BUSINESS PROCESS MANAGEMENT AND PERFORMANCE OF DEPOSIT TAKING SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN MERU COUNTY KENYA

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DECLARATION

This project is my original work and has not been presented for a degree in any other University

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This project has been submitted for examination with my approval as University Supervisor

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DEDICATION

This work is dedicated to my family, who facilitated my pursuit of education. I dedicate this proposal to my colleagues for their support and cooperation in carryout this study

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My acknowledgement is to my supervisor Mr. Shandrack Bett for the guidance and providing me with necessary material related to my research project. I thank God for protecting me throughout the period of this research.

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ABBREVIATIONS AND ACCRONYMS

ATM	Automated Teller Machine
BPM	Business Process Management
BPMS	Business Process Management Systems
CI	Continuous Improvement
CIP	Continuous Improvement Process
CIR	Cost to Income Ratio
DT-SACCOs	Deposit Taking Savings and Credit Co-Operatives
ISO	International Organization Standardization
IT	Information technology
NACOSTI	National Commission for Science Technology and Innovation
NSE	Nairobi Securities Exchange
ROA	Return on Assets
ROI	Return on Investments
SACCOs	Savings and Credit Co-Operatives
SASRA	SACCOs Society Regulatory Authority
SME	Small and Medium Enterprise
TPM	Total Productive Maintenance
TQM	Total Quality Management

OPERATIONAL DEFINITION OF TERMS

Business Environment	Sum total of all internal and external factors that influence a business.
Business Process Management	A set of activities in an organization that help it in achieving the set objectives. Business process management involves strategic alignment, information technology, continuous process improvement and business process controls.
Business Process Outsourcing	A phenomenon in which a company delegates part of its in-house operations to a third party gaining full control over that operation or process.
Business Process Re-Engineering	An approach that aims to achieve a radical rethinking and redesign of organizational process in order to improve the organizational performance.
Competitive Advantage	A condition or circumstance that puts a company in a favorable or superior business position.
Deposit Taking SACCOs	SACCOs that offer front office activities and simple banking activities to their customers enabling them to increase their performance.
Organization Performance	The ability that an organization have on proper governance and have managers who are focused on achieving goals of an organization and strictly aligning themselves to the mission and vision of the said organization.

Process Management	A set of activities that are usually ongoing that involves persistent re-engineering process and help an organization achieve set goals.
Re-engineering Process	Involves the rethinking of core business processes and values to achieve dramatic improvements in productivity in order to serve customer better with less cycle times and more quality.
Strategic Alignment:	The extent to which various information strategies are used to support and drive corporate strategies

ABSTRACT

The desire to continuously improve business efficiency as competition increases for organization has driven businesses to review their business processes with a view of eliminating inefficiencies. Business process management implementation has gained attraction as more and more businesses seek to improve on their efficiencies. This study sought to establish the effects of business process management and performance of deposit taking Savings and Credit Cooperative Societies in Meru County, Kenya. The specific objectives were: to establish the effect of strategic alignment, information technology, and business process controls on performance of deposit taking Savings and Credit Cooperative Societies in Meru County, Kenya. The study used three theories namely; strategic alignment "fit" theory, the group dynamic theory and dynamic capability theory. These theories helped in understanding the business process management and their effect on performance. Descriptive research design was adopted. Questionnaires was used to collect primary data. Both qualitative and quantitative analysis was used. Mean, frequencies, standard deviation and percentages was used to analyze quantitative data while narrative analysis was used to analyse qualitative data. Tables and Figures were used in presenting the findings. The study found that the performance of the deposit taking Savings and Credit Cooperative Societies in Meru County was above average as indicated by the quality of service, market share, member's deposits and number of products. The study established that Sacco established commendable approaches to solicit funds to support strategy alignment, recognizable vision was followed and all departments supported strategy alignment. The study found that Savings and Credit Cooperative Societies offer proper training to the employees on the new technology and the Savings and Credit Cooperative Societies hold Information Technology tools and services so as to have an edge that is competitive. Continuous Improvement enhanced the quality of yields and services that were provided by ISPs, streamlined their processes, wastage reduction and advanced their productivity and competitive advantage. It was also established that business process control greatly affects organizational performance. The control practices need to have a feedback mechanism to alert the managers on any deviations arising from the operations and the same deviations should be measurable. The study concluded that strategy alignment, information technology, continuous process improvement and business process control positive and significant affected performance of Savings and Credit Cooperative Societies. The study recommends Deposit Taking Savings and Credit Cooperative Societies to adopt business process management, by providing strategy alignment, information technology, continuous improvement process and business process control. Increase the concern and interest about Information Technology and provide the electronic services, in order to improve the level of service provided. The study made recommendations to the managerial leadership at the Savings and Credit Cooperative Societies to focus on increasing of the awareness of business processes management as an important factor to achieve business performance.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Throughout the years there has been enormous change in the global financial sector most caused by developments in the technology, financial system, legal systems and consumer needs and preferences world (Koduk, 2015). Most of the major banks and SACCOs that used to embrace digital technologies in the past to meet the changing needs of customers have either declined or rebranded; and the new sector giants are just a decade old. It reflects the role of re-engineering at the backdrop of the global financial crisis in ensuring firm sustainability, profitability and optimal financial results from expanded financial inclusion (Kimani, 2016).

Within developed countries, cooperative finance appears to have a more robust funding source and less responsive to monetary policy and market prices (Makori, Munene & Muturi, 2013). Co-operative finance often appears to pay rates that are comparatively smaller than other forms of commercial banks, which not only helps improve poor people's access to credit, but also decreases the cost of remittance transfers. Global figures indicate that 100 countries had credit cooperatives with a membership of 196,498,738 in 2011 and 51,013 SACCOs (WOCCU, 2018).

Savings and Credit Co-operative Societies (SACCOs) in Kenya have achieved tremendous growth in the sub-sector and are investing enormous amounts of their scarce financial capital in information technology (IT) and business reengineering to boost the

delivery of services and offer a wide range of goods and services, increase membership mobilization and scale, ensure better structure and e Electronic banking as used in the SACCOs industry is commonly referred to as digital commerce as a product of the ICT (Information Communication Technology) revolution (Ovia, 2018). Survival in this sector has been driven primarily by rapid and continuous implementation of new technology and market reengineering to improve financial efficiency. Mouawad & Kleiner, (2016) suggests that the cooperative societies' embrace of the company reengineering method is a strategic effort to counter intensified competition from conventional banking institutions and non-bank financial institutions, to reduce costs and add value to their services in order to maximize shareholder benefits.

In this ever-growing digital world, business process management has become key and indispensable for many organizations. Business process management implementation has gained attraction and become popular in the corporate sector as it helps in maintaining control in a business process. Due to this, managers of various corporates have increasingly tried to improve business process management as it enhances efficiency and effectiveness in a company leading to a business performance (Ravesteijn & Janssen, 2015). A study by Ravesteyn, Zoet, Spekschoor and Loggen (2014) in Netherlands, established existence of a positive relationship between business process management (BPM) maturity and performance. Continued improvements in BPM leads to efficient process which improve the overall organizational results.

Regionally, business process management has gained traction and majority of organization in Africa has adopted it in order to gain the benefits that comes with it. For instance, Awoniran, Naranjee & Karodia (2015) investigated the relevance and effectiveness of BPM systems at insurance companies in Johannesburg, South Africa. The study found that BPMS had impacted positively through enhanced efficiency and effectiveness in terms of business control, satisfaction in the job, employee performance and agility. Though there were some challenges in its implementations technical issues affecting BPMS needed to be resolved for better performance. These included an increase in the user control, upgrade of the existing BPM and improvements in staff communications.

In Kenya, BPM has become a very important strategy of driving the agility of business management (Juma, 2016). It is one of the methodologies that enhances the efficiency and effectiveness of an organization by aligning business processes towards its objectives, requirements and business strategies. It has been found that when organization start engaging on process that involves business process management non-value activities which are not necessary get eliminated and the most important activities are improved enabling the organization to achieve process efficiency and effectiveness which are of a higher level. This outcome is achieved due to optimization of several factors for example, increase in quality of processes, resource allocation improvement, decrease in time and cost of processes and being attentive to stakeholders' expectations (Opitz, Krüp & Kolbe, 2014).

1.1.1 Business Process Management

A business process is a set of activities in an organization that help it in achieving the set objectives. Business Process Management (BPM) is not just a onetime task but a set of activities that are usually ongoing that involves persistent re-engineering process (Kangogo, 2016). Although BPM is not technology, tasks involved in any business process are automated as these improvements in processes can happen without relying on technology or automation. BPM is applied for improvement purposes that is ongoing. It is meant to increase efficiency, improve order and insight of workflows in any given business process. Also, in the same workflows, it is meant to reduce chaos that characterize a process and elimination of ad hoc work flow management (Jeston, 2014).

According to Brocke, Schmiedel, Recker and Viaene (2014) any organization goal which is involved in BPM is taking control of their various processes and try optimizing them for the purpose of delivering quality products and services and also enhancing efficiency in an organization. In addition, it is intended to support managers achieve efficiency in their operations as they strive to achieve the organizations goal. BPM follows some steps which include designing, executing, monitoring and evaluation, and optimization. Although there are differences in the names and numbers of the steps, the various components of BPM generally include strategic alignments, Information technology, continuous process improvement and business process controls. BPM allows leaders of various organizations to understand the different processes that happen within their organizations, critically analyze them and improve on them as time goes by.

Due to these activities, managers of organizations are able to fully optimize the business processes in full and just improving individual tasks. The managers are given the ability of having an impact that is greater in their outcomes. When BPM is applied properly it can help in generation of better products or services, time saving, errors being cut down and reduction in waste. Moreover, a BPM that is well executed can continually deliver improvements (Chang, 2016). Due to the fact that BPM is not just a task that is one time, leaders of various organizations are able to manage the whole business process on continuous basis and hence they focus on finding new ways to fully utilize the business process as new opportunities and new pressures are introduced by the trends in markets, industry and technologies that are emerging that automate tasks and offer better support to the overall process.

1.1.2 Organizational Performance

Organizational performance is defined as the ability that an organization have on proper governance and have managers who are focused on- achieving goals of an organization and strictly aligning themselves to the mission and vision of the said organization (Ponnuswamy & Manohar, 2016). Organization performance is measured using objectives that have been set out by the company's management. It is the goal of any organization to achieve a performance. An organization whose results can be measured in both financial and non-financial terms always achieve a superior performance. Financial performance indicators include Return on Assets (ROA), Return on Investments (ROI), sales and shares

while nonperformance is indicated by innovative products, customer satisfaction and impact of the business on the society (Sparrow, 2015).

There are also different performance measures. For instance, Micheli and Mari (2014) argued that developing innovations in an organization leads to an innovative performance. Sriboonlue *et al.* (2015) observed that performance can also be measured in terms of business excellence, new products and stake holder exaltation. Saunila, Pekkola and Ukko (2014) observed that performance can be measured on the basis of innovations, sales and number of manufactured products. Management of performance by firms is important for the survival. A company strategy, how that strategy is executed and the operating environment that the company is in can drive a performance.

Good performance always ensures a company's profitability which enables a company meet overhead costs, miscellaneous and its tax obligations. Hence, it is very important for a company to ensure the welfare of its members are met and it is able to cope with competitions. Deposit taking SACCOs have an obligation to meet their member's demands and pay salaries to the employees and also able to pay taxes to the government. Stakeholders which include managers, employees, government and investments in an organization are always interested in financial performance as it is used to measure the health of an organization over time and also is the parameter that is used in comparison of progress within different sectors (Kinyuira, 2014). Performance of SACCOs will be measured using Profitability Growth, Market share and Change in member deposits

1.1.3 Deposit Taking SACCOs in Meru County

In Kenya, the savings and credit cooperative societies (SACCOs) consist of Deposit-taking and non-Deposit taking SACCOs. SACCOs Regulatory Authority (SASRA) is mandated through an act of parliament (2008) to manage this sector through licensing, supervision and regulations. Compared to Non-Deposit SACCOs, Deposit Taking SACCOs offer front office activities that allows them to offer simple banking activities to their customers enabling them to increase their performance. These service include but not limited to deposit taking, payments services and ATMs (Gweyi, 2018). In Kenya, the number of licensed deposit taking SACCOs is 424 (SASRA, 2014). Other than savings and credit products they also act like simple banks.

According to SASRA (2015) the performance of Deposit taking SACCOs is measured in terms of financial and activities under its operations. On financial performance it is measured in terms of Return on Assets (ROA), deposits, membership and turnover. On the other hand, operations performance is measured in terms of number of head offices, number of branches, agency banking, professional employment and education qualifications of staff. The Deposit taking SACCOs have assets. Their main assets include cash or its equivalent, property and equipment, financial investments and loan portfolio. Loan portfolio is the largest asset of a Deposit taking SACCO hence it's a major parameter when investigating the financial performance (Kagwe & Gathungu, 2018).

Deposits is the money that belongs to members and is used to gauge a SACCO liquidity. Liquidity is the ability of Deposit taking SACCOs to fulfill its obligations its members

which mainly is short term particularly in loans disbursements (Karagu & Okibo, 2014). According to Sacco Societies Act (2014), there is requirement of a minimum saving deposit of 15% that a Deposit taking SACCO is required to maintain with short term liabilities as liquid assets. Membership of a Deposit taking SACCO influence whether the organization will grow or not in terms of opening branches across to cater for them. Turnover shows improvement in capitalizations enabled by increase in retained surplus and members' injection of capital.

Focusing on our case study, Meru County has a total number of 14 registered Deposit taking SACCOs spread across the county (SASRA Website). Since 2010 there has been a significant growth in the number of deposit taking SACCOs in Meru County. The total assets, deposits, net loans, and turnover grew from Kshs 7.6 billion, Kshs. 5.0 billion, Kshs 4.7 billion, and Kshs 1.2 billion in 2012 to Kshs 9.0 billion, Kshs. 6.1 billion, Kshs.6.1 billion and Kshs. 1.5 billion in the year 2016 respectively. These represented growth rates of 19% for total assets, 22% for deposits, 30% for net loans, and 25% for turnover representing the county with the fastest growth of DT-SACCOs being set up compared to all other counties in the country hence the choice of this study to carry out a research in Meru County.

1.2 Statement of the Problem

One of the challenges cited by the SACCO Societies Regulatory Authority as the cause of decline is the huge inefficiencies in operations leading to huge expenses and losses. There is reported significant growth in the number of SACCOs in Meru County compared to any

other county in Kenya (SASRA). Despite the tough economic times it is not clear the contribution of business reengineering in the performance of cooperative SACCOs in Meru county. Adoption of business process management has been recognized as the means in which an organization can sustain its competitiveness through continuously focusing on its processes. Just like any other important undertaking a company engages in, it is also advisable to have an understanding of factors that determine whether adopting any initiative of a business process management it will result to a success or otherwise. It is better to understand the factors that affect the success of a business process management as they can lead to immense benefits towards a business if adopted in the right manner.

Rosemann and Brocke (2015) discussed that if business process management is adopted in the right manner, it leads to increased revenues, lower costs, employees being motivated and customer satisfaction. Chang (2016) noted that adoption of business process management can lead to an improved competitiveness of the business organization and hence enhanced performance. Opitz, Krüp and Kolbe (2014) on business process management in developing countries, discussed that regardless of the immense benefits that come with business process management, majority of organizations have not adopted the practice and it is unclear why the reluctance of adopting it. Deposit taking SACCOs are facing a lot of challenges in their quest to become competitive and improving on their performance. Hence, they must adopt ways to enhance their competitiveness so as to remain in business. Failure is even at a higher level for DT-SACCOs that do not manage their business process management.

Several local studies conducted include; Mwihaki (2016) conducted a study on business process re-engineering and operational performance at Nairobi City County, Kariuki (2015) investigated on business process outsourcing and operational performance among private hospitals in Nairobi County, Kangogo (2016) carried out a research on factors influencing business process reengineering at Kenya airways and Alwanga (2015) carried out an investigation on the effect of business process outsourcing on the performance of telecommunication firms in Kenya. None of the studies listed above focused on adoption of business process management by deposit taking SACCOs. Despite that these SACCOs have been facing challenges on process improvement. Hence, a gap exists which this study tries to answer as what are the effects of business process management on performance of DT-SACCOs in Meru County, Kenya.

1.3 Objectives of the Study

The study's objectives were divided into general and specific objectives.

1.3.1 General Objective

To establish the effect of business process management and performance of Deposit taking SACCOs in Meru County, Kenya.

1.3.2 Specific Objectives

i. To establish the effect of strategy alignment on performance of deposit taking SACCOs in Meru County, Kenya.

ii. To determine the influence of information technology on performance of deposit taking SACCOs in Meru County, Kenya.

iii. To establish the influence on continuous process improvement on performance of deposit taking SACCOs in Meru County, Kenya.

iv. To assess the influence of business process controls on performance of deposit taking SACCOs in Meru County, Kenya.

1.4 Research Questions

i. How does strategy alignment affect the performance of deposit taking SACCOs in Meru County, Kenya?

ii. To what extent has information technology influenced on performance of deposit taking SACCOs in Meru County, Kenya?

iii. What effects does continuous process improvement have on performance of deposit taking SACCOs in Meru County, Kenya?

iv. How do business process controls influence on the performance of deposit taking SACCOs in Meru County, Kenya?

1.5 Significance of the Study

This study would be helpful to the management of deposit taking SACCOs as they would use the recommendations and findings for strategies that would make them competitive in the market and in making decisions that help them remain in business for a longer time. Through the findings of this study, the national government together with the county government of Meru would be able to put policies in place that attract and retain deposit

taking SACCOs to the country and the county respectively in turn creating employment opportunities and enhancing financial inclusion. The study would also be important to the academic community as it would be a source of information and knowledge to students and the general academic society.

1.6 Scope of the Study

The study focused on business process management and performance of deposit taking SACCOs in Meru County. The independent variables of the study are business process management which is operationalized through strategic alignment, information technology, continuous process improvement and business process controls. The dependent variable is performance of deposit taking SACCOs in Meru County, Kenya operationalized through Profitability Growth, Market share and Change in member deposits. Descriptive research design was used and both qualitative and quantitative analysis was employed. The study was interested in SACCOs data for the period 2022 to 2023.

1.7 Limitation of the Study

The study was limited to only deposit taking SACCOs in Meru County since it not possible to study all the cooperative societies in Kenya, making the findings not applicable to other forms of financial institutions. The data collected was comprehensive enough to capture the performance and business process reengineering process in SACCOs in general. The respondents were wary of giving very critical information as

they felt exposed to competitors. Utmost confidentiality of information was assured to the respondents.

1.8 Organization of the Study

This study was planned into three chapters. Chapter one discusses the background to the study, statement of the problem, objective of the study, research questions, significance of the study, scope of the study, limitations of the study and finally organization of the study. Chapter two covers theoretical and empirical literature of the study topic, summary of the literature review, research gaps and the conceptual framework. Chapter three deals with the study methodology, research design, target population, data collection and analysis and ethical consideration. Chapter four presents the study findings and discussion based on the study objectives. Chapter five discusses the study summary of study findings, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Theories that form the basis of this study were discussed in this chapter. Empirical studies on business process management and performance was also be discussed. The research gaps are also included and finally the conceptual framework.

2.2 Theoretical Review

This study was guided by strategic alignment "fit" theory, the group dynamic theory and dynamic capability theory. These schools of thought are elaborated further below:

2.2.1 Strategic Alignment "Fit" Theory

Handerson and Venkatraman (1989) postulated the strategic alignment "fit" theory. It gives a brief discussion of how a business can take advantage of its investments to improve on the performance. Since inception, the word alignment has continually been used when discussing the management of a business process. The researchers focused on idea of strategic IT alignment and up to date, managers have continually been using this concept to align their businesses on IT strategies (Chan and Huff, 1993). The firm inability of realizing value and benefits from its IT investments maybe as a result of not aligning its business with the organizational IT strategies. The concept of strategic alignment is also known as fit.

For clear demonstration of the “fit” concept, Isal, Pikarti, Hidayanto and Putra (2016) discussed how several constructs which are deemed important for the achievement of anticipated outputs of an organization or organization performance should be aligned. In majority of cases, alignment involves harmonizing various strategies such as IT, continuous process improvement, business process control, outsourcing and re-engineering towards a business process. Reynolds and Yetton (2015) defined strategic alignment as the extent to which various information strategies are used to support and drive corporate strategies. On the other hand, alignment is also defined as the undertakings that the management engages in, for them to attain cohesive goals across various functions e.g., marketing, manufacturing and financial organizations (Luftman, 2005).

A strategic fit has been established as a framework for aligning multiple initiatives to influence organizational performance. Shankar and Shepherd (2019) contend that the strategic fit process encompasses the management of all components associated with the strategic planning process to guarantee the attainment of the desired objective. Strategic fit is crucial in the strategic planning process as it guarantees that the strategies implemented by a company align with both the organization and its environment, leading to enhanced performance and service delivery.

Focusing on its IT alignment, the theory addresses how IT and business are related. It shows how both can be harmonized to achieve the set performance. It discusses that the main aim of strategic alignment is making sure organizations and their strategies are

harmonized. Chan and Reich (2009) observes alignment as the degree of fit between business and its strategies. According to them, strategic fit follows four logics which are production, integration, development and administration which when combined and followed can lead to desired effects. This theory is significant to this study as it helps us to establish how strategic alignment influence on the performance of a firm or an organization.

2.2.2 The Group Dynamic Theory

Etcoff, (2005). Developed the Group Dynamic Theory which discusses the process of forming a group, its structures and their working mode. The theory explains that a group is coming together of several people to accomplish a particular task. This is based on behavioural characters and attitude of the people in a group. According to Etcoff (2005) communication is very important where a group exists. The researcher continues to discuss that an individual behavior is an interplay between intensity and valence of forces that goes through the mind of a person which can either be positive or negative. The theory further discusses that for one to bring about change, it is important that the strategies that will be adopted have a positive influence on the group's attitude by challenging its values, norms and beliefs and not focusing on an individual.

This vie, has increasingly been adopted when advancing on the practices and theories involved in business process management (Marcus, 2013). The development of group dynamic theory has included group cohesion factor which has been defined as bonding of individuals in a group and the motivation and desire of working together. There are many

benefits when there is cohesion in a team. Some of the benefits are satisfaction among the members, increased productivity and overall increased performance. However, if the goals of a group are not in line with those of an organization, a group which is highly cohesive can have a negative influence to the organization which can lead to even poor performance. The theory stresses that scenarios where tasks are performed cohesively and cohesive decision making is practiced, it leads to performance which often out do the performance if it was individual.

According to Lafasto *et al*. (2001) groups are adaptable to change and they are also flexible. They can be formed at an instance, complete a specific task and be disbanded after the completion or other duties be assigned to it. In addition, members of a group are known to motivate each other towards solving a problem also involving themselves in decision making responsibilities which empowers them and increase their productivity. This theory is applicable to this study in that it tries to explain how cohesiveness in a group and proper communication which are the facets of managing a business process can enhance on performance. It shows that management that adopt teamwork have greater chances of realizing success in their organizations due to employee performance.

2.2.3 Dynamic Capability Theory

Teece *et al.,* (1997) developed this theory. It explains how competitive advantage is gained by an organization over other organizations operating under similar characteristics. It discusses the strategies that companies can adopt in order for them to achieve a competitive advantage in the highly competitive world. This theory explains

capabilities of a firm and how they influence on the performance by discussing the strategies that are formulated well and implemented by skilled personnel. Organizations can enhance these capabilities by formulating the right strategies that are aligned to its vision, mission and goals. In organizations whose main goal is to make profits, these capabilities should be aligned within the operational cost so as to minimize on cost implications which are unnecessary to the organization (Zahra *et al.,* 2006).

Wade and Hulland (2004) developed on this theory and discussed that resources may take on many of the attributes of dynamic capabilities making it the first priority of firms operating in an environment which is rapidly changing. Resource are very crucial in a firm as they as they not only enhance the competitiveness of a firm but they help a firm in a longer-term competitiveness in case of environments that are unstable and help such a firm to integrate, add, develop and release other resources as the time goes by. Capabilities provide the firms with the ability to conceptualize its operation and business processes in order for them to achieve the anticipated cost-effective approach which will give them a competitive advantage

This theory is relevant to this study because it describes the process through which an organization can adopt various strategies for example business process management that will help them to properly utilize their resources, enable them to have skills and knowledge on producing products that are of high quality and in the end able to offer these goods and services at lower prices compared to their competitors. Dynamic capability theory strengthens the belief that capabilities have the ability of influencing

how strategies can be formulated and applied towards an intended objective of the firm depending on how the environment is changing.

2.3 Empirical Literature

2.3.1 Strategic Alignment and Performance

Ambiyo, Okombo, Anangwe, Mohamed, Munyoki, Nzioka and Ondari (2015) conducted a study on strategy implementation, strategic alignment and performance of Catholic relief services in Kenya. The findings revealed that strategy implementation and strategic alignment affected the performance of the organization in the case where a firm utilizes different measures like projected performance of competitors, goals of the organization, past performance of a firm and the projected performance of a firm in the same industry to evaluate its performance. The study recognized that implementation of the strategies that are new had effects in the organization and individual performance positively involving the growth of an organization to a huge extent with the strategy program areas affecting chances that would be followed in the market. The research concluded that alignment of the main resources and the evaluation of abilities were vital towards performance improvement. The study concentrated on Catholic relief services in Kenya while the current study investigated the effect of strategic alliance on performance of SACCOs.

Muthini (2014) conducted a study on the effect of strategic alignment as a source of performance at Kenya Revenue Authority. The results of the research revealed that KRA has established approaches that are designed to improve performance through four

perspectives of the Balanced Score Card. Plan implication for strategic alignment is that the strategic alignment level and the performance of the firm are related closely. Kenya Revenue Authority administration can clearly recognize the visions of the organization during the strategic alignment initiative thereby attaining the performance of a firm. The gap identified was that the study focused on Kenya Revenue Authority performance the current study focused on cooperative society.

Nyandoro (2015) conducted a research on strategic alignment and competitive advantage of major beverage soft drink firms in Kenya. The findings revealed that competitive advantage that is attained through strategic alignment involves the provision of customized yields and services, differentiation through price and produce innovation. The results further revealed that competitive advantage as the development of the formation of new inter connections among businesses and extension of the scope, costs that are reduced in attaining, processing and information transmitting, promotion of cost leadership, extension of organization therefore enabling the growth strategy of an organization, growing of geographical and global market, marketing cost reduction, advertisements, business working of the organization and enhanced client connections and alliance enhancement through efficient and cheaper provision of communication channel. The study recommended that executives in the information technology dominion should share the responsibility with senior executive in different fields because the strategic alignment has been proven to enhance the performance of the organization. Competitive advantage of major beverage soft drink firms in Kenya was the context of the study. The current study focused on SACCO performance.

Koskei (2016) researched on the strategic alignment and information technology on the performance of East African Portland Cement Company Limited in Kenya. The findings of the study revealed that competitive advantages through alignment of the firm IT with business process and resources, it is important for a firm to come up with a top down plan that will include all the teams of employees in the making of the same plan. Moreover, the influence of leadership on strategic alignment was seen to require interaction that is effective between the business and IT administration in the organization in order for business and IT strategies to e ran and share domain knowledge between business and the managers of IT. The study on the other hand, concluded that the alignment of the firm internal and external plans with its IT platform is destined to give the firm a competitive advantage if only the scanning of the firm is enough. Performance of East African Portland Cement Company Limited in Kenya was the focus and the findings may not be applicable in cooperatives. Performance of SACCOs was the current focus.

Kasina (2016) conducted a study on strategic alignment as a source of competitive advantage at equity bank Kenya Limited. The finding revealed that the bank has discovered three pillars for alignment and these comprises its process, produce and human resource base. By alignment of these three main pillars, the bank has been in position to attain a competitive advantage in the market. This advantage has come in form of enlarged profitability, number of clients, deposit of the clients, range of products, IT system that is flexible and an administration team that is in position to discover and capture chances. However, banks have faced several challenges in the course of aligning its working strategic intentions. These challenges include; huge turnover of the staff in

main sections, lack of finance to finance the process of alignment and in some cases that tended not to be accommodative to challenges that are new. The context of the study and data collection was on competitive advantage at equity bank Kenya Limited, this study targeted performance of Cooperative societies.

2.3.2 Information Technology and Performance

Kariuki (2015) conducted a study on impact of Information Technology on organizational performance: Case of Population Kenya. The study revealed that many of the respondents had different IT organizations devices at their disposal to help them work on their duties. The results further revealed that there was connection that was positive between the level of IT use and the performance of the firm at the Population Services Kenya. The findings showed that the use of IT explains 82.4% of the performance of the firm at PS Kenya. This research recommended that firms should hold IT tools and services so as to have an edge that is competitive and to enhance delivery of service to their clients. The study focused Population Services Kenya and regression results were not presented. The current study presented regression analysis results.

Jean, Sinkovics and Kim (2014) conducted a study on Information technology and organizational performance within international business to business relationships: a review and an integrated conceptual framework. The study showed that IT abilities donated directly to enhance the process of the organization like coordination, transaction of particular investment, absorptive capacity and monitoring. These in turn donated to strategic and the working performance results. Against a resource-based as well as a

transaction-cost theory background it is suggested that partner interdependence and environmental, country and cultural factors moderate the process of IT contribution on performance. The study regression results were not presented. The current study presented regression analysis results.

Nuskiya (2018) conducted a study on the effect of Information Technology on employees' performance in the banking industry in Sri Lanka. Empirical Study Based on the Banks in Ampara District. This study sought to provide a better comprehensive perspective on the influence of IT on the performance of the employees in the sector of banking in Sri Lanka. Employees from ten banks were included in Ampra district and 50 questionnaires were distributed to the workers. The study adopted descriptive analysis, correlation analysis in order to obtain these results. The findings of the study revealed that IT importantly result on the performance of the workers. Most workers agreed that it reduces the work lord and error rate as well as it rises the satisfaction of the workers and motivation. The banks are using the application of IT as a competitive tool to enjoy the competitive advantages and they also try to accept the new application to do their banking events efficiently. The focus of the study was on employee performance which is different from SACCO performance.

Abbas, Muzaffar, Mahmood, Ramzan and Rizvi (2014) studied on the impact of Technology on performance of employees. This research aimed to evaluate the influence of IT on the performance of allied banks employees. The data was collected through unstructured interviews and responses were analyzed through IBM SPSS Text Analytics.

The study revealed that technology hugely intensified employees' productivity along with the saving time. This hugely influenced the workload on workers and make sure there is control over mistakes and scams. Quick access to information and ease of the utilization help the employees of the banks to deliver services that are quality. In addition, firms that implement new technology should offer proper training to its workers. By doing so, the performance of the organization will increase. The study regression results were not presented. The current study presented regression analysis results.

Mutuku (2018) conducted a study on the strategic use of information technology and performance of Machakos Huduma Centre. The findings revealed that there was a considerable relationship between the strategic IT use and the performance of Machakos Huduma Centre. The findings showed positive influence on the performance of Machakos Huduma Centre, because of the strategic utilization of IT. These influences involve: satisfaction of the clients, competence and service delivery that is influential, transparency and effectiveness of the cost. This research recommended that firms should invest in IT resources wisely, and concentrate on how to utilize them in a strategic manner. The study concentrated on performance of Machakos Huduma Centre while the current study concentrated on performance of cooperative societies in Meru.

Muraguri (2018) conducted a study on the Information Technology integration and performance of motor vehicle supply chains in Kenya. The results revealed that there were various functional areas in the motor vehicle supply chains and the various IT technology utilized in the areas of supply, yield and demand. This study concluded that

IT integration affected the supply chain performance both positively and negatively. IT integration should be improved across these organizations hence this will lead to the performance increase of the organizations. The study moreover recommended that there is need for firms to have an enhanced supply chain integration so as to enhance supply chain performance. The strength and nature of relationship between variables were not clear. The current study presented strength and nature of relationship between variables.

2.3.3 Continuous Process Improvement and Performance

Maletič, Maletič and Gomišček (2015) conducted a study on the relationship between continuous improvement and maintenance performance. The findings revealed that Continuous Improvement (CI) significantly and positively are related to maintain performance. Moreover, results show the significance of combination of quality management practices into the process of maintenance. Juma (2016) conducted a study on continuous improvement practices and product quality performance at Tata Chemicals Magadi Limited. The study revealed that in order to gain product quality performance, tata chemicals Magadi must hold CI that involves; Lean Manufacturing, TQM, TPM, ISO, Six Sigma and Lean Six Sigma. The research further revealed that the top management of the company struggle to drive and offer actual support to CIP that is aimed to attain yield quality performance and implementation of CIP and is devoted to the enhancement and implementation of CIP. This study concludes that in order for tata chemicals Magadi to attain quality performance of products and remain competitive and

profitable, the organization should hold on CIPs. The study independent variable was maintain performance while research will study on SACCO performance.

Owaka (2014) conducted a study on the perceived effect of continuing professional development on individual performance of professional nurses in ministry of health owned facilities in Nairobi City County, Kenya. The findings of this study revealed that overall nurses believe that continuing professional development does positively influence the performance of their job. The respondents strongly felt that the CIP has hugely helped them to face their challenges on performance and has enhanced their skills and their competencies. This study moreover recommended that the government of Nairobi city council should establish a framework to make sure equitable selection of nurses for participating in CIP. The study used only qualitative analysis while the current study used both quantitative and narrative analysis

Njega (2018) conducted a study on continuous improvement and operational excellence among internet service providers in Kenya. The study showed that customer focus, measurement of performance and enhancement and involvement of workers and acknowledgement had implemented to a large extent by ISPs. The study further revealed that the success factors of CI had a positive connection with the working. CI enhanced the quality of yields and services that were provided by ISPs, streamlined their processes, wastage reduction and advanced their productivity and competitive advantage. This research recommended that the providers of services of internet should continue to implement CI in order to again operational excellence as there is evidence that CI

positively affects the working of the company. The study target population was on internet service providers in Kenya, The current study targeted employees working in SACCOs in Meru.

Muriithi (2014) conducted a study on continuous improvement approaches and performance of operations among Commercial Banks in Kenya. The study found out that 38% of the respondents used balanced score card,18% TQM,17% illustrated as Others which included traditional or business reengineering and 26 % of respondents where Nonspecific on the CI approach used. Cost to income ratio (CIR) also known as efficiency ratio was used as the performance measure where banks who had adopted a CI approach had a mean of 54 while Another category had mean of 64 and nonspecific 66. A CIR of below 50 is recommended and one high than 55 is considered risky. The study recommended that banks should be encouraged to fully adopt CI approaches that they deem fit in their organizations operations so as to leverage on the benefits of CI including waste elimination, cost reduction through process improvement, customer turnaround time which would improve their customer service. The study focused on performance of operations among Commercial Banks in Kenya not on SACCOs performance.

Muteti (2014) conducted a study on continuous improvement and operational performance of small and medium sized manufacturing firms in Kenya. The study revealed that there over processing of yields and the organization encourage new services advancement though they do not have budget for development and research. the research further claimed that SMEs normally expect and manage doubt and harm. The study

recommends that the manufacturing SMEs should practice green procurement practices/green purchasing so as to reduce waste in production and enhance their production efficiency. The firms should also engage in cross functional training of their staff on the best practices in a bid to streamline their operations. There is also need for government intervention strategies to support SMEs in Kenya like establishment of policies that favor SMEs in the manufacturing sector to enhance continuous improvement practices. Further, managers need to evaluate the product design, process choice, and the degree of standardization involved in the organization, and can then decide upon the appropriate methods to use to best implement improvement practices. The gap filled by Muteti's study was on operational performance of small and medium sized manufacturing firms in Kenya. The current study filled gaps on SACCOs performance.

2.3.4 Business Process Controls and Performance

Karanja (2016) conducted a study on the effect of budgetary control process in Nyeri county SACCOS. The study found that finance and administration departments participated in budgetary control processes. Budgetary control processes are not intimately linked with considerations of labor controls. Participation of all the stakeholders makes the budgetary process too lengthy and time consuming. There is no coordination of the Sacco's strategies and budget in a single, integrated process, characterized by continuous feedback. The study recommends the SACCO to involve all departments in preparation and control of budget. Budgetary controls should be linked with considerations of labor controls. SACCOs need to employ sophisticated corporate

planning and corporate financial plans in its budgeting system. There should be coordination of the Sacco's strategies and budget in a single, integrated process, characterized by continuous feedback. Staff and board members need to be involved budgetary process. The operationalization of SACCOs performance was budget control techniques, the operationalization of the current study was on profitability and market share.

Kinyua, Gakure, Gekara and Orwa (2015) conducted a study on the effect of internal control environment on the financial performance of companies quoted in the Nairobi Securities Exchange. The study finding shows that control environment, risk assessment, control activities, information and communication, monitoring, leverage, liquidity and firm size have positive relationship with firm performance. According to the findings and the conclusions, the study recommended that that internal control system was seen to have a statistically positive influence on performance of organization that are listed under NSE hence there is need for the organizations to enhance on their internal control system by adopting a current integrated financial reporting system. The adopted system should be updated more often so that it will be able to notice the ever-changing impostors' techniques that are based on the ever-changing innovations on technology. Financial performance of companies quoted in the Nairobi Securities Exchange was the study's focus, the current study focused on SACCOs performance aspects.

Mwangi (2014) conducted a study on the impact of budgetary control process and their impact on financial performance in the banking industry in Kenya. The study revealed

that continuation in commitment concerns a person need to continue working for the firm based on the perceived costs that is associated with leaving the firm to a very huge extent. Budgetary participation can be perceived as interventions to rise the commitment of the firm and consequently the performance of the firm. This research recommended the continued commitment so that the need of a person to continue working for the firm based on the seen costs that are accompanied with leaving the firm. Preparation of the centralized budgets that are well checked for errors of either overestimation or underestimation in order to reduce the accuracy of the budget challenges and shortening the duration of the bargaining and negotiations to decrease inaccuracy in the firm. The operation banking industry in Kenya is different from SACCOs operations therefore the current study filled the gap by studying SACCOs in Meru County.

Kamau (2015) conducted a study on strategic control practices by Syngenta Pollen Limited in Kenya. The research findings were that strategic control needs to fit to the overall strategic plan of the organization and also need to involve all the stakeholders of the organization. Further, there is need of the strategic control to be flexible enough and adapt to the changing environment. The control practices need to have a feedback mechanism to alert the managers on any deviations arising from the operations and the same deviations should be measurable. The study did not present the inferential and regression analysis. The current study filled the gap by presenting inferential and regression analysis.

Onyango (2016) conducted a study on Influence of internal controls on performance of county governments in Kenya. The study established that majority of the County Governments were not conversant with the global environment including the political, economic, social and technological due to inadequate trainings. The study recommends that an external body to be established by the National Government to audit County Governments regularly for accountability. Therefore, this study recommends that top management should carry out periodical employee evaluation to promote motivation and positive contribution towards goals of the organization. The study recommends that top management should allocate enough resources to empower employees with necessary skills to perform. This study recommends that that all County Governments should invest in modern ICT systems to improve service delivery to key stakeholders. This study recommends that County Government leaders should be exposed to international forums and conferences to learn more experiences. The study focus on internal control and matters related to auditing in the county government. The current study filled the gap by studying the SACCOs performance.

2.4 Summary of Reviewed Literature Research Gaps

From the studies and reports discussed above, it is clear that many researchers have delved into the topic of business process management and performance. However, none of the research analyzed involved Deposit taking SACCOs in Meru County, Kenya. Moreover, the current study is necessary because so few studies on business process management have been conducted in Kenya. Table 2.1 provides a summary of the relevant literature and highlights areas where further study is needed.

Table 2.1: Summary Reviewed Literature of Research Gaps

Author	Topic	Findings	Gap
Ambiyo, Okombo, Anangwe, Mohamed, Munyoki, Nzioka and Ondari (2015)	Strategy implementation, strategic alignment and performance of Catholic relief services in Kenya.	The findings revealed that strategy implementation and strategic alignment affected the performance of the organization in the case where a firm utilizes different measures like projected performance of competitors, goals of the organization, past performance of a firm and the projected performance of a firm in the same industry to evaluate its performance.	This study was done on catholic relief services and not on SACCOs hence the findings may not be compatible in our current study
Muthini (2014)	The effect of strategic alignment as a source of performance at Kenya Revenue Authority.	The results of the research revealed that KRA has established approaches that are designed to improve performance through four perspectives of the Balanced Score Card.	The study focused on KRA hence its findings may not be compatible in our current study
Nyandoro (2015)	Strategic alignment and competitive advantage of major beverage soft drink firms in Kenya.	The findings revealed that competitive advantage that is attained through strategic alignment involves the provision of customized yields and services, differentiation	The study focused on beverage soft drinks firms therefore its findings may not be compatible in our current study

		through price and produce innovation.	
Kariuki (2015)	impact of Information Technology on organizational performance: Case of Population	The study revealed that many of the respondents had different IT organizations devices at their disposal to help them work on their duties.	The study concentrated on the IT organization performance hence the findings may not be of help in our current study
Jean, Sinkovics and Kim (2014)	Information technology and organizational performance within international business to business relationships: a review and an integrated conceptual framework.	The study showed that IT abilities donated directly to enhance the process of the organization like coordination, transaction of particular investment, absorptive capacity and monitoring.	The study focused on IT and firm performance hence its findings may not be of help in our current study
Juma (2016)	on continuous improvement practices and product quality performance at Tata Chemicals Magadi Limited.	The study revealed that in order to gain product quality performance, tata chemicals Magadi must hold CI that involves; Lean Manufacturing, TQM, TPM, ISO, Six Sigma and Lean Six Sigma.	The study was done at Tata chemicals Magadi limited hence the findings may not be of help
Owaka (2014)	perceived effect of continuing professional development on individual performance of professional nurses in ministry of	The findings of this study revealed that overall nurses believe that continuing professional development does positively influence the performance of their job.	The study focused on performance of nurses in ministry of health hence its findings may not be

	health owned facilities in Nairobi		compatible in our current study
Karanja (2016).	Effect of budgetary control process in Nyeri county SACCOS.	The study found that finance and administration departments participated in budgetary control processes.	The study focused on SACCOS in Nyeri county and not in Meru county.

Source (Reviewed Literature 2023)

2.5 Conceptual Framework

The conceptual framework provides the research with a guideline on how independent and depended variables interact in relation to business process management and performance of deposit taking SACCOs in Meru County, Kenya. The independent variables for the study are the four-business process management namely: strategic alignment, information technology, continuous process improvement and business process controls.

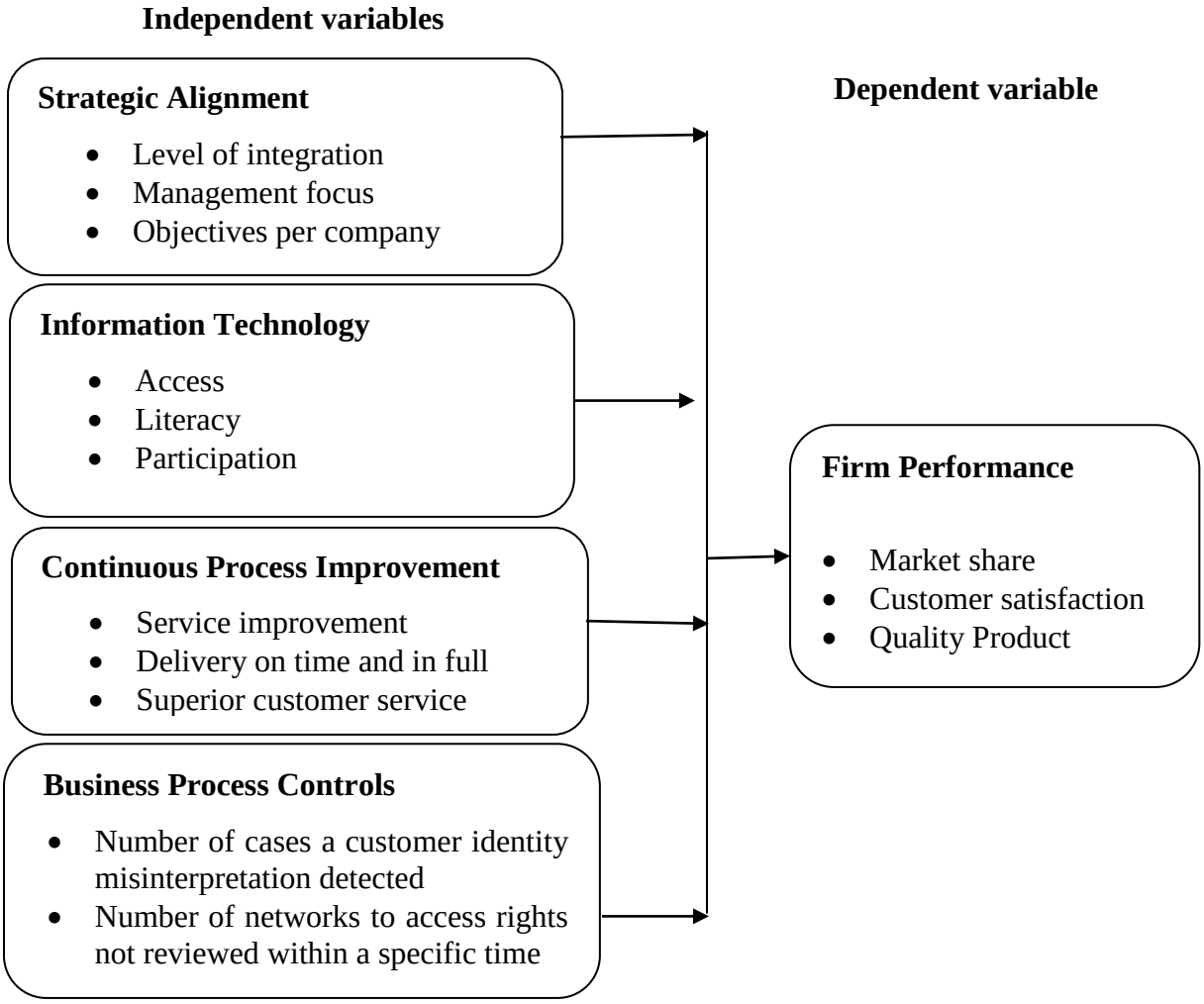

Figure 2.1: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter shows the research methodology that this study adopted to determine the effects of business process management and performance of deposit taking SACCOs in Meru County. Methodology that was used in this study is discussed in this chapter. This chapter discusses research design, population, determination of sample size, instruments of data collection, data collection procedure, data analysis techniques, reliability and validity techniques. The ethical issues that the study adhered was also discussed.

3.2 Research Designs

According to Lewis (2015) a research method is a plan that outlines procedures and methods to be used in data collection and analysis of a given research topic and reveal of findings in a detailed manner. Descriptive research design was used in this study. A descriptive research design helps in describing the research phenomenon, it helps to answer the questions; what, how, when, and why (Creswell & Creswell, 2017). Descriptive research design helped describe the effects of business process management and how these dimensions' influence on performance of deposit taking SACCOs in Meru County, Kenya.

3.3 Target Population

According to Creswell and Creswell (2017), the target population is the collection of subjects in which analysis was derived from. The target population of this study was all

14 licensed DT-SACCOs that conduct business in Meru County, Kenya. Among the 14 DT-SACCOs, this study targeted 1 manager, 4 staff from the IT department, 4 human resource department staff and 4 employees who are the supporting staffs all drawn from each of the DT-SACCO. This gave a target population of 182 respondents.

Table 3.1: Target Population

Department	**Target Population**	**Percentage**
Management HR Department	14 56	9%
IT Department	56	31%
Support Staff	56	31%
Total	**182**	**100%**

Source (SASRA 2023)

3.4 Sample Size and Sampling Procedures

Sampling is a process in which members of a population are chosen to represent an entire population (Ogula, 2005). Barasa, *et al.,* (2015) defined sampling as a process of selecting respondents from the target population in a manner that is representative. The two popular sampling techniques are probability and non-probability sampling techniques. Probability sampling is where every member of the population has a likelihood of being selected whereas, where elements of the target population do not have equal chance of selection is Non-probability sampling (Lewis, 2015). This study used census as the population is less than 200. Census is effective where sample size is less

than 200 (Mugenda and Mugenda, 2013). The research collected data from all the 182 respondents.

3.5 Data collection Instruments

Data collection instruments are methods and tools used in data harvesting (Kothari, 2004). Questionnaires was used to collect primary data. The questions in the questionnaire were structured to ease the analysis process. The structure of questionnaires were in sections according to the variable objectives of this study. On the first section of the questionnaire, demographic information of the respondents was contained; other sections presented information on service quality variables and customer loyalty. The questionnaire questions was designed on Likert Scale format where 1= strongly disagree and 5= strongly agree.

3.6 Reliability and Validity of the Research instruments

To determine the reliability and validity of the research instruments, a pilot test was conducted. The test provides information on limitation and errors of the data collection instrument that may be of difficulty to the researcher getting answers to the research questions correctly. A selected 10 respondents were chosen for the pilot study. These respondents were eliminated from the final sample size of the study.

3.6.1 Validity of the Research Instrument

Cooper and Schindler (2011) describe validity as the extent to which an instrument effectively gauges the constructs under investigation. Multiple forms of validity exist.

The primary parameters are construct validity and content validity. Content validity is derived from experts, samples, and literature. Content validity is characterized by two stages: the judgment stage and the development stage. During the review stage, content validity necessitates that a professional evaluate the extent to which the scale is designed to gauge the attribute being studied. Consequently, the researcher sought assistance from the supervisor to enhance the content validity of the instruments. Validity was maintained by rephrasing the research items clearly and restricting them to those that capture the intended data. Items deemed meaningless were instinctively replaced (Saunders et al., 2009). The study's supervisor reviewed the questionnaire and offer suggestions for how to enhance its content validity. Moreover, the questionnaire was divided into sections based on the study variables, guaranteeing construct validity.

3.6.2 Reliability of the Research Instrument

According to the methodology proposed by Yasin, Yunus, Rus, Ahmad, and Rahim (2015), a reliability test is conducted to assess the internal reliability of the questionnaire. The reliability of the questionnaires was assessed by utilizing the Cronbach alpha test to calculate the alpha coefficient based on data collected in the pilot study. This coefficient measured the correlation among the test results. Test results ranged from 0 to 1, and Mugenda and Mugenda (2003) state that a score nearer 1 denotes a higher level of instrument reliability. Therefore, this study aimed to achieve a minimum alpha value of 0.7.

3.7 Data Collection Procedures

The researcher sought for permission from National Commission for Science Technology and Innovation (NACOSTI) that authorized data collection. The researcher also sought for an introductory letter from the school department that stated the study objectives as being for academic purposes. The researcher further sought for permission from the DT-SACCOs in Meru County, informing them about the study, the objectives and dates of data collection. During the actual day of data collection, questionnaires were administered to the respondents.

3.8 Data Analysis and Presentation

The collected data was sorted and cleaned after which it was captured in statistical Package for Social Sciences (SPSS) for analysis. Descriptive and inferential statistics including standard deviation, mean, frequencies and percentages was adopted for analysis. Inferential analysis on regression analysis in the form shown in the following model;

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \mu it}$$

Whereby **Y** = Performance of deposit taking SACCOs in Meru County, Kenya

$\mathbf{X_1}$ = Strategic Alignment

$\mathbf{X_2}$= Information Technology

$\mathbf{X_3}$= Continuous Process Improvement

$\mathbf{X_4}$= Business Process Controls

μit = Error Term

3.9 Ethical Consideration

Ethics was one of the key considerations in this study. Confidentiality of the responses was assured to the respondents and there was no requirement to indicate the name on the questionnaire. Respondents were taken through on the importance of the information they were providing and informed that they can withdraw whenever they deem okay. To avoid plagiarism, all materials used in this study were referenced properly.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the findings on the effect of business process management on performance of Deposit taking SACCOs in Meru County, Kenya. The subsections in the chapter presents findings on strategic alignment, information technology, continuous process improvement and business process controls how they affect the performance of deposit taking SACCOs in Meru County, Kenya.

4.2 Response Rate

The study findings were based on questionnaires that were distributed and fully filled. The total questionnaires returned and not returned and the response rate is shown in Table 4.1 below.

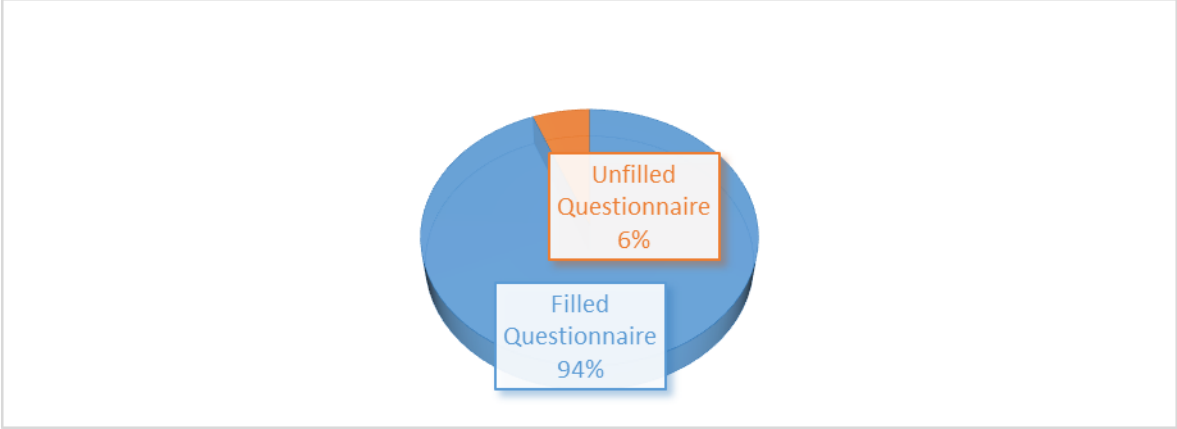

Figure 4.1 Response Rate

Source: Survey Data (2024)

From Table 4.1 above, a total of 182 questionnaires were disseminated out of which 171 were fully filled and submitted while 11 were not resubmitted and some rejected since they were not fully filled. This demonstrated an overall response rate of 94% which was an excellent response rate which enabled analysis of findings, discussion and drawing inferences from the sampled respondents. According to Kothari (2007), a response rate of 50% is acceptable to analyse and publish, 60% is good, 70% is very good and beyond 80% is an excellent response rate. Saunders, et al., (2003) on the other hand indicate that 30% to 50 % response rate is reasonable enough for statistical generalizations.

4.3 Demographic Characteristics

This section presents the demographic characteristics of the respondents. These characteristics included age, highest level of education and working experience.

4.3.1 Age of the Respondents

The study sought to determine age of the respondents. The findings were presented in table 4.1.

Table 4.1 Age of the Respondents

Age Range	Frequency	Percentage
Below 20 years	0	0.00
20-30 years	42	24.56
31-40 years	67	39.18
41-50 years	45	26.32
Above 50 years	17	9.94

Total	**171**	**100%**

Source: Survey Data (2024)

The study results indicates that majority of the respondents (39.18%) had between 31 to 40 years old and the minority 9.94 % were above 50 years. This is a clear indication that majority had worked for a considerable good time in the Sacco.

4.3.2 Highest Level of Education

The study sought to find the highest level of education from the employees working in the DT Saccos in Meru. The findings were presented in the table 4.2

Table 4.2: Highest Level of Education

Qualification	**Frequency**	**Percentage**
Primary certificate	0	0.00
Secondary certificate	3	1.75
College diploma	56	32.75
University Graduate	89	52.05
Post graduate	23	13.45
Total	**171**	**100%**

Source: Survey Data (2024)

The findings in table 4.2 indicates that no one had a primary level education as the highest level of education. 52.05 percent of the respondents (89) had a university degree as the highest level of education. 32.75 percent had college diplomas as the highest level of education, 13.45 percent had post graduate diploma while 1.75 had a secondary

certificate as their highest level of education. These findings show that the respondents were educated enough and understood the effect business process management on performance of Deposit taking SACCOs in Meru County, Kenya.

4.3.3 Working Experience

The researcher asked the respondents to indicate the number of years worked in Sacco and provided the following replies as shown in Table 4.3;

Table 4.3: Working Experience

	Frequency	**Percentage**
Less than 1 year	05	02.92%
1-5 years	26	15.20%
5-10 years	97	56.73%
Above 10 years	43	25.15%
Total	**171**	**100.00%**

Source: Survey Data, (2024)

The findings in table 4.3 presents that the majority of respondents (56.73 per cent) had worked 5 to10 years in the Sacco. According to the findings, 25.15 percent of respondents had worked for more than 10 years in the Sacco. The findings indicated that 15.20 percent of respondents served in the Sacco for 1-5 years, and 2.92 percent of workers worked for less than 1 years in the Sacco. The findings indicated that the respondents had adequate knowledge of the issue under investigation, as the targeted

employees had the information helpful in achieving the goals of the study. The goal set for the research could be accomplished since the number of employees used in this analysis had specific experience and knowledge about the information that was being pursued.

4.4 Descriptive Analysis and Discussion

This section presents the results collected through the use a questionnaire. The findings were presented in the subsequent sections. Mean and standard deviation were used to describe the extent with which the respondents agreed or disagreed with various statements. High mean indicated highest agreement rate and low mean indicated low rate of agreement with the statement presented to them. High standard deviation indicates high variation on respondent's opinions and low standard deviation indicates low variation level.

4.4.1 Deposit Taking Savings and Cooperative Society Performance

This section presents the extent to which strategic implementation were effective and efficiently done in the Sacco. The research results are set out in Table 4.4 below.

Table 4.4 Deposit Taking Savings and Cooperative Society Performance

Statements	Mean	Std. Deviation
We offer quality services to our members	4.7602	1.28147
The market share of our SACCO has grown over the last five years	4.1111	1.67137

Total members' deposits has grown over the last five years	4.5088	1.56193
The products offered by our SACCO has grown tremendously	3.6665	1.24130
Our loan book has improved over the years	3.0760	1.77236
Majority of our members have more than one product	4.7661	1.08640
Average	**4.1481**	**1.43581**

Source: Survey (2024)

The study found that the Saccos offered quality services to their members, the market share of the SACCO had grown over the last five years, total members' deposits had grown over the last five years and the products offered by the Saccos had grown tremendously. These was evidenced by high means of 4.7602, 4.1111, 4.5088 and 3.6665 respectively. However, the respondents indicated that loans to book value had remained constant over the period under study (Mean=3.0760, Std. Deviation = 1.08640). Generally, the respondents indicated that the performance of the deposit taking Saccos in Meru County was above average as indicated by the quality of service, market share, members deposits and number of products. These was supported by SASRA (2019) report that since 2010 there has been a significant growth in the number of deposit taking SACCOs in Meru County. The total number of products, deposits, market share, and turnover grew spontaneous as a result of growth rates of 19% for total assets, 22% for deposits, 30% for net loans, and 25% for turnover representing the county with the fastest growth of DT-SACCOs being set up compared to all other counties in the country.

4.4.2 Strategy Alignment and Performance

The subsection presents results on strategy alignment and how it affects performance of deposit taking Saccos in Kenya. The results were presented in table 4.5.

Table 4.5: Strategy Alignment and Performance

Statements	Mean	Std. Deviation
We clearly recognize the visions of our organization during strategic alignment initiative	3.7248	1.22521
Our managers in the IT department share the responsibility with senior executive in different fields	4.7117	.94255
Our organization has faced huge turnover of the staff in the main section	2.5949	.62045
Our SACCO has faced lack of finance process of alignment	2.6658	1.27253
Our SACCO has established approaches that are designed to improve our performance	4.7137	1.38456
Average	**3.6822**	**1.08906**

Source: Survey Data (2024)

The study findings in table 4.5 presents that the Sacco clearly recognize the visions of the organization during strategic alignment initiative (Mean=3.7248, Std. Deviation=1.22521). The Sacco managers in the IT department share the responsibility with senior executive in different fields (Mean=4.7117, Std. deviation= 0.94255). Majority of the respondents disagreed that the SACCOs had faced huge turnover of the staff in the main section (Mean=2.5949, Std. Deviation= 0.62045). The respondent

disagreed that the DT SACCOs have challenges in financing to support process of alignment (Mean=2.6658, Std. Deviation= 1.27253). Majority of the respondents agreed that the SACCO has established approaches that are designed to improve the Sacco performance. On average, the study established that Sacco established commendable approaches to solicit funds to support strategy alignment, recognizable vision was followed and all departments supported strategy alignment.

The findings supported the study by Muthini (2014) that the strategy alignment level and the performance of the firm are related closely and that the administration can clearly recognize the visions of the organization during the strategy alignment initiative thereby attaining the performance of a firm. Nyandoro (2015) study findings revealed that competitive advantage can be attained through strategy alignment which involves the provision of customized yields and services, price differentiation and production of innovation.

4.4.3 Information Technology and Performance of DT Saccos

This segment illustrates the proxies of information technology and how they affect performance of DT SACCOs. Table 4.6 describes the findings summarized on the basis of the agreement levels.

Table 4.6 Information Technology and Performance of DT Saccos

Statements	Mean	Std. Deviation
What extent has information technology influenced on performance of deposit taking SACCOs in Meru County, Kenya	4.0645	.9121
IT has helped our employees to perform better in the organization	4.6458	1.2532
IT has helped reduce work load and errors rate in the organization	4.7711	1.3864
IT has risen the satisfaction of workers and their motivation	4.4647	.5348
We offer proper training to the employees on the new technology	4.5914	.6209
Our SACCO hold IT tools and services so as to have an edge that is competitive	4.3323	.5098
Average	**4.4783**	**0.8695**

Source: Survey Data (2020)

The study found that to great extent information technology influenced performance of deposit taking SACCOs in Meru County, Kenya (Mean=4.0645, Std. Deviation= 0.9121). The study found that IT has helped the Sacco employees to perform better in the society (Mean= 4.6458, Std. Deviation= 1.2532). The respondents strongly agreed IT has helped reduce work load and errors rate in the organization, IT has risen the satisfaction of workers and their motivation, the SACCOs offer proper training to the employees on the new technology and the SACCOs hold IT tools and services so as to have an edge that is competitive. These was supported by a mean of 4.7711, 4.4647, 4.5914 and 4.3323 respectively. Generally, a mean of 4.4783 and low standard deviation of 0.8695 indicates

that information technology supported employees and department within the various SACCOs in Meru County, Kenya.

The study findings were supported by Kariuki (2015) that there was a positive relationship between the level of IT use and the performance of the firm at the Population Services Kenya. The study by Jean, Sinkovics and Kim (2014) showed that IT abilities directly enhance the process of the organization such as coordination, transaction of particular investment, absorptive capacity and monitoring.

4.4.4 Continuous Process Improvement and Performance of DT Saccos

This subsection presents the study results on the effect of organizational culture on strategy implementation. Table 4.7 presents the collected results from the respondents.

Table 4.7 Continuous Process Improvement and Performance of DT Saccos

Statements	Mean	Std. Deviation
To what extent do continuous process improvement have on performance of deposit taking SACCOs in Meru County, Kenya	4.6448	1.1516
Our SACCO has established a framework to make sure equitable selection of employees in CIP	4.8227	1.0381
Continuous improvement has enhanced the quality of yield and services	4.7178	.9514

Our SACCO has continued to implement CI in order to gain excellent working	4.7045	1.1461
Our organization practices green procurement practices to reduce waste in production	4.5855	.9630
Our SACCO has adopted continuous process improvement in order to remain competitive	4.5097	.9754
Average	**4.6641**	**1.0376**

Source: Survey Data (2024)

The findings in table 4.7 indicates that majority of the respondents strongly agreed that continuous process improvement affects performance of deposit taking SACCOs in Meru County, Kenya. The study found that SACCOs have established a framework to make sure equitable selection of employees in CIP, Continuous improvement has enhanced the quality of yield and services, the SACCOs has continued to implement CI in order to gain excellent working, the DT Saccos practices green procurement practices to reduce waste in production and the SACCOs have adopted continuous process improvement in order to remain competitive. These were supported by high means of 4.6448, 4.8227, 4.7178, 4.7045, 4.5855 and 4.5097 respectively and low standard deviation of 1.1516, 1.0381, 0.9514, 1.1461, 0.9630, and 0.9754 respectively. Generally, continuous improvement process was considered important in enabling success of the DT Sacco performance (Mean= 4.6641, Std Deviation= 1.0376).

The study findings were supported by Owaka (2014) that the CIP has hugely helped them to face their challenges on performance and has enhanced their skills and their

competencies. The study also supports Njega (2018) that the success factors of CI had a positive connection with the organizational performance. CI enhanced the quality of yields and services that were provided by ISPs, streamlined their processes, wastage reduction and advanced their productivity and competitive advantage.

4.4.5 Business Process Controls and Performance of DT Saccos in Meru County

Business process controls and how it affected performance of DT Saccos in Meru County was presented in Table 4.8. The results were based on the perception and opinion of the respondents targeted.

Table 4.8: Business Process Controls and Performance

Statements	Mean	Std. Deviation
Business Process Controls greatly affects performance of deposit taking Saccos	4.6911	1.1464
Our budget control is connected with considerations of labor control	4.5887	1.0630
We update our system more often that we are able to identify the ever-changing techniques of impostors	4.5055	.7544
Our organization exposes its management to international forums and conferences to learn more experiences	4.0499	1.3939
Our organization carries out periodical employee evaluation to promote motivation	4.6347	.9329

Our organization involves all the department in preparation of the and control of the budget	3.6151	1.1415
Average	**4.3475**	**1.0720**

Source: Survey Data (2024)

Table 4.8 indicates that majority of the respondents agreed that business process controls greatly affects performance of deposit taking Saccos (Mean=4.6911, Std. Deviation=1.1464). The study indicates that the Sacco budget control is connected with considerations of labor control, the Saccos updates their system more often that they are able to identify the ever-changing techniques of impostors, the Saccos exposes their management to international forums and conferences to learn more experiences, the Saccos carries out periodical employee evaluation to promote motivation and Saccos in Meru involves all the department in preparation and control of the budget. These were supported by high means of 4.5887, 4.5055, 4.0499, 4.6347 and 3.6151 respectively. On Average, a mean of 4.3475 and a standard deviation of 1.0720 indicates that business process control was effectively done by DT Saccos in Meru County. It was also established that business process control greatly affects organizational performance.

The findings contradicts Karanja (2016) study findings that participation of all the stakeholders makes the budgetary process too lengthy and time consuming and that there is no coordination of the Sacco's strategies and budget in a single, integrated process, characterized by continuous feedback. The study by Kamau (2015) Further, established that there is need of the strategic control to be flexible enough and adapt to the changing environment. The control practices need to have a feedback mechanism to alert the

managers on any deviations arising from the operations and the same deviations should be measurable.

4.5 Inferential Statistics

Inferential statistics presented the parameters relating to the interrelationship between variables in the study on sampled data. It shows the degree to which the variable changes as a result of changing the other variable. The inferential statistics discussed in this section include the correlation coefficients, the coefficient of determinations, the degree of correlation of variables and the regression analysis coefficients.

4.5.1 Correlation Analysis

Correlation analysis is a statistical method used for determining the intensity of the relationship between two quantitative variables. A high correlation means that there is a strong relationship between two or more variables while a low correlation means that the variables are poorly related. The results were presented in Table 4.9.

Table 4.9: Correlation Analysis

Correlations

		Performance	Strategic Alignment	Information Technology	Continuous Process Improvement	Business Process Control
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	171				
Strategic Alignment	Pearson Correlation	.814**	1			
			57			

	Sig. (2-tailed)	.000				
	N	171	171			
Information Technology	Pearson Correlation	.739	.039	1		
	Sig. (2-tailed)	.000	.612			
	N	171	171	171		
Continuous Process Improvement	Pearson Correlation	.808	.611**	-.320**	1	
	Sig. (2-tailed)	.000	.101	.900		
	N	171	171	171	171	
Business Process Control	Pearson Correlation	.878	.212**	-.169*	.501**	1
	Sig. (2-tailed)	.000	.505	.827	.891	
	N	171	171	171	171	171

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Survey Data (2020)

The Pearson correlation values given in Table 4.9 indicate a strong and positive correlation between strategy alignment and performance (Pearson Correlation= 0.814, sig=0.000). The result meant that changes in strategy alignment resulted in a positive and significant change to the performance. The correlation between information technology and performance was strong and positive as shown by a coefficient of 0.739 and a level of significance of 0.000. There was a very strong and positive relationship between continuous process improvement and performance (Pearson Correlation=0.808, sig=0.000). There was a very strong and positive relationship between business process control and performance (Pearson Correlation=0.878, sig=0.000). There was evident weak and insignificant relationship between independent variables (P= <0.5, sig = >0.05).

4.6 Regression Analysis

The study's regression analysis was carried out to assess the changes in the dependent variable (performance of DT Sacco), which is explained by changes in the four independent variables (strategy alignment, information technology, continuous process, business process control).

4.6.1 Model Summary

The model summary presented the coefficient of determination which explained the degree to which the independent variables in the study are determined by the independent variables and the coefficient of correlation which presented nature and strength of relationship between variables. The coefficient of determination represented by R squared indicates the extent to which changes in the dependent variable are determined by changes in the independent variable (strategy alignment, information technology, continuous process, business process control). The correlation coefficient is also used to describe the nature of the relationship and the strength of the (weak or strong) relationship between variables.

Table 4.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.885[a]	.783	.744	1.18579

a. Predictors: (Constant), Strategic Alignment, information technology, continuous process improvement, business process control

Source: Survey Data (2020)

Table 4.10 results show that 74.4 per cent increase in performance of DT Saccos was explained by changes in strategy alignment, information technology, continuous process and business process control. 25.6 per cent of performance variations were determined by variables other than strategy alignment, information technology, continuous process and business process control. It meant that there were other significant factors contributing to the performance of SACCOs that were not exhaustively factored in the model. The study also presents a strong positive correlation between variables (R=0.885)

4.6.2 Analysis of Variance

The overall significance of the model was tested. Table 4.11 presented the results on the findings.

Table 4.11 Analysis of Variance[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.203	4	2.301	1.492	.000[b]
	Residual	80.165	52	1.542		
	Total	89.368	56			

a. Dependent Variable: Performance

b. Predictors: (Constant), Strategic Alignment, information technology, continuous process improvement, business process control

Source: Survey Data (2020)

The significant value of 0.000 (P<.05) presents that the entire model was significant in explaining the relationships between variables at 5% significant value. This indicates that at least one variable among; strategy alignment, information technology, continuous process and business process control can used to predict the changes in dependent variable; performance of DT Saccos. The study concludes that the overall model was significant.

Table 4.12 Regression Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.654	1.974		8.439	.109
	Strategy Alignment	.767	.130	.363	2.057	.000
	Information Technology	.626	.106	.181	1.199	.000
	Continuous Process Improvement	.710	.137	.316	1.534	.000
	Business Process Control	.807	.156	.107	.689	.000

a. Dependent Variable: Performance

Source: Survey Data, (2020)

As per the SPSS generated table 4.12, the equation

$$\mathbf{Y= 16.654+ .767X_1+ 0.626X_2+ 0.710X_3 + 0.807X_4 + \varepsilon}$$

The results in table 4.12 indicates holding strategy alignment, information technology, continuous process improvement and business process control constant the value of performance of DT Sacco was 16.654 (β_0=16.654). The regression coefficient values were β_1= 0.767, β_2= 0.627, β_3=0.710, β_4 = 0.807. The coefficient for strategy alignment presented that there was positive significant relationship between strategy alignment and performance (β_1= 0.767, sig=0.000). A positive change in the unit of strategy alignment resulted to the positive change in performance. Therefore, when strategy alignment changes by 100%, performance would change by 76.7 per cent.

Table 4.12 presents the coefficient for information technology which indicates that there was a significant positive relationship between information technology and performance (β_2 =0.626, P=0.000). A unit change on values relating to information technology resulted to the positive change of performance. Therefore, when information technology changes by 1 unit, performance would change by 0.626 units.

The results in table 4.12 indicated that the correlation between continuous process improvement and performance was positive and significant (β_3=0.710, P=0.000). A positive unit variation in continuous process improvement results to a positive change in the performance. A unit change in the continuous process improvement results to 0.710 unit changes in performance.

The results in table 4.12 indicated that the correlation between business process control and performance was positive and significant (β_3=0.807, P=0.000). A positive unit variation in business process control results to a positive change in the performance. A

unit change in the business process control results to 0.807 unit changes in performance. Business process control had the highest greatest significant effect on performance of DT Sacco in Meru County, Kenya

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CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summarized results on business process management effects on performance of Deposit taking SACCOs in Meru County, Kenya. The subsection in the chapter presents summarized results, conclusions and policy recommendations.

5.2 Summary of the Findings

The study found that DT Saccos offered quality services to their members, the market share of the SACCO had grown over the last five years, total members' deposits had grown over the last five years and the products offered by the Saccos had grown tremendously. Generally, the respondents indicated that the performance of the deposit taking Saccos in Meru County was above average as indicated by the quality of service, market share, member's deposits and number of products.

The study findings presents that the Sacco clearly recognize the visions of the organization during strategic alignment initiative. The Sacco managers in the IT department share the responsibility with senior executive in different fields. The employee turnover was lowly experienced in the SACCOs. Majority of the respondents agreed that the SACCO has established approaches that are designed to improve the Sacco performance. On average, the study established that Sacco established commendable approaches to solicit funds to support strategy alignment, recognizable vision was followed and all departments supported strategy alignment.

The study found that to great extent information technology influenced performance of deposit taking SACCOs in Meru County, Kenya. The study found that IT has helped the Sacco employees to perform better in the society. The respondents strongly agreed IT has helped reduce work load and errors rate in the organization and IT has risen the satisfaction of workers and their motivation. The study found that SACCOs offer proper training to the employees on the new technology and the SACCOs hold IT tools and services so as to have an edge that is competitive.

The findings indicated that majority of the respondents strongly agreed that continuous process improvement affects performance of deposit taking SACCOs in Meru County, Kenya. The study found that SACCOs have established a framework to make sure equitable selection of employees in CIP. Continuous improvement has enhanced the quality of yield and services and SACCOs have continued to implement CI in order to gain excellent working. Generally, continuous improvement process was considered important in enabling success of the DT Sacco performance. CI enhanced the quality of yields and services that were provided by ISPs, streamlined their processes, wastage reduction and advanced their productivity and competitive advantage.

Majority of the respondents agreed that business process controls greatly affects performance of deposit taking Saccos. The study indicates that the Sacco budget control is connected with considerations of labor control, the Saccos updates their system more often that they are able to identify the ever-changing techniques of impostors, the Saccos exposes their management to international forums and conferences to learn more experiences. The study found that the Saccos carries out periodical employee evaluation

to promote motivation and Saccos in Meru involves all the department in preparation and control of the budget. It was also established that business process control greatly affects organizational performance. The control practices need to have a feedback mechanism to alert the managers on any deviations arising from the operations and the same deviations should be measurable.

5.3 Conclusions of the Study

The coefficient for strategy alignment presented that there was positive significant relationship between strategy alignment and performance. A positive change in the unit of strategy alignment resulted to the positive change in performance. The coefficient for information technology indicates that there was a significant positive relationship between information technology and performance. A unit change on values relating to information technology resulted to the positive change of performance.

The results indicates that the correlation between continuous process improvement and performance was positive and significant. A positive unit variation in continuous process improvement results to a positive change in the performance. The results indicated that the correlation between business process control and performance was positive and significant. A positive unit variation in business process control results to a positive change in the performance.

5.4 Recommendations

The study recommends DT Saccos to adopt business process management, by providing strategy alignment, information technology, continuous improvement process and

business process control. Increase the concern and interest about IT and provide the electronic services, in order to improve the level of service provided to the public, achieve the superiority service, save time, effort, and cost, and increase the efficiency and transparency of services provided to the client.

The study made recommendations to the managerial leadership at the SACCOs to focus on increasing of the awareness of business processes management as an important factor to achieve business performance. The Sacco directors should hold training courses that help in spreading the knowledge and culture of business processes and superiority fields in business performance.

5.5 Areas for Further Research

The major limitation of this study was the small sample size of the respondents, where a larger sample size would validate the statistical findings better. Also, another constraint or limitation was that the respondents were all from only one county and not spread across the country.

Future studies are invited to add any modified variables or intermediary variable to the current study model. Researchers need to check and verify the findings of this study in other sectors, such as telecommunications, and make efforts and attempts to implement the study model at other sectors, such as insurance and services, to give more dependability and reliability to the study.

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APPENDICES

Appendix I: Introduction Letter

Joy Mwiti

Kenyatta University

P.O. Box 4344-00100

Nairobi

Dear Respondents

RE: INTRODUCTION LETTER

I am an MBA student at Kenyatta University conducting a research on **effects of business process reengineering on performance of SACCOs in Meru County.** I hereby request you for data relating to SACCOs performance and business process reengineering required for me to achieve my research objectives as part of requirement for MBA degree.

The information given will be handled confidentially and will only be used for this study. The research findings will eventually help improve Sacco's efficiency.

Regards,

……..

Joy Mwiti

Appendix II: Questionnaire

Please answer all the questions in all the sections as indicated by either ticking or filling in the blank space provided.

Section A: Background information *(please put an X in relevant box)*

Name (Optional)…….

1. What is your age bracket?

Below 20 years	[ ]	20-30 years	[ ]
31-40 years	[ ]	41-50 years	[ ]
Above 50 years	[ ]		

2. Which is your highest academic level?

Primary certificate	[ ]	Secondary certificate	[ ]
College diploma	[ ]	University Graduate	[ ]
Post graduate	[ ]		

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

Less than 1 year	[ ]	1-5 years	[ ]
5-10 years	[ ]	Above 10 years	[ ]

SECTION B: STRATEGIC ALIGNMENT AND PERFORMANCE

4. How does strategic alignment affect performance of deposit taking saccos in Meru County Kenya?

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

5. Indicate the extent to which you agree or disagree with the following statements on How strategic alignment affect performance of deposit taking Saccos in Meru County

KenyaUse a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree.

Strategic Alignment and Performance	1	2	3	4	5
We clearly recognize the visions of our organization during strategic alignment initiative					
Our managers in the IT dominion share the responsibility with senior executive in different fields					
Our organization has faced huge turnover of the staff in the main section					
Our SACCO has faced lack of finance process of alignment					
Our SACCO has established approaches that are designed to improve our performance					

SECTION C: INFORMATION TECHNOLOGY AND PERFORMANCE

6. To what extent has information technology influenced on performance of deposit taking SACCOs in Meru County, Kenya?

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

7. Indicate the extent to which you agree or disagree with the following statements on How Information Technology affect performance of deposit taking saccos in Meru

County Kenya Use a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree.

Information Technology and Performance	1	2	3	4	5
Our SACCO hold IT tools and services so as to have an edge that is competitive					
IT has helped our employees to perform better in the organization					
IT has helped reduce work lord and errors rate in the organization					
IT has risen the satisfaction of workers and their motivation					
We offer proper training to the employees on the new technology					

SECTION D: CONTINUOUS PROCESS IMPROVEMENT AND PERFORMANCE

8. What effects does continuous process improvement have on performance of deposit taking SACCOs in Meru County, Kenya?

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

9. Indicate the extent to which you agree or disagree with the following statements on How Continuous Process Improvement affect performance of deposit taking saccos in Meru County Kenya Use a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree.

Continuous Process Improvement and Performance	1	2	3	4	5
Our SACCO has adopted continuous process improvement in order					

to remain competitive					
Our SACCO has established a framework to make sure equitable selection of employees in CIP					
Continuous improvement has enhanced the quality of yield and services					
Our SACCO has continued to implement CI in order to gain excellent working					
Our organization practices green procurement practices to reduce waste in production					

SECTION E: BUSINESS PROCESS CONTROLS AND PERFORMANCE

10. How does Business Process Controls affect performance of deposit taking saccos in Meru County Kenya?

No extent [ ]

Little extent [ ]

Moderate extent [ ]

Great extent [ ]

Very great extent [ ]

11. Indicate the extent to which you agree or disagree with the following statements on How Business Process Controls affect performance of deposit taking saccos in Meru County Kenya Use a scale of 1-5 where 1=strongly disagree, 2=disagree, 3- undecided, 4= agree and 5= strongly agree.

Business Process Controls and Performance	1	2	3	4	5
Our organization involves all the department in preparation of the and control of the budget					

Our budget control is connected with considerations of labor control					
We update our system more often that we are able to identify the ever-changing techniques of impostors					
Our organization exposes its management to international forums and conferences to learn more experiences					
Our organization carries out periodical employee evaluation to promote motivation					

SECTION E: SACCOs PERFORMANCE

1. Below are some of the firm performance indicators that are affected by the business process management move by the organization. Please indicate the extent to which you agree with the measures of firm performance that have been most affected by the firm's business process management.

Use 1- Strongly disagree, 2-disagree, 3-undecided, 4- agree, 5- strongly agree.

Firms Performance Indicator	5	4	3	2	1
We offer quality services to our members					
The market share of our SACCO has grown over the last five years					
Total members' deposits has grown over the last five years					
The products offered offered by our SACCO has grown tremendously					
Our loan book has improved over the years					
Majority of our members have more than one product					

Thank You for Agreeing to Participate in the Study