



**CHANGE MANAGEMENT AND ORGANIZATIONAL PERFORMANCE OF SACCOS: METROPOLITAN NATIONAL SACCO, KENYA**

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**ABSTRACT**

*This study evaluated the relationship between change management and organizational performance in the MNS, a SACCO in Kenya. The guiding research objective included investigating the influence of change management on the performance of Metropolitan National SACCO. The study adopted Kotter's and the Burke-Litwin models of change. This study adopted a descriptive research. Data collection involved the use of a semi-structured questionnaire self-administered. The target and accessible population was 3 branches and 2 business service centers, accounting for 40 respondents. The study found a strong and positive relationship between change management and organizational performance. It concluded that leadership (.001), organizational learning (.001), stakeholder involvement & engagement (.023) and communication (.014) were significant predictors of performance. The study also recommended utilization of Kotter's Eight Steps of Change and the Burke-Litwin change model in SACCOs as they implement change and focusing on employees as major points of the change processes other than the act of implementing change only.*

**Keywords:** Change Management, Performance, Organizational Learning, Communication, Stakeholder Involvement

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## INTRODUCTION

The current corporate world is characterized by ever-changing consumer trends, technological advancements, and changes in the political, socio-cultural, environmental, and economic life spheres. Organizations must seek adaptable ways to respond and align their operations, business processes, and systems with the changes to maximize their bottom-line, competitive advantage, sustainability, and performance (Ebongkeng, 2018). Change is inevitable but manageable. However, according to Okeke *et al.* (2019), when managing change in a milieu experiencing dynamic changes and turbulences every moment, organizations must adopt effective and efficient strategies and tools that help people or employees embrace the changes while creating a positive, supportive environment and contribution to the organization (Okeke, Oboreh, Nebolisa, & Esione, 2019). Effective change management becomes an inherent strategic goal and objective for organizations in the contemporary corporate world. It impacts the survival of an organization and affects its overall performance and organizational development (Choy, 2017).

In Kenya, SACCOs play a crucial role in the financial industry and reaching financial requirements among its customers. The primary function is encouraging members to save their earnings, thereby creating and accumulating capital and investment, contributing to individual and national economic development (Mwangi & Wambua, 2016). However, despite the enormous contribution of SACCOs in economic development, poverty alleviation, and unemployment reduction, SACCOs in Kenya are faced with numerous performance challenges sourced from the turbulent internal and external environments that threaten their survival and sustainability (Mutiso A. , 2019).

According to Mutiso (2019), three prominent challenges among Kenyan SACCOs include stiff competition from other financial sectors such as banks, insurance companies, capital inadequacy, and poor liquidity management (Mutiso A. , 2019). These challenges have resulted mostly from poor

leadership and governance structures, which have translated into fluctuating performance over the years. According to Mwangi & Wambua (2016), SACCOs have undergone a series of transformations that have helped them remain relevant in the financial industry and to realize outstanding performance in the wake of stiff competition from the commercial banks, microfinance institutions, information and communication technological development, loan demands, stringent supervisions and a need to conduct product diversification (Mwangi & Wambua, 2016). Researching the relationship between strategic change management and organizational performance in the SACCO sector/industry in Kenya helps identify the influence of change management in SACCO performance, change management practices adopted, and possible challenges experienced.

Ebongkeng (2018) defines change management as the organizational processes, tools, and techniques adopted and utilized to help employees successfully embrace, adapt, work within, and realize the changes implemented in an organization (Ebongkeng, 2018). Change management is accompanied by thoughtfully planned and implemented changes focusing highly on employees. The primary role of effective change management is acting as a support system for employees to be equipped effectively in embracing, adapting, and realizing the change for improved performance as well as enhancing employee life and work (Selvadurai, 2013). Organizations inclusive of SACCOs embody diverse change management strategies and practices to maximize resources and optimal returns depending on the motivation and changes within their operational environments.

Change management involve the critical facets of leadership style and capacity, organizational learning and development, stakeholder or change agents involvement, and communication. To attain and absorb effective change, these pillars must be aligned with corporate vision, mission, goals and objectives. According to Zel (2016), leadership is a crucial pillar in change management as it is through

leaders and employees, change creation in an organization is realized. However, through leadership, the shared vision is communicated, commitment to change is reinforced, and change leadership and management are conducted (Zel, 2016). In relation to organizational performance, leadership can take numerous styles, including democratic, autocratic, participative, or transformational leadership style, each with different influence on change management's effectiveness and organizational performance (Mwangi & Wambua, 2016).

Organizational performance is the extent to which an organization attains its vision, mission, goals and objectives effectively and efficiently. This comprises the actual output results recorded measured against the developed goals and objectives, as well as the corporate mission and vision (Mohamud, Mohamud, & Mohamed, 2015). Ebongkeng (2018) argues that organizational performance revolves around goals and objectives accomplishment through the effective transformation of inputs into outputs showing a long-term ability to solve problems efficiently and cope with any internal and external forces/drivers of change (Ebongkeng, 2018). In most cases, low or deficient organizational performance calls for the need to initiate the change process in an organization. Poor performance can be reflected in the profit margins, market share, employee productivity and engagement, strategy attainment, stakeholder satisfaction, customer feedback, and market competition (Ebongkeng, 2018).

According to Marangu (2015), performance measures can be categorized into financial and nonfinancial functions. Financial measures entail annual financial reports regarding an organization's profitability. Among SACCOs, financial parameters include total assets, deposits, gross loans, and core capital (SASRA, 2020). Nonfinancial measures include corporate welfare, CSR participation, customer satisfaction, production efficiency, and an organization's ability to comply with legal and statutory obligations (Marangu, 2015). In such instances, the change process is inevitable for an

organization's success and survival. Change is most paramount as it involves ideas, strategies, tools, and aspects that support development, altering, replacing, or modifying some business processes, products, or systems to create newer and better value or results.

Change management presents positive or negative impacts on organization performance. When change is effectively and efficiently managed, it can positively influence an organization's performance by increasing the embedding of the change in an organization and aligning with the current ever-changing business environment and vice versa. Nothing remains the same in the corporate world, which means while the changes occur internally or externally, productivity and ways of doing business are equally impacted. For instance, uncertain changes in the economic, technological and political spheres such as changes in policy, government interventions or technological developments are likely to cause a change in the ways of operations in a SACCO. If a firm manages these changes effectively, it may improve its performance equally and vice versa. According to Kimhi et al. (2019), for firms to remain competitive, become successful and survive in the current volatile and ever-changing business environment, they must strive to manage change effectively and successfully (Kimhi, et al., 2019). Implementing change effectively creates a strong foundation that enhances employee confidence in undertaking the newly implemented changes, which in turn positively influences their engagement, job satisfaction, morale and productivity. When establishing the relationship between change management and organizational performance, employees play a critical role in the process. This is because employees are the drivers and determinants of success in an organization. They are directly and affected mainly by the change; therefore, when a firm ignores them during all phases of change management, such as the conception, implementation and review processes, it would negatively affect the change management process and performance equally and vice versa.

## **Problem Statement**

According to the Standard Newspaper, Metropolitan National SACCO in 2019 underwent a reform change, announcing a restructuring and implementing a turn-around program. Moreover, in 2020, according to the Standard Newspaper, the SACCO underwent a restructure, changing its operational strategy. These changes resulted in increased financial performance, including a raised loan portfolio by 16% and a recovery of Ksh. 110 million. This background is essential in setting the problem statement. Even though many studies have been conducted on change management globally, regionally, and locally, studies on the extent to which change management influences organizational performance among Kenyan SACCOs are limited. Those reviewed have either focused on change management on SACCOs as a whole and not independently; other focus on companies or commercial banks, and others have focused on strategic change management in SACCOs based on geographic locations.

SACCOs' performance over the recent past has been faced with numerous challenges. For instance, due to technological advancements such as the introduction and rapidly integrated mobile technologies and digitalization of services (Muchangi, Muathe, & Waitthaka, 2018), increased competition from increasing microfinance institutions and commercial banks have minimized their profitability (Mutiso A. , 2019) (Mwangi & Wambua, 2016), and reforms introduced by stakeholders. Other challenges include capital inadequacy and poor liquidity management (Mutiso A. , 2019) that have resulted mostly from poor leadership and governance structures, translating into fluctuating performance over the years. Moreover, the external and internal operating environments continue to provide uncertainties and turbulences in the wake of information and communication technological development, loan demands, stringent supervisions, and a need to conduct product diversification (Mwangi & Wambua, 2016). SACCOs, including MNS, have

continued to embrace these changes and challenges, integrating them into their business models and finding comparative and competitive advantage to address the threats to maximize their bottom-line and overall organizational performance. For this to be realized, Metropolitan National SACCO must adopt effective and successful change management effectively for maximized success and performance.

Therefore, based on the background presented above, minimal/limited studies have been conducted on specific SACCOs showing how change management and practices adopted influence their performance: as it is expected in every change, the outcome can be beneficial or determinantal. Hence, this research gap was covered in this study. The study sought to fill the research gap presented in evaluating the relationship between change management and organizational performance in the MNS, a SACCO in Kenya. It focused on the question: What is the influence of change management on Metropolitan National SACCO's organizational performance in Kenya?

## **Objective of the Study**

The study investigated the influence of change management on organizational performance of Metropolitan National SACCO. The study was guided by the following research hypotheses;

- $H_0$ : There was no significant relationship between leadership and performance
- $H_0$ : There was no significant relationship between organizational learning & development and performance
- $H_0$ : There was no significant relationship between stakeholder involvement, engagement, and performance
- $H_0$ : There was no significant relationship between communication and performance

## **LITERATURE REVIEW**

### ***Kotter's Change Theory***

Effective organizational change management is conducted using systematic processes and methods to ensure it yields positive change rather than

adverse effects in an organization. Kotter's change theory, developed in 1995 presents the systematic, carefully planned procedures and techniques of conducting effective change management. It offers eight steps that can be categorized into three main steps: creating the atmosphere for change, engaging and enabling the teams and organization, and finally implementing and ensuring the sustainability of the change implemented (Pollack & Pollack, 2014). In creating the atmosphere for change, three sub-steps are introduced: creating urgency, forming a powerful coalition, and creating a change vision. When creating change urgency, organizations must realize the source of the change.

Organizational changes include the innovative ideas, behaviors, or processes adopted in an organization in response, reactively, or in alignment with internal or external pressures and forces, aiming at optimizing organizational performance standards (Mohamud, Mohamud, & Mohamed, 2015). According to Thomas (2014), organizational changes include changes that occur from natural external forces and are unpredictable. Reactive changes in response to events such as the changes organizations have currently made due to the COVID-19 pandemic. Planned or developmental changes to improve existing business processes or operational systems, incremental, operational, strategic, process, organizational cultural, transformational, and disruptive changes (Thomas, 2014).

The second step includes forming a powerful coalition, including strong leadership and change agents to ensure they effectively support the organization's change. With the most appropriate team, emphasizing change urgency and need can be done through effective communication, showing the benefits of the change and repercussions of not initiating the change or initiating it wrongly (Pollack & Pollack, 2014). With the new strong coalition, a change vision is developed, establishing the central change values and a strategy to execute the change. In engaging and enabling the teams and organization, Kotter's sub steps include

communicating the vision, empowering action, and creating quick wins. Communicating the vision determines the change success, as change agents and stakeholders are informed of their roles and responsibilities, which makes everyone work towards a common and shared goal/vision. Empowering action includes removing possible obstacles and change resistance, requiring the input of effective communication and strong leadership. Creating short-term and quick wins is crucial to track change progress and maximize successful and effective change management. Finally, implementing and ensuring the change's sustainability includes building on change and making it stick (Pollack & Pollack, 2014).

### ***The Burke-Litwin Model of Organizational Change***

The Burke-Litwin Model of Organizational Change, also known as the Causal Model of Organizational Performance and Change, shows linkages and the relationship between organizational change and organizational performance and hypothesizes the influence of internal and external factors on an organization's performance. The model focuses on 12 variables categorized into four main groups: the external environment, transformational factors, transactional factors, and performance. The external environment variable argues that an organization cannot exist as an island in isolation as its purpose is to serve the very external environment. Hence, external factors such as political influence, economic trends, socio-cultural norms, fierce market competition, and technological advancements influence and impact an organization's operations. According to Burke & Noumair (2015), an organization lacks any control over these factors as they are the most potent factors of change (Burke & Noumair, 2015).

The transformational variables include mission and strategy, leadership, and organizational culture. A mission and strategy communicate the goals and purpose of an organization devised through leadership. Leaders are champions, managers, and leaders of change in an organization as they explain and communicate the transition to other involved

change agents and stakeholders, they lead the selected change processes, and they are involved in assessing post-change performance taking necessary corrective measures to realize and set the change in the right direction. Finally, organizational culture includes the guiding norms and behaviors among employees and corporate value systems created (Burke & Noumair, 2015). Even though intangible, these transformational factors influence the future organizational change process, making them substantial causal factors of change in an organization. Transactional variables include organizational structure, systems, management practices, working climate, tasks and skills, individual values and needs, and motivational level. The final variable is performance, which is influenced by all other discussed variables. It includes individual and organizational performance.

According to Burke & Noumair (2015), this model establishes a cause-and-effect relationship vital in this study. It guides the assessment of the main objectives and study variables, including the influence of leadership, a transformational variable on the performance of MNS, the impact of stakeholder involvement and engagement, a transactional variable on MNS's performance, organizational learning, and communication strategy (Burke & Noumair, 2015).

### **Empirical Literature**

Leadership is a crucial pillar in change management as it is through leaders and employees; change creation in an organization is realized. Maina (2018); Ngui (2018); Thomas (2014) found a strong correlation between organizational leadership and performance in change management, concluding that leaders' competency and knowledge highly drive change initiatives. With the right leadership or management team, the success of the change management processes and overall organizational performance is enhanced.

Organizational learning is vital in effective change management as it enhances comprehension capabilities of new business concepts, ideas, innovations, and any changes occurring in the

industry as they emerge (Smerek, 2018). Zhou et al. (2015); Watad (2019); Ouma & Kombo (2016) found a positive and significant relationship, concluding that organizational learning and development positively influenced organizational performance, especially financial performance.

Stakeholder involvement is a precondition for successful change execution; hence, without change agents' coordination in change acceptance and adoption of new ideas or processes, transformational or change failures are witnessed (Qureshi, Malik, & Qureshi, 2017). Maina (2018); Chepkoech & Waiganjo (2015); Sand (2016) agreed that stakeholder involvement was critical for effective change management and increased organizational performance as each stakeholder has a role to play.

Communication is a vital element of change management and organizational performance in an organization as through a good communication strategy, the best communication channels and procedures are followed. Wahu (2016); Sand (2016); Mutiso (2017) found that communication was critical in effective change management and performance among teams and the organization. Communication created positive attitudes and an environment that maximized productivity and stakeholder engagement, translating into an effective and successful change management process. In turn, organizational performance levels within this change are enhanced.

### **METHODOLOGY**

This research study adopted a descriptive research design to effectively address and explain the influence of change management practices such as stakeholder involvement, leadership, communication, and organizational learning on the performance of SACCOs, specifically the Metropolitan National SACCO, Kenya.

The target population was from Metropolitan National SACCO, targeting respondents from executive positions, comprising branch managers, operational managers, accountants, credit

managers, human resource managers, customer relations managers, and employees from each branch and business centre.

This study used a census sampling technique for 40 subjects and respondents in the 3 branches and 2 business centers, as the accessible locations and sample size. They included respondents from the Nairobi Head branch, Thika and Kiambu branches, as well as RVR office and Ngong business service centres as illustrated in the Table below.

The data collection instrument used was a semi-structured questionnaire self-administered into the respective locations, and participants dropped and picked after 10 days. Hence, this study used a drop and pick method in the data collection procedure administering the questionnaires to various branches, business centres, and respondents in the accessible areas of Nairobi Head branch, Thika and Kiambu branches, as well as RVR office and Ngong business service centres.

In data analysis and presentation, the study used the content or thematic analysis in qualitative data analysis and presentation. Statistical tests to be conducted included regression model to test the study hypothesis and the relationship the study sought to establish. The study used SPSS generated statistics for quantitative data analysis involving descriptive and inferential statistics as the primary tools of quantitative data analysis. The descriptive statistics would include finding the mean and standard deviation. On the other hand, the inferential statistics guiding this study were regression and correlation analysis.

The regression model adopted in this study was

$$Y_{ij} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where,

$Y_{ij}$  = The Performance of Metropolitan National SACCO (Market Share, Financial Health, Customer Satisfaction, Employee Satisfaction and Engagement)

$X_1$  = Leadership

$X_2$  = Organizational Learning

$X_3$  = Stakeholder Involvement and Engagement

$X_4$  = Communication

$\beta_0$  = Regression intercept standing for the Dependent Variable if the value of the independent value is 0.

$\beta_1 + \beta_2 + \beta_3 + \beta_4$  – Regression Coefficients

$\epsilon$  - Error term

This regression formula shows that the values of regression coefficients in every variable would explain the influence of change and increase in performance. For instance, increase in leadership ( $X_1$ ) would result in  $\beta_1$  increase in performance. Secondly, an increase in organizational learning ( $X_2$ ) would result in  $\beta_2$  increase in performance. Thirdly, an increase in stakeholder involvement and engagement ( $X_3$ ) would result in  $\beta_3$  increase in performance. Finally, an increase in communication ( $X_4$ ) would result in  $\beta_4$  increase in performance.

## FINDINGS AND DISCUSSIONS

The number of questionnaires self-administered to MNS SACCO branch managers, operational managers, accountants, credit managers, human resource managers, customer relations managers, and employees was 40. Upon collecting, only 35 questionnaires were filled correctly, 2 had extensive omissions, and 3 were not returned.

The overall response rate was 87.5%. This response rate was suitable for this survey and study, as, according to Fincham (2008), every researcher using survey research should work towards acquiring a 60% response rate. Moreover, surveys representing large numbers such as schools and organizations, a response rate of  $\geq 80\%$  is good and expected to ensure that the results are credible representatives of the target sample and actual population thus not over or under generalizing the results (Fincham, 2008).

### Influence of Leadership

Participants were asked to respond to statements on leadership, and the results are summarized in the Table below.



**Table 1: Descriptive Statistics : Performance**

STATEMENTS (N-35)	Very great extent	Great extent	Moderate extent	Small extent	Not at all	Mean
Your leaders create a sense of urgency when reinforcing change in your institution	19.4%	33.3%	25%	13.9%	5.6%	<b>3.49</b>
Committed and motivated leaders lead your organization	5.6%	47.2%	41.7%	2.8%	0%	<b>3.57</b>
Your leaders possess adequate knowledge and competence in driving change initiatives	13.9%	47.2%	25%	2.8%	8.3%	<b>3.57</b>
Organizational leaders in your location possess creativeness and innovativeness in ensuring successful change communication and introduction	36.1%	58.3%	2.8%	0%	0%	<b>4.34</b>
management team selects right people to lead change	25%	47.2%	25%	0%	0%	<b>4.00</b>
Your leaders always communicate change initiatives and keep following up	19.4%	50%	27.8%	0%	0%	<b>3.91</b>
<b>MEAN AVERAGE</b>						<b>3.813</b>

(Researcher, 2021)

In leadership, as a change management facet, all statements have a score of 3 and above, and the average score is 3.813 showing that all respondents agreed that leadership had a moderate to great effect on change management. These findings align with Zel (2016) and Thomas (2014) who found a strong correlation between organizational leadership and performance in change management. According to Thomas (2014), leadership in change management has a direct and decisive influence on performance, which is shown by the agreement among participants to a great extent that selecting the right management team to

lead change was crucial, leaders ought to be creative and innovative when introducing, communicating and managing change and overly, leadership was an important factor when leading successful change that would positively influence performance.

#### ***Influence of Organizational Learning and Development***

Respondents were asked to respond to organizational learning and development statements, and the results are summarized in the Table below.

**Table 2: Descriptive Statistics: Organizational Learning and Development**

STATEMENTS (N-35)	Very great extent	Great extent	Moderate extent	Small extent	Not at all	Mean
We have well-formulated and comprehensive knowledge management and policies that support change initiatives	0%	37.1%	28.6%	14.3%	0%	<b>3.23</b>
The organization conducts regular employee training and development with programs put in place to equip them with the necessary skills when handling changes	5.7%	65.7%	28.6%	0%	0%	<b>3.77</b>
Reward for creative and innovative employees as change driver	11.4%	68.6%	20%	0%	0%	<b>3.91</b>
Peer education is encouraged to support change execution	0%	8.6%	60%	31.4%	0%	<b>2.77</b>
The Sacco has a well-supported and laid framework supporting talent management and promotions	0%	62.9%	31.4%	5.7%	0%	<b>3.57</b>
<b>MEAN AVERAGE</b>						<b>3.45</b>

(Researcher, 2021)

Four out of five statements have a score of 3, and the average mean was 3.45 showing that most respondents agreed that organizational learning and development had a small to moderate effect on change management. These findings align with Ouma & Kombo (2016) found a moderately strong correlation between organizational learning and performance. The participants agreed to moderate extent in the influence and effect of learning and development in effective change management and increased performance as all but one showed

moderate and small extent respectively. Peer education was not found to be overly instrumental in the company while managing and supporting successful change execution.

### ***Influence of Stakeholder Involvement and Engagement***

Respondents were asked to respond to stakeholder involvement and engagement statements, and the results are summarized in the Table below.

**Table 3: Descriptive Statistics: Stakeholder Involvement and Engagement**

<b>STATEMENTS (N-35)</b>	<b>Very great extent</b>	<b>Great extent</b>	<b>Moderate extent</b>	<b>Small extent</b>	<b>Not at all</b>	<b>Mean</b>
Your branch recognizes, involves, and supports team leaders in change implementation	0%	54.3%	45.7%	0%	0%	<b>3.54</b>
Your branch has developed well-structured change resistance mitigation strategies	0%	31.4%	45.7%	2.8%	22.9%	<b>3.09</b>
All stakeholders are involved in all change management stages, from the introduction and implementation to completion	0%	100%	0%	0%	0%	<b>4.00</b>
The organization values and empowers the role played by team leaders and all teams in their work and contribution to effective change management	0%	28.6%	23.3%	37.1%	0%	<b>2.91</b>
Consultation of stakeholders is seen in all stages of change management and stages	45.7%	37.1%	17.1%	0%	0%	<b>4.29</b>
<b>MEAN AVERAGE</b>						<b>3.566</b>

(Researcher,

2021)

Four out of five statements have a score of 3 and 4, with an average mean of 3.566 showing that most of the respondents agreed that stakeholder involvement and engagement had a moderate to great effect on change management. These findings align with (Chepkoech & Waiganjo, 2015) and Maina's (2018) argument that with maximized stakeholder engagement, increased commitment, and positive contributions, resistance is minimized. Chepkoech & Waiganjo (2015), emphasized that each stakeholders have a specific role to play, which all participants agreed to have a great extent of

influence (4.00) and Maina (2018) emphasized on stakeholder involvement as within the change management process, consultations with various stakeholders take place, which was affirmed by participants who agreed that consultations in all stages was crucial (4.29).

### ***Influence of Communication***

Respondents were asked to respond to statements on communication, and the results are summarized in the Table below.

**Table 4: Descriptive Statistics: Communication**

<b>STATEMENTS (N-35)</b>	<b>Very great extent</b>	<b>Great extent</b>	<b>Moderate extent</b>	<b>Small extent</b>	<b>Not at all</b>	<b>Mean</b>
Communication strategies adopted during change management are effective in ensuring speedy, accurate, and explicit information sharing and conveyance	48.6%	51.4%	0%	0%	0%	<b>4.49</b>
The branch uses informal and formal communication methods for effective communication	0%	51.4%	48.6%	0%	0%	<b>3.51</b>
The organization ensures they use diverse communication channels to reach all change agents and involved stakeholders crafted within reasonable timelines to respond	0%	100%	0%	0%	0%	<b>4.00</b>
The branch values feedback from involved stakeholders responding to any issues raised timely	37.1%	48.6%	14.3%	0%	0%	<b>4.23</b>
<b>MEAN AVERAGE</b>						<b>4.0575</b>

All statements have a score of 3 and 4, and an average mean of 4.0575 showing that all respondents agreed that communication had a great effect on change management. These findings align with Wahu (2016), Sand (2016), and Mutiso (2017), who find a strong relationship between communication and performance. Wahu (2016) shows the importance of effective communication and the need to keep all stakeholders informed to reinforce the change and enhance performance. The participants agreed to a great extent that effective communication strategies that ensured speedy, accurate and explicit information sharing was necessary for effective change management (4.49) and that using diverse communication channels ensured all stakeholders were reached on time

(4.23) and constantly informed of the progress to reinforce the change process (4.00).

#### *Inferential Statistics*

According to the results, all variables, including leadership, organizational learning & development, stakeholder involvement & engagement, and communication, depicted a significant relationship with performance. In that case, all null hypotheses were rejected, concluding that all variables had a significant relationship and highly influenced performance in MNS SACCO. This translated to a strong and significant relationship seen between change management and the performance of MNS SACCO. The Table below summarizes the linear regression and ANOVA results providing the decision regarding rejecting or accepting the null hypotheses.

**Table 5: Results Summary**

<b>Variables</b>	<b>Linear Regression</b>	<b>ANOVA</b>	<b>Null Hypotheses</b>
Leadership	77.1%	.001	Reject
Organizational Learning & Development	86.5%	.001	Reject
Stakeholder Involvement & Engagement	79.4%	.023	Reject
Communication	86.2%	.014	Reject

### Regression Analysis

Regression analysis was performed to determine the relationship between change management and organizational performance in MNS SACCO, Nairobi County, Kenya.

$$Y_{ij} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$
$$= 0.242 + 0.254 + 0.346 + 0.243 + 0.040 + \epsilon$$

Table 6: Regression Analysis

Model	B (Unstandardized regression coefficients)	Std. Error	t	Sig.
Constant	0.242	0.692	0.358	.720
Leadership	0.254	0.121	0.167	.001
Organizational Learning	0.346	0.371	2.366	.001
Stakeholder Involvement	0.243	0.140	2.264	.023
Communication	0.040	0.190	1.257	.014

According to the results, when all factors are held constant, performance would be 0.242 units. These results imply that an increase in leadership would influence a 0.254 increase in performance, an increase in organizational learning would influence a 0.346 increase in performance, and an increase in communication unit would influence a 0.040 increase in performance. Regarding significance, leadership was a significant predictor of performance as its p-value is less than 0.05 (0.001). Organizational learning was a significant predictor of performance as its p-value is less than 0.05 (0.001). Stakeholder involvement and engagement were significant predictors of performance as the p-value is less than 0.05 (0.023). Communication was a significant predictor of performance as its p-value is less than 0.05 (0.014).

### CONCLUSION AND RECOMMENDATIONS

The study's first objective was to investigate the influence of leadership on the performance of Metropolitan National SACCO. The study found a significant relationship between leadership and performance, meaning leadership type in change management in an organization highly influences the financial and nonfinancial performance in MNS SACCO. These findings align with Kotter's second step of creating the atmosphere for change, including the power of forming a powerful coalition, including strong leadership and change agents, to

ensure they effectively support the organization's change.

The second objective was to investigate the influence of organizational learning and development on the performance of Metropolitan National SACCO. The study found a significant relationship between organizational learning & development and performance, meaning the type of learning and development adopted in change management in an organization highly influences the financial and nonfinancial performance in MNS SACCO. These findings align with the Burke-Litwin Model of organizational change identifying the working environment as an integral transactional causal variable in change.

The third objective was to investigate the influence of stakeholder involvement and engagement on the performance of Metropolitan National SACCO. The study found a significant relationship between stakeholder involvement, engagement, and performance, meaning the level of stakeholder engagement in change management in an organization highly influences the financial and nonfinancial performance in MNS SACCO. The importance of stakeholder involvement showed the importance of having equal interests among principals, agents, and change agents as outlined in the agency theory.

The fourth objective was to investigate the influence of communication on the performance of Metropolitan National SACCO. The study found a significant relationship between communication and performance, meaning the communication strategies in change management in an organization highly influences the financial and nonfinancial performance in MNS SACCO. These findings confirmed the importance of ensuring effective communication in change management as outlined in Kotter's change management steps in empowering action to eliminate possible obstacles, change resistance, and strengthening leadership.

Organizational performance increase, including financial performance, employee and customer satisfaction, requires that change is effectively and successfully managed with the engagement of all stakeholders or change agents strengthened with open communication, strong leadership, and most importantly, constant organizational learning and development to make the change sustainably beneficial. Once organizational restructuring occurs, change is inevitable as with or without change; a company may lose or win. Nonetheless, it is crucial that when initiating change, the above change management practices are adopted effectively and efficiently to increase performance, as this study

proves their strong, significant, and positive influence in enhancing organizational financial and nonfinancial performance.

The study recommended that in every organization, change will be inevitable but manageable; hence, SACCOs should focus on how they adapt and implement changes, especially in the foundation of the change process. The study recommended the utilization of Kotter's eight steps as well as the Burke-Litwin change model in SACCOs as they implement change as; these models are comprehensive and lay a very strong foundation on ways to effectively and efficiently prepare stakeholders, to instill strong leadership, empower action and ensure sustainable change. These models provide the benefits of ensuring all stones remain unturned while implementing change. Most importantly, they show the importance of a participative process where all stakeholders are involved in all steps as change is people. Finally, this study recommended that for change to be successful, organizations and SACCOs need to realize that change management is not just implementing the change but processes, tools, and techniques adopted and utilized to help employees successfully embrace, adapt, work within, and realize the changes implemented in an organization.

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