizational culture and financial performance in Estonian manufacturing and service firms.	- Strong correlations between different culture types and financial performance. - Clan-Adhocracy and Market types show strong positive association with financial indicators.	- The study focused on manufacturing and service firms and not financial services associations.
Kim and Stepchenkova (2018)	Impact of leadership on financial performance in Korean government firms.	- Board of management with extensive knowledge positively impacts performance.	- The study focused on Korean government firms and not financial services associations.
Kowo and Akinbola (2019)	Influence of strategic leadership on the financial performance of Kenyan SMEs.	- Strategic leadership positively impacts financial performance. - Effective use of balanced organizational controls is recommended.	- The study focused on SMEs and not financial services associations.
Mui et al. (2018)	Relationship between strategic leadership and SMEs' financial performance in Malaysia.	- Innovation capability significantly improves financial performance. - Strategic leadership variables have varied impacts.	- The study focused on SMEs and not financial services associations.
Roffia et al. (2022)	Impact of leadership on financial success with employees' openness to change in Greek delivery companies.	- Enthusiasm and encouragement mediate the link between leadership and financial success. - Leadership enhances return on assets.	- The study was conducted during a severe economic crisis and may not generalize to financial services associations.
Albrecht et al. (2018)	Impact of organizational resources on the financial performance of Kenyan parastatals.	- Significant correlation between resources and financial performance. - Resources and capabilities accounted for 8.3% of profitability.	- Further research needed to determine elements that influence performance amid abundant resources.
Elbanna and Abdel-	Linkages between resources/capabilities and	- Working capital, personnel, and capability	- The study focused on UAE

Maksoud (2020)	overall productivity in UAE public organizations.	resources impact performance. - Lack of financial resources impacts corporate social responsibility.	public organizations and not financial services associations.
Muiruri and Wepukhulu (2018)	Influence of strategic resources on organizational performance in firms listed at NSE.	- Corporate assets significantly affect profitability. - Effective resource bundling improves performance.	- Study limited by a small target group and may need longitudinal designs for further research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Chapter three presents the methodology that was adopted by the study; specifically, this section contains the research design, study population, the sample and sampling techniques, data collection procedures, instruments, piloting of the instrument (validity and reliability test), data analysis, and the presentation.

3.2 Research Design

The research design refers to the game plan used in solving the problem in the study by indicating how key questions in the study will be answered (Bell & Waters, 2018). When choosing a research design, the researcher should be able to tell whether the research design is objective and consistent in answering the key questions that the study intends to address (Creswell & Creswell, 2017). The current study applied a descriptive survey design in studying the nature of the relationship between the study variables as well as answering the questions of how? when what? In the study. A descriptive research design also enabled the researcher to report findings without manipulating the responses of the respondents, therefore a more reliable research design. Descriptive research design applies the positivism theory that tests hypotheses for purposes of theory development, therefore the current study used descriptive research design to analyze the relationship between the independent and dependent variables (Asenahabi, 2019).

3.3 Study Population

The population is the collection of observations, persons, and items that the researcher intends to obtain data (Greener & Martelli, 2013). The target respondents in the study were all the FSAs in Makueni and Kitui counties of Kenya. According to the Kenya National Bureau of Statistics (KNBS,2022), there are 16 FSAs in Makueni and 21 FSAs in Kitui counties of Kenya. The target respondents in the study were the middle-level managers in the departments of Finance, risk and liaison department, corporate service department, marketing and sales department, human resources department, ICT, and technical department. According to a recent survey by Deloitte (2022), there were 938 middle-level managers. The chosen respondents are in charge of planning as well as overseeing the implementation of strategies in the FSA. Table 3.1 shows the distribution of the target respondents.

Table 3.1:

Distribution of The Target Respondents

Departments	**Size**
Finance	130
Marketing and sales	174
Human Resources department	174
Risk and liaison department	148
Corporate service department	142
ICT and technical department	170
Total	**938**

Source: Delloite (2022)

3.4 Sample Size and Sampling Techniques

Bell and Waters (2018), defined a sample as several individuals or items that have similar features. The appropriate sample size should be representative and economical to obtain data from. The sample size for the study was 280 respondents. The sample size is used to provide data for the study. The sampling procedure for the study involved the use of a stratified sampling technique across the strata with the application of the Taro Yamane probabilistic formula where the researcher was able to obtain a representative sample that is also economic to obtain.

The Taro Yamane formula is represented as follows; $n = N/[1 + N(e2)]$…………..equation (i) Where n was the obtained sample size, N was the entire population, and e was the margin of sampling error. Therefore, with a sampling error of 5%, a sample size of 280 was obtained.

n=938/1+938(0.05*0.05) = 280.36, which was 280 respondents to the nearest whole figure. The proportional distribution of the sample across the strata was as follows.

Table 3.2:

Sample Distribution

Department	Population	Ratio	Sample size
Finance	130	0.139	39
Marketing and sales	174	0.186	52
Human Resources department	174	0.186	52
Risk and liaison department	148	0.158	44
Corporate service department	142	0.151	42
ICT and technical department	170	0.181	51
Total	**938**	**1**	**280**

Source: Researcher (2022)

3.5 Data Collection Instruments and Procedures

Data collection involves gathering information on a specific topic through various methods such as interviews, structured or unstructured questionnaires, focus group discussions, or secondary data sources. For this study, data was primarily collected using questionnaires due to their efficiency in gathering a large volume of information quickly (Dikko, 2016). The questionnaires included both Likert-type questions and open-ended questions. Likert-type questions, scaled from 1 (strongly disagree) to 5 (strongly agree), were used to gauge perceptions, while open-ended questions provided detailed insights into the topic under investigation.

The questionnaire was divided into six sections: the first section gathered demographic information about the respondents, the next four sections focused on the study's four objectives (independent variables), and the final section addressed the performance (dependent variable). Data was collected both physically and online using Google Sheets, with the assistance of two researchers. The collection process took three weeks. To increase participation and address the issue of some respondents being reluctant to engage, an online questionnaire option was provided.

This method simplifies administration as participants only need to click a link sent via email or social media platforms (WhatsApp, messages, or Telegram), and their responses are automatically recorded in the research database. Reminders were sent to ensure respondents clicked the submit button after completing the questionnaire. The online method also saved time by eliminating the need for manual data entry. After data collection, responses from both physical and online sources were compiled and processed.

3.6 Pre-Testing of Questionnaire

A pilot test is conducted before the main data collection to evaluate the reliability and validity of the research instrument (Dikko, 2016). The formula for determining the pilot sample size is: \(np = e(N - n)), where (np) represents the pilot sample size, (N) is the total population of the study, (n) is the sample size, and (e) denotes the margin of error. For this study, with a 10% margin of error, the pilot sample size was calculated as 10% of (469-216), resulting in 25 line managers. These participants were randomly selected from Machakos County in the Eastern region. Although the results from the pilot test were not included in the final report, they were instrumental in refining the instrument's validity and reliability.

3.6.1 Validity of the Research Instrument

Dikko (2016) defines the validity of a research instrument as its ability to gather relevant and useful data for the study. To ensure validity, two methods were utilized: content validity and construct validity, as supported by Kothari (2004). Content validity involves evaluating the clarity and relevance of the questions in the instrument, addressing any vagueness, removing ambiguous terms, and eliminating jargon (Dikko, 2016; Schmidt & Finan, 2018). To enhance content validity, input was sought from university lecturers and experts in strategic management. For construct validity, the study employed KMO and Bartlett tests to assess whether the questions effectively measure the study variables. The Kaiser-Meyer-Olkin (KMO) measure, which ranges from 0 to 1, considers values above 0.7 as acceptable, while those below 0.7 are deemed inadequate and are excluded. Additionally, Bartlett's test was used to evaluate the suitability of the sample, with p-values below 0.05 indicating appropriate construct validity. To refine the indicators for the study variables, the researcher also referred to established questionnaires from previous studies in similar fields.

3.6.2 Reliability of Research Instrument

Reliability, according to Asenahabi (2019), refers to the internal consistency of the research instrument. An instrument is considered reliable if the researcher can achieve similar results after collecting data within two intervals with the same respondents. To measure reliability, the Cronbach alpha test was applied, indicators whose aggregate Cronbach alpha value attained a score above 0.7 were considered appropriate for actual data collection, and weak measures that did not achieve 0.7 were drooped before actual data collection. Besides, the test-retest method was applied where the primary data was collected from the pilot participants in two rounds on the same respondents, the first week and then after one week, the same respondents were asked to fill the questionnaire to ascertain the reliability/consistency in the way responses to the questions is given. Where both the Cronbach test and the test-retest results are consistent the researcher went ahead with the actual data collection.

3.7 Data Analysis and Presentation

After gathering the raw data, it was cleaned and entered into SPSS version 25 for analysis. Both qualitative and quantitative methods were applied to analyze the data. For qualitative data, content analysis was performed through thematic analysis using NVivo software, focusing on concepts emerging from open-ended responses. Quantitative data were analyzed using both descriptive and inferential statistics. Descriptive analysis included calculating central tendencies (mean, frequency, and percentages) and dispersion measures (standard deviation). The results were presented in tables with accompanying explanations and interpretations. For inferential analysis, a binary logistic regression model was used, where 0 represented low performance and 1 indicated high performance, with a significance level set at 0.01 to ensure a 99% confidence level. The model was shown as follows.

$Logit\ (\pi ijkz)\ =\ \eta\ +\ \alpha i\ +\ \beta j\ +\ \gamma k+\ \Omega n$…………………………………… Equation (ii)

where

Where Logit (π_{ijkz}) is odd of organization performance being high, which is denoted as (π), where the performance is high, the probability is p, whereas the probability of performance being low is (1-p), therefore, Logit (π_{ijkz}) $=logp/log(1-p)$, which refers to the logarithm/odd of the performance being high against the performance is low, which is given as a ratio. The odd on organizational performance depends on four independent variables: a) organization structure (i), which is either [flat organizational structure=1, tall structure =2], organization culture (j), which is either [Clan culture=1, Innovative culture=2, Market culture=3 or Hierarchy culture=4], Organizational Resources (k), which are either [internal resources=1 or external resources=2] and Strategic Leadership (n). [where n is the number of leadership meetings organized annually].

In addition, η is a constant in the empirical model. The coefficients are α, β, γ, and Ω respectively for (organizational structure, organization culture, organizational resources, and strategic leadership) which are determined through the restrictions given in the estimation. The reference categories were all given a code reference of 0 in the SPSS, $\alpha1$(tall structure) = $\beta1$(Clan culture) = $\gamma1$ (External Resources) = 0. The findings of the study were mainly presented on tables, charts, and narratives for open questions and discussions of findings.

3.8 Ethical Considerations

During the data collection phase, the study employed respectful and non-threatening language to ensure psychological safety for the respondents. Participants were assured that their information would be used solely for academic purposes and not shared with any third parties. The researcher provided a NACOSTI letter and a university research authorization letter to guarantee confidentiality. Additionally, the study ensured anonymity by not linking any personal information to the data collected. Respondents were required to sign a consent form before participating and were informed of their right to withdraw at any time, ensuring voluntary participation. The researcher also properly acknowledged all intellectual contributions through accurate referencing and citation to uphold intellectual property rights and prevent plagiarism.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presented the findings of the study which was guided by the four research objectives: organizational structure, strategic leadership, organizational culture, and organizational resources, Both Descriptive and inferential analysis are presented in chapter four. Findings were presented on both descriptive and inferential statistics.

4.1.1 Response Rate

The researcher administered 280 questionnaires out of which the study was able to collect data from 197 participants representing a response rate of 94.28% (264 filled and returned), 5.72% (never returned/not filled appropriately) of the participants were either not able to fill questionnaires within the time given or they returned questionnaires that were not adequately filled. The high response rate was a result of the researcher consistently reminding the respondents to fill out the questionnaires within the given time frame.

Table 4.1:

Response Rate

Response Attained	**Frequency**	**Percentage (%)**
Responded	264	94.28%
No-response	16	5.72%
Total	**280**	**100%**

Source: Researcher (2023)

4.1.2 Validity and Reliability of Research Instrument

Another test conducted to ascertain the adequacy of the research instrument was a reliability test through Cronbach alpha tests. Findings are presented in Table 4.2.

Table 4.2:

Reliability Statistics

Variable Name	Cronbach's Alpha	N of Items
Organizational structure	.792	4
Strategic leadership	.780	4
Organizational culture	.822	5
Organizational resources	.737	5
Organizational performance of FSA	.835	5

Source: Primary Data (2023)

Findings in table 4.2 revealed an alpha score of .792 which was associated with organizational structure, strategic leadership also revealed an alpha score of 0.780, organizational culture revealed an alpha score of 0.822, Organizational resources, on the other hand, presented an alpha score of 0.737 whereas organizational performance revealed a score of 0.835. The findings of the study implied that all the observed Cronbach alpha scores associated with all the variables were higher than 0.7 and therefore the instrument was considered internally consistent (reliable) for further analysis.

To determine the validity of the research, instrument the study applied KMO and the Bartlett tests. findings of the study on the validity analysis are presented in Table 4.3.

Table 4.3:

KMO and Bartlett's Test

Variable Name		Organizational structure	Strategic leadership	Organizational culture	Organizational resources	Organizational Performance
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.859	.836	.866	.849	.871
Bartlett's Test of Sphericity	Approx. Chi-Square	225.117	279.720	335.148	204.607	416.180
	df	10	10	10	15	10
	Sig.	.000	.000	.000	.000	.000

Source: Primary Data (2023)

Table 4.3 shows that the KMO and Bartlett score associated with organizational structure was (KMO= 0.859, p-value= 0.001<0.05), Strategic leadership revealed a KMO and Bartlett score of (KMO= 0.836, p-value= 0.001<0.05), organizational culture revealed a KMO and Bartlett score of (KMO= 0.866, p-value= 0.001<0.05), Organizational Resources revealed a KMO and Bartlett score of (KMO= 0.849, p-value= 0.001<0.05) whereas the organizational performance of FSA was (KMO= 0.871, p-value= 0.001<0.05). The KMO score associated with all the variables was above 0.7 whereas the Bartlett p-value scores were all lesser than 0.05, which implied that the indicators were adequate in measure for further analysis.

4.2 Demographic Statistics

Descriptive statistics conducted included an analysis of gender, and experience of the participants. Demographic statistics are conducted to ensure inclusivity and diversity, which is a requirement of ethical considerations. The use of diversified respondents (respondents with different demographic characteristics) ensures that there is no bias, fairness, and equity. Table 4.4 presents the findings.

4.2.1 Gender of the Respondents

The study sought to establish the gender composition of the participants in the study. Findings presented in Table 4.4 revealed that the majority were male as given by 69.3% whereas only 30.7% of the participants were female. The statistics are an affirmation that female gender inclusion has taken a share in formal jobs.

Table 4.4:

Gender of Respondents

Gender	Frequency	Percent
Male	183	69.3
Female	81	30.7
Total	**264**	**100.0**

Source: Primary Data (2023)

4.2.2 Experience of The Respondents

The study sought to determine the number of years that the respondents had in their area of authority. Table 4.5 revealed majority had between 6 and 10 years as shown by 50.0% which was followed by 47.3% of the respondents who had more than 11 years of experience, and only 2.7 of the respondents had below 5 years of relevant experience. The given statistics demonstrate that the middle-level managers at the FSAs had enough experience at their workplace and were therefore very suitable in giving information about the implementation of the strategies.

Table 4.5:

Experience

Experience of the Respondents	Frequency	Percent
Below 5 years	125	2.7
Between 6 and 10 years	132	50.0
More than 11 years	7	47.3
Total	264	100.0

Source: Primary Data (2023)

4.3 Descriptive Analysis

The study conducted descriptive statistics on the point Likert scale. Descriptive analysis included analysis of the four independent variables (organizational structure, strategic leadership, organizational culture, and organizational resources in addition to the dependent variable (performance of financial services associations in counties in the Makueni and Kitui counties).

4.3.1 Organizational Structure

4.3.1.1 Type of Organizational Structure

The study aimed to establish different types of organizational structures among the FSAs in Kitui and Makueni counties. Table 4.6 revealed that the majority of FSAs had a flat organizational structure as shown by 57.2% of the participants, only 42.8% of the participants revealed that they had a tall organizational structure. A flat organizational structure is associated with the lower hierarchical order of management, with a more decentralized decision-making process. A flat organizational structure is associated with a direct flow of communication and information between employees. Employees can have teamwork, collaboration, and faster decision-making. There is usually more transparency and employees tend to feel that they are engaged. A flat organizational structure is also proposed to be more flexible and agile in decision-making and response to market demands.

Table 4.6:

Type of Organizational Structure

Nature of Organizational structure	Frequency	Percent
It is a tall structure	113	42.8
It is a flat organization structure	151	57.2
Total	**264**	**100.0**

Source: Primary Data (2023)

4.3.1.2 Descriptive Statistics on Organizational Structure

The study determined the descriptive statistics on the organizational structure constructs through a five-point Likert scale where 1= strongly disagrees and 5= strongly agrees on the higher side. Findings are presented in table 4.7.

Table 4.7:

Descriptive Statistics on Organizational Structure

Indicators of Organizational Structure	SD	D	N	A	SA	Mode
We have centralized management for decision-making	12 (4.5%)	37 (14.0%)	27 (10.2%)	141 (53.4%)	47 (17.8%)	4
Arising matters are handled by respective departments	5 (1.9%)	33 (12.5%)	18 (6.8%)	139 (52.7%)	69 (26.1%)	4
We have a good chain of command in the organization	7 (2.7%)	32 (12.1%)	16 (6.1%)	137 (51.9%)	72 (27.3%)	4
Top management delegates jobs to their junior employees	8 (3.0%)	27 (10.2%)	20 (7.6%)	130 (49.2%)	79 (29.9%)	4

Source: Primary Data (2023)

Table 4.7 shows descriptive statistics on the statements relating to the organizational structure for each mean and the standard deviation. The first statement “We have centralized management for decision making" has a mode score of 4. This indicates that the respondents agreed that the organization has a centralized decision-making process. The second statement “Arising matters are handled by respective departments" has a mode score of 4. This suggests that, on average, the respondents agreed that departments within the organization are responsible for handling issues that arise.

The third indicator "We have a good chain of command in the organization" has a mode score of 4. This suggests that respondents agreed that the organization has a clear chain of command. The fourth statement “Top management delegates jobs to their junior employees" has a mode score of

4 which indicates that respondents agreed that top management delegates tasks to lower-level employees.

The study sought through open end questions factual information from respondents on two open questions: (1) Which controls have you put in place to enhance strategy implementation success? Any ethical or code of conduct and (2) does the FSA have a specific way through which information flows in the organization additional question, and if yes how?

(1) Which controls have you put in place to enhance strategy implementation success? Any ethical or code of conduct

On the controls available among the FSA, the respondents pointed out that they had implemented a few controls including ensuring regular communication and feedback mechanisms to check on loose ends by involving all stakeholders in the implementation process. Controls came to inform of regular meetings, having progress reports, and availing status updates regularly so that every team member stays informed of any changes. On ethical practices, the respondents pointed out that there were already codes of conduct/business ethics notes that were elaborate and guided the core values of the business. The ethics included the protection of intellectual property, openness, and transparency.

(2) does the FSA have a specific way through which information flows in the organization An additional question, yes how

On the questions as to whether the FSA had specific ways through which information flows between different levels of management, the respondents pointed out that they had both formal and informal ways of communication. The formal channels of communication included regular meetings and progress reports on strategy implementation. On the other hand, the respondents noted that they had informal channels that included instant messaging to ensure real-time catching up, such as for a meeting or a new memo. Respondents also acknowledged that they had information systems that provided business policies, processes, and practices on strategy implementation.

4.3.2 Descriptive Statistics on Strategic Leadership

4.3.2.1 Number of Board Meetings Organized

This part of the study sought to establish the number of times in a year that the leaders of the FSA in Kitui and Makueni counties had organized board meetings, to give keynotes on strategy progress/vision/goals of the company. Table 4.8, presented the findings.

Table 4.8:

Number of Board Meetings Organized

Descriptive on Number of leadership meetings	**Statistics**
Mean	7.21
Mode	6
Std. Deviation	3.507
Minimum	1
Maximum	15

Source: Primary Data (2023)

Table 4.8 revealed that the most common number of times that the leaders called for a meeting a year was 6 times, the lowest number of times that the strategic leaders called for a meeting was 1 whereas the highest number of times in a year that strategic leaders called for a meeting was 15 times. The findings suggested that meetings were organized so that strategic leaders could discuss and give direction to the company or give key important ethical practices.

4.3.2.2 Descriptive Statistics on Strategic Leadership

Descriptive analysis was also conducted on the constructs of strategic leadership through the determination of mean, frequency percentage, and standard deviation. To achieve the task goal, a five-point Likert scale was applied whereby 1= strongly disagreed on the lower side while on the higher side 5=strongly disagreed. Table 4.9 shows the findings.

Table 4.9:

Descriptive Statistics on Strategic Leadership

Indicators of Strategic Leadership	SD	D	N	A	SA	Mode
We have ensured that all employees are aware of the vision and company mission	20 (7.6%)	26 (9.8%)	20 (7.6%)	144 (54.5%)	54 (20.5%)	4
Our management team is trained frequently in leadership skills	8 (3.0%)	22 (8.3%)	19 (7.2%)	132 (50.0%)	83 (31.4%)	4
Business and work ethics are emphasized at all levels of the organization	7 (2.7%)	23 (8.7%)	29 (11.0%)	133 (50.4%)	72 (27.3%)	4
Our leaders are in full control of the direction that our firm takes	6 (2.3%)	25 (9.5%)	18 (6.8%)	115 (43.6%)	100 (37.9%)	4

Source: Primary Data (2023)

Table 4.9 revealed descriptive statistics on strategic leadership, and mean and standard deviations were revealed. The first statement “We have ensured that all employees are aware of the vision and company mission" has a mode score of 4. This shows that participants agreed that the organization has communicated the company's vision and mission to all employees. The second indicator "Our management team is trained frequently in leadership skills" has a mode score of 4 which suggests that respondents agreed that the organization invests in the development of leadership skills for the management team.

The third statement “Business and work ethics are emphasized at all levels of the organization" has a mode score of 4 suggesting that respondents agreed that the organization places a high emphasis on business and work ethics. The fourth statement “Our leaders are in full control of the direction that our firm takes" had a mode score of 4 indicating that respondents agree that the organization's leaders are in control of the firm's direction.

The study also sought to obtain factual information on strategic leadership through two open-ended questions: (1) Would you say that the top management is offering the necessary support during strategy implementation? If yes, how does the top management support you? (2) Do you have a vision and mission statement for your firm, if yes how does it help in enhancing performance?

(1) Would you say that the top management is offering the necessary support during strategy implementation? If yes, how does the top management support you?

The respondents pointed out that their top management was providing support on the strategy implementation by setting clear goals and objectives which helped the other employees attain the desired goals as well as giving direction towards the attainment of the overall strategy goal which is improved performance. The respondents also revealed that the top management offered crucial support by providing necessary resources including budgeting for personnel to do the work, training, and development initiatives, and financial support. The respondents also revealed that top management supported them by constantly communicating the process of strategy implementation which kept all stakeholders abreast with the opportunities and challenges coming up to have faster responses.

(2) Do you have a vision and mission statement for your firm, if yes how does it help in enhancing performance?

The respondents outlined that they already had vision and mission statements for their respective organizations, visions helped in stating the long-term aspirations of the business whereas the mission statement mainly focused on saying how they will achieve the vision. With a clear vison and mission, the respondents noted that they became aware of what needed to be done, and therefore all activities became aligned towards the vision and mission. With a clear vision, the FSA is also able to plan well on resource availability and allocation which enhances the prioritizing of initiatives in resource allocation. Finally, the respondents noted that with a clear vision and mission, they can know how well their activities contribute to the goals, vision, and mission of their organizations and therefore become inspired and motivated to do their best.

Similar findings were presented by Mui et al. (2018) who researched the relationship between strategic leadership and SMEs' financial performance in Malaysia. The results of the study revealed that factors affecting organizational performance are the innovation capability of strategic leadership, including new product creation, creativity, innovative activities, value creation, and new ideas with radical changes.

4.3.3 Descriptive Statistics on Organizational Culture

4.3.3.1 Type of Organizational Culture

Respondents were asked to indicate the type of culture that describes their organization. Table 4.10 revealed that the majority of the organization had a culture that focuses on the market achieving edge or market culture as shown by 28.0%, followed by a culture of innovation and creativity / innovative culture and a culture that pays attention to power relations in an organization/hierarchy culture as shown by 27.3% for each respectively. Only 17.4% of the respondents indicated that their organization had a culture that mentors and nurtures/ clan culture.

Table 4.10:

Type of Organizational Culture

Type of Organizational culture	Frequency	Percent
A culture that Mentors and nurtures/ Clan culture	46	17.4
A culture of innovation and creativity / Innovative culture	72	27.3
A culture that focuses on Market achieving edge/ Market culture	74	28.0
A culture that pays attention to power relations in an organization / Hierarchy culture	72	27.3
Total	**264**	**100.0**

Source: Primary Data (2023)

4.3.3.1 Descriptive Statistics on Organizational Culture

The study sought to establish descriptive statistics on the organizational culture practices among the FSA in Kitui and Makueni counties, the descriptive statistics involved the determination of frequencies, mean, and percentages from the data gathered on a five-point Likert scale where 1= strongly disagreed and 5= strongly disagreed on five statements. Findings are presented in table 4.11.

Table 4.11:

Descriptive Statistics on Organizational Culture

Indicators of Organizational Culture	SD	D	N	A	SA	Mode
Our organization has always taken up novel projects	5 (1.9%)	25 (9.5%)	17 (6.4%)	155 (58.7%)	62 (23.5%)	4
We have always been improving through learning	7 (2.7%)	20 (7.6%)	25 (9.5%)	132 (50.0%)	80 (30.3%)	4
We have lately come up with new products/services for our customers	9 (3.4%)	21 (8.0%)	25 (9.5%)	120 (45.5%)	89 (33.7%)	4
We have values that bind us together as an organization	11 (4.2%)	18 (6.8%)	22 (8.3%)	133 (50.4%)	80 (30.3%)	4
We have great respect and honor for our seniors	7 (2.7%)	28 (10.6%)	22 (8.3%)	114 (43.2%)	93 (35.2%)	4

Source: Primary Data (2023)

Table 4.11 presents findings on the descriptive statistics on organizational culture. The first construct "Our organization has always taken up novel projects" has a mode score of 4. This suggests that respondents agree that the organization is willing to take on new and innovative projects. The second construct "We have always been improving through learning" had a mode score of 4. This indicates that respondents agreed that the organization had a culture of continuous learning and improvement. The third construct "We have lately come up with new products/services for our customers" has a mode score of 4. This suggests that respondents agreed that the organization has been successful in introducing new products or services to its customers. The fourth construct "We have values that bind us together as an organization" has a mode score of 4. This indicates that, on average, respondents agreed that the organization has values that bind employees together. Finally, the last construct "We have great respect and honor for our seniors" has a mode score of 4. This suggests that respondents agreed that the organization had a strong culture of respect for senior employees.

The study sought to find factual responses on the organizational culture through two open-end questions: (1) Have you come up with new products recently, if yes name a few. (2) Do you have specific practices that are unique to your firm? please identify a few

(1) Have you come up with new products recently, if yes name a few.

The respondents revealed that they had already come up with a new product which was a mobile app where the customers could do their transactions like requesting a loan through mobile apps as well as managing their loans such as payments when they become due. The other innovation involves coming up with an online platform where the organization can conduct interviews and appraisals for customers who need the loan or financial support, the respondents noted this was a milestone that was edging out other competitors.

(2) Do you have specific practices that are unique to your firm? Please identify a few.

The respondents revealed that there were specific practices unique to the firm including customer support service that is 24/7 and a customer feedback mechanism to enable us to improve the services. Respondents also revealed that their firms are committed to continuous learning as well as training and development of staff to improve employees' performance.

4.3.4 Descriptive Statistics on Organizational Resources

4.3.4.1 Source of Resources in Strategy Implementation

In this part of the study, the sought to identify the major source of resources in strategy implementation among the FSAs in Kitui and Makueni counties. Table 4.12 shows that the majority of the respondents indicated internal resources as the major source as shown by 74.6%, and only 25.4% of the respondents indicated external resources as the major source for implementation of strategies among FSAs.

Table 4.12:

Source of Resources in Strategy Implementation

Source of Resources	Frequency	Percent
External Resources	67	25.4
Internal Resources	197	74.6
Total	**264**	**100.0**

Source: Primary Data (2023)

4.3.4.2 Descriptive Statistics on Organizational Resources

The study carried out descriptive statistics to establish the extent to which respondents agreed or disagreed with statements provided on organizational resources, findings are presented based on a Likert scale used where 1= strongly agreed and 5= strongly disagreed on five statements. Table 4.15 presents the findings.

Table 4.13:

Descriptive Statistics on Organizational Resources

Indicators of Resource Resources	SD	D	N	A	SA	Mode
We have enough human resources for every task	7 (2.7%)	26 (9.8%)	23 (8.7%)	143 (54.2%)	65 (24.6%)	4
The top management ensures that financial resources are available at the right time	8 (3.0%)	23 (8.7%)	24 (9.1%)	140 (53.0%)	69 (26.1%)	4
Proper budgeting is done before actual financial commitment	11 (4.2%)	28 (10.6%)	27 (10.2%)	114 (43.2%)	84 (31.8%)	4
Technology has been made accessible in all department	14 (5.3%)	20 (7.6%)	23 (8.7%)	127 (48.1%)	80 (30.3%)	4
We have very competent staff with good experience to handle the requirements of the company	11 (4.2%)	25 (9.5%)	19 (7.2%)	113 (42.8%)	96 (36.4%)	4

Source: Primary Data (2023)

Table 4.13 indicates that respondents generally agreed on several key aspects of organizational resources, each with a mode score of 4 and mean scores as follows. They felt that there are sufficient human resources allocated for tasks, with a mean score of 4, suggesting effective task completion support. Respondents acknowledged that top management ensures timely availability of financial resources, with a mean score of 4, indicating strong financial management practices. There was agreement that thorough budgeting precedes financial commitments, with a mean score of 4, reflecting a robust budgeting process. Additionally, technology accessibility across departments was noted, with a mean score of 4, contributing to operational efficiency. Lastly, respondents recognized the competence and experience of the workforce in meeting organizational needs, with a mean score of 4, highlighting a capable staff. Overall, these findings suggest effective resource allocation, financial management, technology integration, and competent workforce management within the organization.

The study also sought respondents to get in-depth responses on the area of resource allocations in the organization, two open questions were asked (1) How are employees involved during strategy implementation? and (2) Do you integrate technology in strategy implementation., if yes how?

(1) How are employees involved during strategy implementation?

The respondents revealed that their organizations were very serious on the subject of strategy implementation and therefore involved the employees at every stage by clearly communicating the strategy to the employees as well as keeping them updated on the progress of the strategy implementation. The respondents also revealed that they were involved in strategy implementation through planning where they helped in brainstorming for new ideas through workshops. Respondents also revealed that the organizations reward them for their contributions to enhance a sense of accountability and the feeling that their efforts are recognized by the organization.

(2) Do you integrate technology in strategy implementation, if yes how?

On the second question, the respondents revealed that they used technology in strategy implementation because it enhanced innovativeness and ensured a more effective and efficient process of strategy implementation. For instance, some respondents noted that they used project management software for scheduling and tracking the implementation of the strategy process. Furthermore, the use of data analytics software enhances productivity and decision-making.

Similar findings were presented by Elbanna, and Abdel-Maksoud (2020), who investigate the linkages between the resources/capabilities of public organizations and overall productivity in the United Arab Emirates. The study's findings indicate that working capital, personnel, and capabilities were the major resources with impact the performance of the assessed governmental entities.

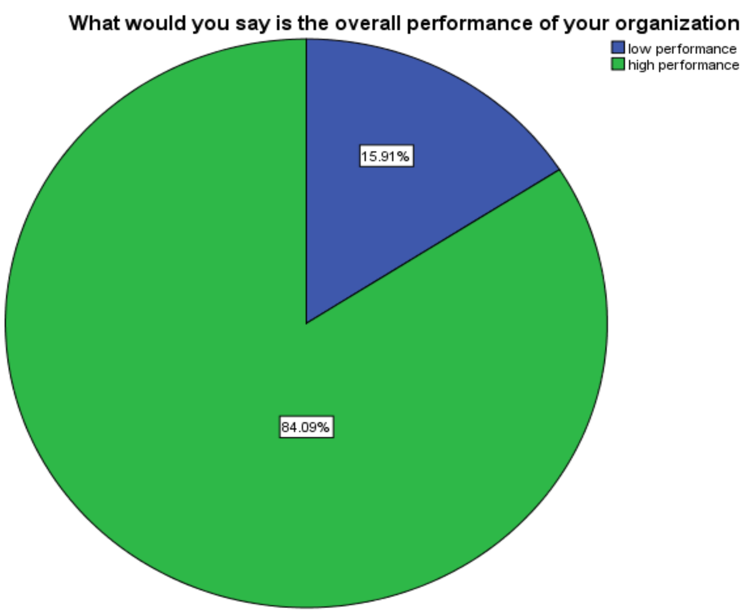
4.3.5 Descriptive Statistics on Performance of FSA

4.3.5.1 Overall Performance of the FSAs

This section of the study sought the respondents to indicate the overall state of performance of the organization. Figure 4.1, revealed that the majority of the respondents indicated that the performance of their organization was high as shown by 84.09%, and only 15.91% of the respondents indicated that the performance of their organizations was low.

Figure 4.1:

Overall Performance of the FSAs



Source: Primary Data (2023)

4.3.5.2 Descriptive Statistics on the Performance of FSA

The study presented findings on the performance of FSA in Kitui and Makueni counties through five statements that were ranked on a five-point Likert scale, where 1= strongly disagreed on the lower side whereas 5= strongly agreed on the higher side. Table 4.14 shows the findings on the performance of FSA in Kitui and Makueni counties.

Table 4.14:

Descriptive Statistics on the Performance of FSA

Indicators of Performance of FSAs	SD	D	N	A	SA	Mode
We have realized an improvement in the market share in the last three years	9 (3.4%)	22 (8.3%)	20 (7.6%)	133 (50.4%)	80 (30.3%)	4
Our sales revenue has been rising in the past three years	13 (4.9%)	26 (9.8%)	24 (9.1%)	110 (41.7%)	91 (34.5%)	4
Our net profits have increased in the past three years	14 (5.3%)	19 (7.2%)	31 (11.7%)	95 (36.0%)	105 (39.8%)	5
We are serving more clients compared to three years ago	13 (4.9%)	26 (9.8%)	15 (5.7%)	103 (39.0%)	107 (40.5%)	5
We have a greater capital and asset base for the organization	22 (8.3%)	15 (5.7%)	17 (6.4%)	124 (47.0%)	86 (32.6%)	4

Source: Primary Data (2023)

Table 4.14 reveals that respondents generally agreed on several indicators of the company's performance over the past three years, each with a mode score of 4. They agreed that the company has seen an improvement in its market share, indicating that the FSAs' products have been more preferred than those of competitors. Respondents also noted a consistent increase in sales revenue, suggesting that the company has been successfully generating more revenue from its sales activities.

Additionally, there was agreement that the company's net profits have risen over the past three years. Respondents also indicated that the company has been serving more clients compared to three years ago, suggesting an expansion of the customer base.

The fifth measure showed agreement that the company's capital and asset base have been growing over the given period. Overall, these findings suggest that FSA has been performing well over the past three years, though there remains room for further improvement.

The study also sought from respondents how strategy had affected their organizational performance, the study therefore sought open questions: *How has strategy implementation affected the performance of your organization?*

The study revealed from the respondents that the performance of the FSA had generally increased as a result of setting better objectives and managing resources more effectively. Secondly, through strategy implementation, the organizations have also been able to meet customers' satisfaction and build better customer loyalty from the unique products that are created which have also been able to meet customers' requirements. The overall effect of strategy implementation has been an increase in sales from customer retention.

4.4 Binary Logistic Regression Analysis

A binary regression analysis was conducted to establish the odd ratio of the different independent variables to predict the organizational performance of FSAs in Makueni and Kitui counties. The findings are presented in the model summary, classification table, Omnibus Tests of Model Coefficients, regression coefficients, and Logistics odds.

4.4.1 Goodness-Of-Fit of A Logistic Regression Model

The goodness of a logistic regression model was determined through the Hosmer and Lemeshow test. The test compares the observed and the expected output, to determine whether there was a significant difference. Table 4.15 revealed a Chi-square statistic (X^2) of 18.233 which was associated with a p-value of 0.020. With a p-value of 0.02>0.01, the findings indicated that the observed and the expected output were not statistically significant, which suggested that the binary logistic model provides a good fit for the data.

Table 4.15:

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	18.233	8	.020

Source: Primary Data (2023)

4.4.2 Model Summary

The R-square is the coefficient of determination, which explains the proportion of the variation of the dependent variable (performance of FSA in Kitui and Makueni counties) which can be explained by the four predictors/independent variables (Organization structure, Strategic leadership, Organizational Culture, Organizational Resources). Table 4.16 shows an R-square, given by Cox & Snell R Square of (0.236) and the Nagelkerke R Square of (0.404). If we Nagelkerke R Square (0.404), then 40.4% % of the variations of the performance of FSA in Kitui and Makueni counties can be explained by the four predictors.

Table 4.16:

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	160.168[a]	.236	.404

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

Source: Primary Data (2023)

4.4.3 Model Classification

Table 4.17 shows a classification table on the dependent variable: financial performance of FSA in Kitui and Makueni counties through a binary choice: high performance versus low performance. The findings reveal that the model correctly predicts 43.9% of the low performance and 97.3% of the high performance, overall the mode was able to correctly predict 88.6% of cases in the model. Therefore, the model is good in the determination of the outcome because it had an overall cut value of over 0.5 or 50%.

Table 4.17:

Classification Table

Observed			Predicted: What would you say is the overall performance of your organization: low performance	High performance	Percentage Correct
Step 1	What would you say is the overall performance of your organization	low performance	18	24	42.9
		High performance	6	215	97.3
	Overall Percentage				88.6

a. The cut value is .500

Source: Primary Data (2023)

4.4.4 Logistic Regression Coefficients and Exponential Coefficients

Table 4.18 reveals the odds of the predictors in predicting the organization performance of FSAs in Kitui and Makueni counties.

Table 4.18:

Logistic Regression Odds

Variables in the Equation	B	S.E.	Wald	df	P-Value	Odds Ratio
Organization Structure						
A tall Organization Structure (Reference)	-	-	-	-	-	1.000
A flat Organization Structure	1.269	.461	7.572	1	.006	3.559
Strategic leadership	.264	.072	13.357	1	.000	1.302
Organizational Culture						
Clan culture (Reference)	-	-		-	-	1.000
Innovative culture	.086	.728	.014	1	.906	1.089
Market culture	-1.228	.670	3.358	1	.067	.293
Hierarchy culture	-.028	.703	.002	1	.968	.972
Organizational resources						
External Resources (Reference)	-	-	-	-	-	1.000
Internal Resources	1.858	.433	18.439	1	.000	6.411
Constant	-1.246	.776	2.574	1	.109	.288

a. Variable(s) entered on step 1: organization structure, organizational culture, organizational resources, Strategic Leadership.

b. Dependent variable: Performance

Source: Primary Data (2023)

4.4.4.1 Influence of Organization Structure on the Performance of FSA in the Makueni and Kitui counties.

The study found a B value of 1.269 and Wald statistics of 7.572, with a p-value of 0.006, which is less than 0.01. This indicates that the organizational structure significantly affects the performance of FSAs in Kitui and Makueni counties. The odds ratio for a flat organizational structure is 3.559, suggesting that the performance odds for a flat structure are 3.559 times higher than for a tall structure. Consequently, the study rejected the null hypothesis.

These findings align with research by Hindasah and Nuryakin (2020), who also found that organizational structure significantly impacts firm performance in Asian manufacturing companies. Similarly, Riany (2021) supported these results, showing that organizational structure has a notable effect on the financial performance of Kenyan commercial banks.

Influence of Strategic leadership on the performance of FSA in the Makueni and Kitui counties.

The study revealed a B=.264, Wald statistics of 13.357, and a p-value of 0.001<0.001, which implied that strategic leadership had a significant influence on performance because a p-value of 0.001 was lower than the chosen level of significance at 0.01. The study also revealed an Odds ratio of 1.302, which implied that an increase in the number of strategic leadership meetings in the year resulted in an increase in the odds of high performance by a factor of 1.302. The null hypothesis was therefore rejected.

Mui et al. (2018) were in agreement with the study findings when they conducted a study on the relationship between strategic leadership and SMEs' financial performance in Malaysia.

The findings of the study revealed that significant factors affecting organizational performance included the innovation capability of strategic leadership, including new products, creativity, innovative activities, value creation, and new ideas with radical changes.

Influence of Organizational Culture on the performance of FSA in the Makueni and Kitui counties.

Clan culture was used as the reference category. This category serves therefore as the reference point for comparison.

The study revealed that Innovative culture had a coefficient (B) of 0.086, with a Wald statistic of 0.014 that was also associated with a p-value 0= 0.906) which was positive but not statistically significant because it was higher than the threshold given of 0.01 (0.906> 0.01). An Odds ratio for Innovative culture was 1.089, which implied that choosing innovative culture over clan culture increases the odd of having high performance though not statistically significant by a factor of 1.089.

Market culture revealed a coefficient (B) of -1.228, and Wald statistics of 3.358 which was associated with a p-value of 0.067, the results indicated that Market Culture had a negative influence on Performance, which was also not significant because the p-value of 0.067 was higher than the chosen significance level of 0.05. The Odds ratio for Market culture was 0.293, which implied that choosing innovative culture over clan culture decreases the odds of having high performance though not statistically significant by a factor of 0.707 (1-0.707).

Hierarchy culture revealed a coefficient (B) of -0.028, and Wald statistics of 0.002 that was associated with a p-value of = 0.968, which suggested that there was no significant influence of hierarchy culture on Performance. The study, therefore, failed to reject the null hypothesis. The Odds ratio for Hierarchy culture was 0.067, which implied that choosing innovative culture over clan culture decreases the odds of having better performance though not statistically significant by a factor of 0.933.

Contradicting findings were presented by González-Rodríguez et al. (2019) who performed a study on organizational culture and business performance. The research evaluated corporate culture in 44 industrial Malaysian listed companies as a form of governance. Researchers discovered that a strong company culture improves economic performance, that financial success leads to solid company culture, and that performance and culture dictate each other.

Contradictory findings were also presented by Omondi and Jagongo (2018) who conducted a study to ascertain how organizational culture affected Kenyan microfinance firms' performance. The findings show that corporate culture significantly affects performance outside of the market.

Influence of Organizational Resources on the Performance of FSA in The Makueni and Kitui Counties

External Resources were considered as a reference category which served as the reference point for comparison. Internal Resources revealed a coefficient (B) of 1.858, and a Wald statistic of 18.439 which was associated with a p-value of 0.001, the p-value relating to organizational resources was less than the chosen significance of 0.01, therefore organizational resources had a significant and positive influence on the performance of FSAs in Kitui and Makueni counties. The odds ratio of internal resources was 6.411, which suggested that the odds of performance were 6.411 significantly higher for organizations that use internal resources compared to those that use external resources. The study, therefore, rejected the null hypothesis.

The findings are in agreement with those of Albrecht, et al. (2018) who studied the impact of organizational resources on the financial performance of Kenyan state businesses. The results demonstrate a statistically significant correlation between financial performance and organizational resource tallies.

The findings also concur with those of Elbanna, and Abdel-Maksoud (2020), who investigate the linkages between the resources/capabilities of public organizations and overall productivity in the United Arab Emirates. The study's findings indicate that working capital, personnel, and capabilities were the major resources with a significant impact on the performance of the assessed governmental entities.

The results implied that Strategic leadership and Organizational Resources are significant predictors of Performance, while Organizational Culture is not a significant predictor. Organizational resources were found to have the greatest influence on performance because they had the highest beta coefficient of 1.858.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

Chapter Five presented mainly the key findings in summary, the conclusions that were obtained from the major findings, and the recommendations for improvement.

5.2 Summary of Findings

5.2.1 Organizational Structure

The study revealed a mean score of 3.66 'We have centralized management for decision making'. The study also revealed a mean score of 3.89 on the statement 'Arising matters are handled by respective departments". The study also revealed a mean score of 3.89 on the statement 'We have a good chain of command in the organization '. On the statement, Top management delegates jobs to their junior employees" a mean score of 3.93 was revealed. The study finally revealed an overall mean of 3.84, which implied that overall the respondents agreed with the statement related to organizational structure. The study also revealed that a flat organization structure had a coefficient (B = 0 1.269, Wald=7.572 and p-value=0.006<0.01), an Odds ratio of 3.559, which suggests that having a flat structure instead of a tall structure significantly increases the odd of performance by a factor of 3.559.

5.2.2 Strategic Leadership

The study revealed in a statement relating to strategic leadership that respondents agreed that their organizations have ensured that all employees are aware of the vision and company mission through a mean score of 3.98). Respondents were neutral that the organizations' management team is trained frequently in leadership skills (mean score of 3.70). Respondents agreed that Business and work ethics are emphasized at all levels of the organization (a mean score of 3.91).

Respondents also agreed that leaders are in full control of the direction that their firm takes (mean score of 4.05). Overall respondents agreed with statements related to strategic leadership (mean score of 3.91). Besides, the study revealed a B=0.264, Wald= 13.357, associated with a p-value of 0.001< 0.01. The study also revealed an Odds ratio of 1.302, which suggested that strategic leadership increased the odds of performance by 1.302.

Organizational Culture

The study found that respondents agreed that organizations have always taken up novel projects. (mean score of 3.92). Respondents also agreed that they have always been improving through learning" (mean score of 3.98). Respondents agreed that they had lately come up with new products/services for their customers (mean score of 3.98). Respondents also agreed that there were values that bind them together as an organization (mean score of 3.96). Finally, the respondents agreed that their organizations had great respect and honor for our seniors (a mean score of 3.96). The study also found that Innovative culture had a B=.086 and a p-value of 0.906>0.01 which was not significant, Market culture revealed a B= -1.228 and p-value of 0.067>0.01 which was not significant. Hierarchy culture revealed a B= -.028 and a p-value of .968>0.01 which was not significant. Therefore, Organizational culture did not significantly influence the performance of FSA in Kitui and Makueni counties.

Organizational Resources

The study found that respondents agreed that the organization has enough human resources for every task, with a mean score of 3.98. Also, respondents agreed that top management ensures that financial resources are available at the right time, with a mean score of 3.91. Besides, respondents agreed that proper budgeting is done before actual financial commitment, with a mean score of 4.35 and a standard deviation of 0.657. As well respondents agreed that technology has been made accessible in all departments, with a mean score of 3.88. Finally, respondents agreed that the management is always eager to ensure technological development is adopted by the various sections of the organization, with a mean score of 3.91. Internal Resources had a B= 1.858, Wald= 18.439 which was associated with a p-value of $0.001<0.01$. Besides, the study revealed an Odds ratio of 6.411, which implied that organizations that mainly used internal resources for strategy implementation increased their odds for performance by 6.411. The study found Organizational resources to have the greatest influence on the performance of FSAs in Kitui and Makueni counties of Kenya because they had the highest beta coefficient of 1.858.

5.3 Conclusions

5.2.1 Organizational Structure and Performance of FSA in Makueni and Kitui Counties

Study conclusions on the organizational structure significantly improved the chances of performance of the FSA in Kitui and Makueni counties. The study rejected a null hypothesis that said that organizational structure did not have a statistically significant influence on the performance of FSA in Kitui and Makueni counties. The conclusions are supported by

Hindasah and Nuryakin (2020) and Riany (2022) postulated that organizational structure as a component of strategy implementation had a significant effect on the performance of medical corporations in Asia and commercial banks in Kenya respectively. The conclusions implied that organizational structure as a component of strategy implementation can also be generalized for FSA having a positive and significant influence on performance.

5.2.2 Strategic Leadership and Performance of FSA in Makueni and Kitui Counties

The study conclusions on strategic leadership were that it significantly improved the chances of the performance of FSA in Kitui and Makueni counties which leads to the rejection of the null hypothesis that strategic leadership does not have a significant influence on the performance of

FSA in Kitui and Makueni counties. The findings of the study were in support of those by Kim and Stepchenkova (2018) who studied how leadership affected an organization's financial performance among government firms in Korea, conclusions made were that a board of management with extensive knowledge positively impacts the organization's performance because they provide skills and information they have gained throughout their vast experience. Besides, Kowo and Akinbola (2019) who studied how strategic leadership influences the corporate financial performance of SMEs in Kenya concluded that strategic leadership impacted financial performance positively and significantly. From the findings, strategic leadership in Kenya favors SMEs' financial performance. The study concluded that strategic leadership is generally significant in FSA performance.

5.2.3 Organizational Culture and Performance of FSA in Makueni and Kitui Counties

The study's conclusion on organizational culture was that it did not significantly increase the odds of the performance of FSA in Kitui and Makueni counties. The conclusions of the study, therefore, lead to accepting the null hypothesis that Organizational Culture does not have a significant influence on the performance of FSA in Makueni and Kitui Counties**.** The study contradicts the studies by González-Rodríguez et al. (2019) who conducted a study on organizational culture and business financial performance in 44 industrial Malaysian listed companies as a form of governance where the findings suggested that a strong company culture improves economic performance, that financial success leads to solid company culture, that performance and culture dictate each other. Another study by Omondi and Jagongo (2018), which was conducted to ascertain how organizational culture affected Kenyan microfinance firms' performance concluded that corporate culture is vital to maintaining a competitive edge in microfinance. The conclusions implied that organizational culture as a component of strategy implementation cannot be generalized for FSA as having a positive and significant influence on performance.

Organizational Resources and Performance of FSA in Makueni and Kitui Counties

The conclusion on the organizational resources was that it significantly increased the chances for the performance of FSA in Kitui and Makueni counties, which therefore led to the rejecting of the null hypothesis which stated that organizational resources do not have a significant influence on the performance of FSA in Kitui and Makueni counties. The conclusions of the study were also supported by: Albrecht, et al. (2018) who researched the impact of organizational resources on the financial performance of Kenyan state businesses, the results demonstrate a statistically significant correlation between financial performance and organizational resource tallies.

In support of the conclusions was also Muiruri and Wepukhulu (2018) who studied the relationship between resources and the financial performance of firms listed on the Kenya Securities Exchange. The study conclusions were that; corporate assets significantly affect the firm's profitability.

The conclusions of the study were in support of the resource-based view theory because the resources of an organization played a significant part in the performance of the FSA in Kitui and Makueni counties, the study conclusions also supported the theory of communication which pays key attention to the structure of the organization and the flow of information between different management levels, in particular, the organizational structure had a positive influence on the performance of FSA in Kitui and Makueni counties, therefore, the theory of communication is applicable in explaining the relationship between organizational structure and performance of FSA in Kitui and Makueni counties.

Furthermore, the study conclusions support the stewardship theory which puts special attention to leadership as a key component of strategy implementation that enhances organizational performance, conclusions drawn were that strategic leadership significantly influenced the performance of FSA in Kitui and Makueni counties so the theory is important in explaining the nature of the relationship between the two variables (strategic leadership and performance of FSA). However, the theory of stakeholder was not found to be generally acceptable in the scenario influence of organizational culture and the performance of FSA in Makueni and Kitui counties.

5.4 Recommendations of the study

Organizational Structure

FSA in Kitui and Makueni counties should consider re-designing their organizational structure to foster quick decision-making. Besides, FSA in Makueni and Kitui counties should consider implementing clear and transparent work allocation processes, in such a way that the work is allocated according to the competencies and experience of the employees. FSAs should also ensure optimal work allocation to prevent worker burnout. The FSAs should also establish effective communication and coordination mechanisms through open and transparent communication among employees' teams and groups to foster cross-functional and departmental collaborations, especially in problem-solving to enhance organizational performance.

The decision-making process should also be flexible enough to take into account the complexity and urgency of the decision being made. The FSAs should consider inputs from different stakeholders to encourage robust decision-making channels that are data-driven. Finally, FSAs in Makueni and Kitui counties should streamline processes to avoid redundancies and inefficiencies by clearly defining levels of authority and the roles of employees. The approach should encourage accountability while at the same time empowering employees to be decision-makers with oversight authority to enhance organizational performance.

Strategic Leadership

Strategic managers of FSA in Kitui and Makueni counties should optimize the frequency of meetings within a year with clear agendas and objectives to encourage the setting of goals and tracking of progress as well as communicating way forward for the organizations. FSAs should also create and communicate a clear vision and mission for the company to enhance the aggregation of departmental and overall organizational goals. FSAs should also invest in leadership development programs to enhance leaders' skills in communication and decision-making. FSAs should also inculcate a culture of learning and talent development through mentoring and coaching upcoming leaders. Finally, FSAs in Kitui and Makueni counties should implement robust codes of ethics which should be communicated to all employees on the ways of expected behaviors to enhance organizational performance.

Organizational Culture

The current organizational culture among the FSA in Kitui and Makueni counties did not have a significant influence on performance, it is therefore important for the managers in these organizations to review their culture and tailor it in a way that boosts performance. The FSA should encourage employees to work together and communicate freely and openly to ensure they share ideas, insights, and feedback that can lead to better performance. The FSA in Kitui and Makueni counties, therefore, need to foster a culture of innovation and experimentation through their managers encouraging employees to try new things, especially in areas of ICTs to enhance business performance, therefore failure in attempts by employees should not be despised but should be perceived as a step towards acquiring new processes and strategies of doing work.

Organizational Resources

FSAs in Kitui and Makueni counties should leverage internal resources such as management expertise and financial muscles in seizing opportunities to enhance performance. FSAs should also diversify their revenue streams by creating new products to maintain a strong capital base. The FSAs should also strive to hire and retain talented and experienced employees as well as develop them through training. Besides, FSAs should invest in robust information security and also adopt cutting edge to enhance the operations of the organization which also can help in seizing opportunities. Finally, organizations should invest in good management by clearly setting corporate governance structures and promoting transparency to enhance the performance of FSAs in Kitui and Makueni counties.

The study recommended the FSA in Kitui and Makueni counties conduct a resource inventory to enable the organization to leverage the organizational resources, Knowing what they own as well as what they don't have as an organization enables them to take advantage of its unique resources such as finance, human resources, good management or even information communication and technologies such as intellectual properties rights to seize available opportunities by implementing strategies that lead to better performance.

FSA also needs to allocate its resources strategically such as through resource-leveling by using the right procedures in allocating resources optimally because they have an impact on performance. FSA also needs to continuously reassign or adjust resource allocation schedules to enhance coping with emerging demands for resources during strategy implementation. This practice should involve allocating resources where their high-value achievement, and being open to criticism and feedback on resources use.

5.5 Suggestions for Further Studies

The study recommends that a future study be conducted with additional variables, the current model could only explain 58% of the variation of the performance as a result of three drivers of strategy implementation (organizational structure, organizational resources, and strategic leadership). Future studies can therefore consider interacting variables (moderating and/or intervening variables). Another study can also be conducted to overcome limitations of scope where FSAs across the country are included in the study. By expanding the geographical scope future scholars can explain whether the current study findings can be generalized or not.

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APPENDICES

Appendix I: Introduction Letter

My Name is Jacinta Mwende, A student at Kenya Methodist University pursuing a Masters degree in strategic management. To enable me to complete my degree am required to research the influence of strategy implementation on the performance of financial services associations in Kenya. A survey of counties in the Makueni and Kitui counties of Kenya. You have therefore been selected to participate voluntarily by providing your opinion on this subject. Your contribution is highly appreciated. If you have questions regarding any questions, feel free to reach me through the number provided below.

Regards

Jacinta Mwende

0727205288

Appendix II: Questionnaire

Section A: Demographic Information

1. Please indicate your gender: Male ( ) Female ( )

2. For how long have you worked in this organization?

below 5 years ( ) between 6 and 10 years ( )

more than 11 years ( )

Section B: Organization Structure

1. How would you generally describe your Organization's culture?

It is a tall structure { }

It is a flat organization structure { }

2. Which controls have you put in place to enhance strategy implementation success? Any ethical or code of conduct

…………………………………………………………………………………

……………………………………………………………………………………

3. Do you have a specific way through which information flows in the organization? if yes how

…………………………………………………………………………………

……………………………………………………………………………………

4. Please indicate the extent to which you agree with the following statements regarding the **Organizational structure and performance,** using a Likert scale; strongly agreed=5, Agreed=4, Neutral=3, Disagree=2, and Strongly Disagree=1

Indicator	**1**	**2**	**3**	**4**	**5**
We have centralized management for decision-making					
Arising matters are handled by respective departments					
We have a good chain of command in the organization					
Top management delegates jobs to their junior employees					

Section C: Strategic Leadership

1. How many times annually do your leaders organize board meetings, to give keynotes on strategy progress/vision/goals of the company …………………. (Number)

2. Would you say that the top management is offering the necessary support during strategy implementation? If yes, how does the top management support you?

………………………………………………………………………………

…………………………………………………………………………………

3. Do you have a vision and mission statement for your firm, if yes how does it help in enhancing performance?

………………………………………………………………………………

…………………………………………………………………………………

Please indicate the extent to which you agree with the following statements on Strategic leadership and performance among FSA in the Makueni and Kitui counties, using a scale between 1 and 5 where; strongly agree=5, Agree=4, Neutral=3, Disagree=2, and Strongly Disagree=1

Indicator	**1**	**2**	**3**	**4**	**5**
We have ensured that all employees are aware of the vision and company mission					
Our management team is trained frequently in leadership skills					
Business and work ethics are emphasized at all levels of the organization					
Our leaders are in full control of the direction that our firm takes					

Section D: Organization Culture

1. Which of the following types of culture describe the culture in Your organization

{ } A culture that Mentors and nurtures/ Clan culture

{ }A culture of innovation and creativity / Innovative culture

{ } A culture that focuses on Market achieving edge/ Market culture

{ } A culture that pays attention to power relations in an organization / Hierarchy culture

2. Have you come up with new products recently, if yes name a few.

………………………………………………………………………………

…………………………………………………………………………………

3. Do you have specific practices that are unique to your firm? Please identify a few

………………………………………………………………………………

…………………………………………………………………………………

4. Please indicate the extent to which you agree with the following statements on organization culture and performance among FSA in the Makueni and Kitui counties, using a scale between 1 and 5 where; strongly agree=5, Agree=4, Neutral=3, Disagree=2, and Strongly Disagree=1.

statement	**1**	**2**	**3**	**4**	**5**
Our organization has always taken up novel projects					
We have always been improving through learning					
We have lately come up with new products/services for our customers					
We have values that bind us together as an organization					
We have great respect and honor for our seniors					

<u>Section E: Resources Allocation</u>

1. Which is your major source of resources in strategy implementation for your organization

External Resources { }

Internal Resources { }

2. How are employees involved during strategy implementation?

………………………………………………………………………………

…………………………………………………………………………………

3. Do you integrate technology in strategy implementation., if yes how?

………………………………………………………………………………

…………………………………………………………………………………

3. Please indicate the extent to which you agree with the following statements on organizational

Resources in your firm whereby; strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

Statement	1	2	3	4	5
We have enough human resources for every task					
The top management ensures that financial resources are available at the right time					
Proper budgeting is done before actual financial commitment					
Technology has been made accessible in all department					
We have very competent staff with good experience to handle the requirements of the company					

Section E: Performance of FSA

1. What would you say is the overall performance of your organization?

Low { }

High { }

2. Please indicate the extent to which the following areas in your organization have realized performance improvement, through a scale of 1 to 5 where: 1 strongly disagrees, disagree=2, Neutral=3, Agree=4, strongly agree=5.

Statement	1	2	3	4	5
We have realized an improvement in the market share in the last three years					
Our sales revenue has been rising in the past three years					
Our net profits have increased in the past three years					
We are serving more clients compared to three years ago					
We have a greater capital and asset base for the organization					

3. How has strategy implementation affected the performance of your organization?

……………………………………………………………………………………

………………………………………………………………………………………

Appendix III: List of FSAs in Makueni and Kitui counties of Kenya

Makueni County

1. Emali FSA,
2. Ikanga FSA
3. Ikutha F S A
4. Kabaa F S A
5. Kabati FSA
6. Kakeani F S A
7. Kalamba FSA
8. Kalawa FSA
9. Kambu FSA
10. Kamuwongo FSA
11. Kanyangi F S A
12. Kaskeu FSA,
13. Kathonzweni FSA
14. Kathulumbi FSA
15. Kikima FSA
16. Kikumini F S A

Kitui county

17. Kiseuni FSA
18. Kithukl Branch
19. Kitise Branch,
20. Kivandini FSA
21. Makindu F S A
22. Mathima FSA
23. Mavindini F S A
24. Mbumbuni FSA
25. Migwani F S A
26. Miambani FSA
27. Mukuyuni F S A
28. Mutha FSA
29. Mutomo FSA
30. Mutuni F s a

31. Nunguni F S A
32. Nuu FSA
33. Nzambani FSA
34. Tulia FSA
35. Wamunyu F S A
36. Wote FSA
37. Yinthungu FSA

Source: Kenya National Bureau of Statistics (2022)

Appendix IV: Research Authorization Letter

KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya | Fax: 254-64-30162
Tel: 254-064-30301/31229/30367/31171 | Email: deanrd@kemu.ac.ke

DIRECTORATE OF POSTGRADUATE STUDIES

May 11, 2023

Commission Secretary
National Commission for Science, Technology and Innovations
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: JACINTA MWENDE KIOKO (REG. NO. BUS-3-2257-2/2021)

This is to confirm that the above named is a bona fide student of Kenya Methodist University, in the Department of Business Administration, undertaking a Master's Degree in Business Administration. She is conducting research on: "**Influence of Strategy Implementation on Performance of Financial Services Associations in Kenya: A Survey of Makueni and Kitui Counties of Kenya**".

We confirm that her research proposal has been defended and approved by the University.

In this regard, we are requesting your office to issue a research license to enable her collect data.

Any assistance accorded to her will be highly appreciated.

Yours sincerely,

14 MAY 2023

Dr. John M. Muchiri (PhD)
Director, Postgraduate Studies

Cc: Dean SBUE
CoD, Business Administration
Postgraduate Coordinator
Supervisors

Appendix V: Research License

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 331590

Date of Issue: 17/May/2023

RESEARCH LICENSE

This is to Certify that Ms.. Jacinta Mwende Kioko of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kitui, Makueni on the topic: INFLUENCE OF STRATEGY IMPLEMENTATION ON PERFORMANCE OF FINANCIAL SERVICES ASSOCIATIONS IN KENYA. A SURVEY OF MAKUENI AND KITUI COUNTIES OF KENYA for the period ending : 17/May/2024.

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