

Factors affecting the performance of Livestock Based Cooperatives Societies in Isiolo County, Kenya

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Abstract: The study examines factors affecting the performance of livestock based cooperatives societies in Isiolo County. It specifically aims at finding out the effect of organizational systems, to examine corporate governance, identifying the effect of leadership and investigating whether organizational structure affects performance of the cooperatives. The study uses descriptive research design aided by the use of a questionnaire as the main data collection research instrument. In total, 205 questionnaires were distributed but only 152 successfully filled and returned giving a response rate of 74 percent. The respondents were selected using simple random sampling. Data analysis was conducted descriptively (using frequency and percentages) and inferential (Chi square test) statistics to realize the set objectives. The study discloses a significant association of the level of coordination with members/staffs interaction, implementation of policies, adoption of feedback and service to the client. In addition, there exists a significant association between adherence of bylaws with the board and staff dealings and members obtaining relevant information. The findings also disclose that performance of the cooperatives is influenced by leadership. The study concludes that corporate governance and leadership are highly associated with the performance of the livestock based cooperative. The study suggests for triangulation with other non-deposit taking societies performance and review of the policies. Further, the study advocates for the need to strengthen and build the capacity of members to appreciate its contribution towards ensuring fairness, equity and equality in the prosperous Sacco's, need for training programs on leadership and associated as well as regulating dynamics.

Keywords: Cooperative, livestock, livelihood, pastoralist.

1. INTRODUCTION

1.1 Background:

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

Unfortunately, many of the pastoralists are facing various challenges in both developed and developing countries (Osman, 2009). One of the key challenges around dry land development and pastoralism has been the deeply entrenched prejudice that pastoralism is primitive, unviable and outmoded (Majekodunmi et al., 2014). Pastoral livelihoods, especially in Africa, are portrayed generally viewed as unproductive and environmentally destructive (Coppock, 2012). It is because of this that many local and regional authorities are opposed to this kind of lifestyle especially in Africa (Kiaritha, et al., 2013).

In Kenya, arid and semi-arid areas (ASALs) occupy 89% of the total land mass of the country. The ASALs are home to about 14 million people and supports approximately 70% of the national livestock herd. Rapid growth of the population across is increasing demand of livestock products and by products impacting investment towards the sub-sector. The ASALs are characterized by the lowest development indicators and highest incidences of poverty (GoK, 2012). In addition, they are often subject to dry, harsh environmental conditions (Coppock, 2012). Livestock is therefore critical in these areas particularly for nutrition and food security, provision of incomes, employment, and environmental services. Estimated population of 7 billion in the world is projected to rise to 9 billion by 2050 henceforth increasing demand of cereals and livestock products which is to be approximated to be running into billion tonnes every year (FAO, 2011). Livestock Based Cooperative Societies form a network which needs to be explored and understood since they present the potential to contribute effectively to the country's growth and planned intervention to enhance its performance for improved wellbeing of pastoralist and the population in large. Besides, achieving the ambitious targets of 2030 Agenda requires a revitalized and enhanced global partnership that brings together government, civil societies and the private sectors (UNESC, 2016). Currently, cooperative societies in Kenya control about 43 per cent of the country's gross domestic product (GDP).

They are more than 14,000 registered cooperative societies spread across the country. The co-operative members are over 10 million with mobilized savings of over Kshs. 250 billion creating employment in the sector for over 555,000 persons (CAK, 2014). In Isiolo County, about 80 of the residents depend on livestock for their livelihood either directly or indirectly. Therefore, this calls for a comprehensive understanding the importance of cooperatives in pastoralist development and its performance in bringing them together to market their products and by-products efficiently to have proportional advantages in this global village.

1.2 Statement of Problem:

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

Despite the cooperative advantages, with the improvement of asset base for both urban and rural areas in Kenya, most of them have been left behind, in particular, pastoralist in Isiolo County. These is evident from the licensed deposit taking cooperatives that are currently standing at two (2) precisely controlled by salaried teachers (SASRA, 2014). The performance of the cooperatives in the county is negligible with more donors driving these cooperatives without assessing its capability of management. Many people especially members and shareholders have lost confidence in the investment hence leading to collapse of the many cooperatives in the country (Kratli & Swift, 2014).

The livestock based cooperatives in Isiolo like many parts in the country have also not been equal to the task of performing to their optimum. Previous studies (such as Elkana, 2012, Ngaira, 2011, Odera, 2012, Olando, Jagongo & Mbewa, 2013) highlighted on various issues such as inadequate managerial competitiveness, poor governance, poor investment decision, let down by membership and leaders to exercise fiduciary responsibility and lack of technical knowledge and branding of their products but fail to focus on livestock based cooperative societies. So far, there has not been any particular study which has been carried on LBCS within Isiolo County. Therefore, the study sought to analyze factors that affect the performance of livestock based cooperatives in Isiolo County, Kenya as drivers of the economy and its consequence on the livelihood of the people. The Isiolo County was chosen due to its proximity to major towns. The county also host the largest holding ground in Kenya that is designated for livestock disease screening and fattening for marketing to urban and cities. The county is a commercial hub identified in the government blue print to host the resort city and northern corridor for interlinking with neighboring land locked countries such as Ethiopia, Uganda and South Sudan.

1.3 Objective:

The study was guided by the following specific objectives:

1. To find out the effect of organizational systems on the performance of the Livestock Based Cooperatives in Isiolo County
2. To examine corporate governance effect on the performance of the Livestock Based Cooperatives in Isiolo County

3. To identify the effect of leadership on the performance of the Livestock Based Cooperatives in Isiolo County
4. To investigate whether organizational structure affects performance of the Livestock Based Cooperatives in Isiolo County

2. REVIEW OF LITERATURE

2.1 Related Studies:

Madanchian, Hussein, Noordinand Taherdoost (2016) argue that the main aim of any institution including cooperatives is to achieve and maintain competitive edge and considered to be effective between the various demands of stakeholders and the needs of the workers. The authors have highlighted that leadership has a key role in the improvement of organization's performance. The same sentiments are shared by Kemunto and Ngugi (2014) whose research showed that leadership and management support play a critical role in enhancing organizational performance. Specifically, leadership and management support collaborative relationships between a company and its suppliers, facilitating transparent negotiations and also long term relationships that eventually lead to procurement of high quality inputs at affordable prices. This improves organizational performance.

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

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

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

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

2.2 Theoretical Framework:

2.2.1 Systems Theory:

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

collectively operate in order for actualize organization performance (Keraro, 2014). The factors include economic, political, and cultural along other factors within a global village.

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

This theory is relevant to the current study as it explains the role of various components in enhancing organizational performance. As Kinyua (2016, p.13) explains, organizations is a composition of its components that together make a “whole system”. The main identifiable variables, based on this theory were the leadership, structures, processes, governance and systems. All these are viewed by the systems theory as the parts that, if coordinated strategically, can bring forth improved organization’s performance (Hanson, 2014). The systems theory upholds the idea that the different parts of a system/organization should not be managed independently or in isolation.

The theory advocates for the notion that leadership plays crucial roles in leading to organizational performance. It also holds that the introduction of (positive) changes within the organization is highly dependent on the support of the whole system. The theory contributes to the analysis of the current research question about various factors that influence organization performance. The theory has assisted the researcher to visualize how performance of the livestock based cooperatives in Isiolo County is a product of interconnected network of related issues within the organization in question.

2.2.2 Management Theory:

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

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

2.2.3 Institutional Theory:

An Institution can be defined as social structure which has attained some high level of resilience. The institution is viewed as composed of cultural-cognitive, normative, and regulative elements which, together with associated activities and resources, offer meaning and stability to social life (Adebanjo, Ojadi, Laosirihongthong & Tickle, 2013). An institution can also be defined as one whose stability is subject to change processes, both incremental and discontinuous (Kinyua, 2016). Therefore, institutions are generally transmitted by various types of carriers such as relational systems, symbolic systems, routines as well as artifacts. There is also the thinking that an institution operates at different levels of jurisdiction, from the world system to localized interpersonal relationships. Institutional theory holds the assumption that environment in which organizations operates puts pressure on the organizations (Kinuu, 2014), that provokes a wide range of responses as firms seek legitimacy with the aim of survive and prosper in their environment. According to the theory, adoption of both environmental and organizational practices is an institutional process that is subject to the effect of three pressures or forces namely: mimetic, coercive, and normative.

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

3. METHODOLOGY AND DATA

This study adopted the descriptive statistical analysis that was used to systematically carry out the relationship between variables, predict its effect on other variables and test the connection with the existing theories. These were to explore the new phenomena on performance of the livestock based cooperatives.

It was conducted in Isiolo County which is eastern and at the center of Kenya with geographical coordinates of 0° 21' 0" North, 37° 35' 0" East. There were 57 registered cooperatives in Isiolo County at the time of the study and categorized as saving and credit for salaried employees, faith based; *Bodaboda* operators, housing, gum resins, sand loaders and transporters totaling to 40. Livestock based have registered 17 cooperatives with 7 active and 10 semi-actives. Out of the seven active livestock based cooperative, some members of Gaadis Livestock Cooperative were identified for piloting and other members included for the study. Kulamawe Dedha Cooperative which was involved in planning of livestock grazing was excluded from the study. The questionnaire was administered to the Analoei, Tawakal, Isiolo Livestock, Ibsemo Livestock, Gaadis Livestock and Kambi ya juu Dairy Cooperative membership, boards and clients.

The study relied on simple random sampling to recruit the respondents. This was first achieved by getting the list of livestock based cooperative societies in the county together with the members. Simple random sampling technique was then used by choosing or picking small pieces of paper with names of the members from each specific cooperative with assistance of recruited enumerators.

In total, 205 respondents were selected. However, only 152 successfully filled and returned the questionnaires giving a response rate of 74 percent. The data was analyzed by the help of Statistical Package for Social Sciences (SPSS) after thoroughly examined and checked for completeness. SPSS particularly assisted in summarizing and organizing of the data by the use of descriptive statistics such as frequencies and percentages. The study also relied on inferential statistics such as the chi square test to check the relationship between independent and dependent variables. The findings were presented in form of tables and graphs.

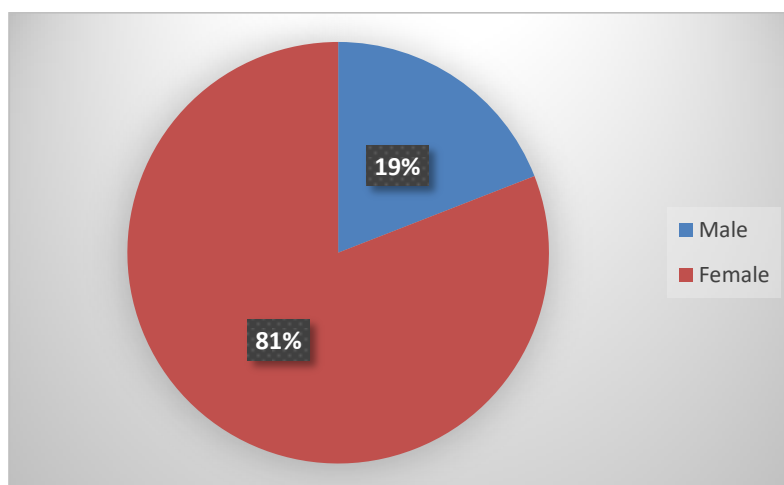
4. FINDINGS AND DISCUSSIONS

4.1 Demographic Characteristics:

This included gender, age, position and level of education in the cooperatives.

4.1.1 Respondents' Gender:

The study reveals that most of the respondents (81%) of the respondents were females while the rest, (19%) were males.



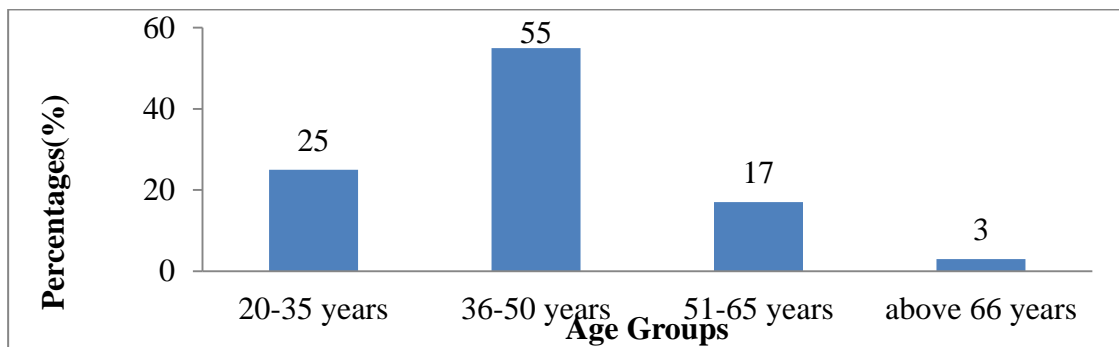
Source: Field Data (2016)

Figure 1: Gender

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

4.1.2 Age:

Accordingly, Figure 2 disclosed that 84 members (55%) aged 36-50yrs, 38 members (25%), aged 25-35yrs, 26 members (17%), aged 51-65yrs, 4 members (3%) aged > 66yrs. The significance of using age is to have varied responses from the different clusters, but at the same time, it is an indication that most respondents fall within their active age.



Source: Field Data (2016)

Figure 2: Respondents' Age

4.1.3 Position of Respondents and their Education Levels:

The research is geared to find out the position of respondent and their educational level as an important indicator of judging and understanding of the subject matter by all interviewed with the intention of minimizing influences to reducing biases. Table 1 displays distribution of respondents according to various positions held within the cooperative.

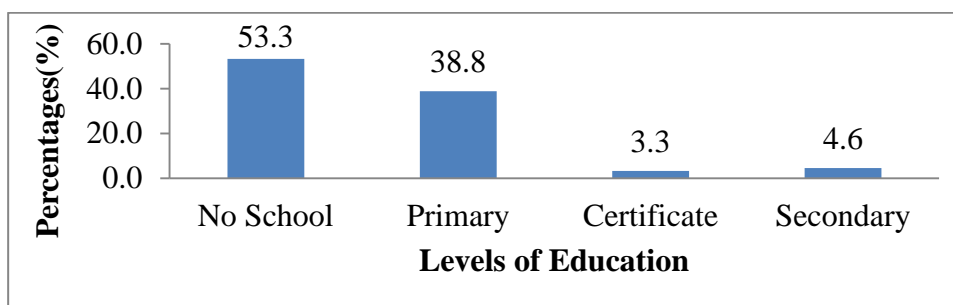
Table 1: Position in Cooperative

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

Source: Field Data (2016)

Overwhelming 78.9% of the respondents were just members with 11.2% indicating board of Directors and 9.9% being clients as Middle level managers as indicated in Table 1 above. This provided very important information on distribution for this study because the respondents were deemed the right people equipped with adequate information relevant to current study hence best placed. The findings imply that members form the greatest majority. This is not a surprise because one may not expect everybody to hold higher positions like board of directors within the cooperative.

Distribution of respondents according to their educational levels revealed that majority 81 members (53.3%) had not attended school, while sizeable 59 members (38.8%) possess primary level education, 7 members (4.6%) with secondary level and 5 members (3.3%) with certificate level of education (Figure 3).



Source: Field Data (2016)

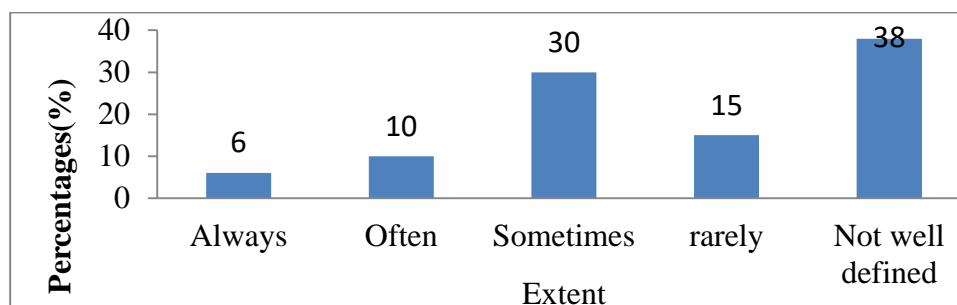
Figure 3: Level of Education

The findings above were highly expected since most of the respondents did not occupy higher positions since these positions required relatively high levels of skills, knowledge and competencies. The other probable reason is that most of the respondents were females who are generally disadvantaged in terms of education and the fact that the study was conducted Northern Kenya which has remained back in terms of education and literacy levels. Okwany (2010) support the outcome of the study on the degree of education where the majority of poor people in most African countries are female and young, but they are also the majority of those who lack education and employment security thus exposed them to risks, shock and stress. The low level of the education in this area is perturbing hence affecting the critical decision making organ of the cooperatives. For the sustainability and growth of the cooperatives, there is need to develop the minimum level of education for the board of directors for the efficient running and decision making of the cooperatives across the non-deposit and deposit taking societies.

4.2 Organizational systems and performance of Isiolo's LBCS:

4.2.1 Boundaries and Evaluation:

Figure 4 below shows the finding of whether the cooperatives have defined organizational systems within their set up and frequency of evaluation of department.



Source: Field Data (2016)

Figure 4: Boundaries between Departments

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

In terms of evaluation, 72.4% of the respondents indicated it was done on yearly basis, 15.1% said it was carried out after every 6 months, 1.3% of the respondents said on monthly basis, while 11.2% indicated it was done on quarterly basis (after 4 months) as shown in Table 2

Table 2: Evaluation Intervals

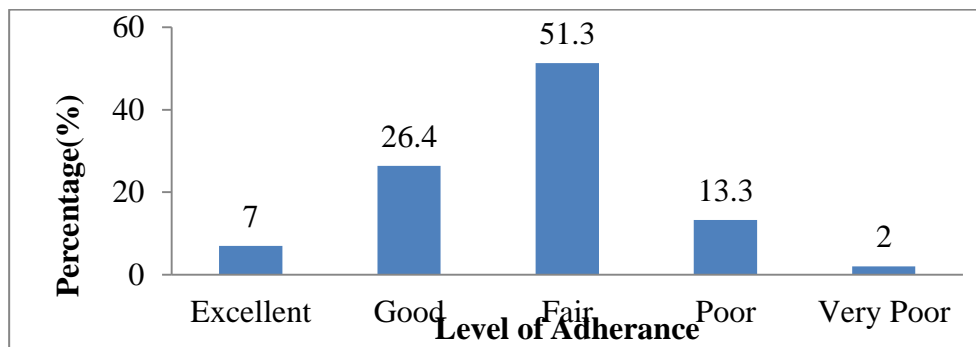
Intervals	Frequency	Percentages (%)
Yearly	110	72.4
6 Months	23	15.1

Monthly	2	1.3
Quarterly (after 4 Months)	17	11.2
Total	152	100

Source: Field Data (2016)

4.2.2 Rating Policies:

The research result shows policy operations ratings across the cooperatives. Most of the respondents, 51.3% said that adherence of policy was fair, 26.4% indicated it was good, 7% excellent, 13.3% poor and 2% very poor. Figure 5 illustrates the findings.



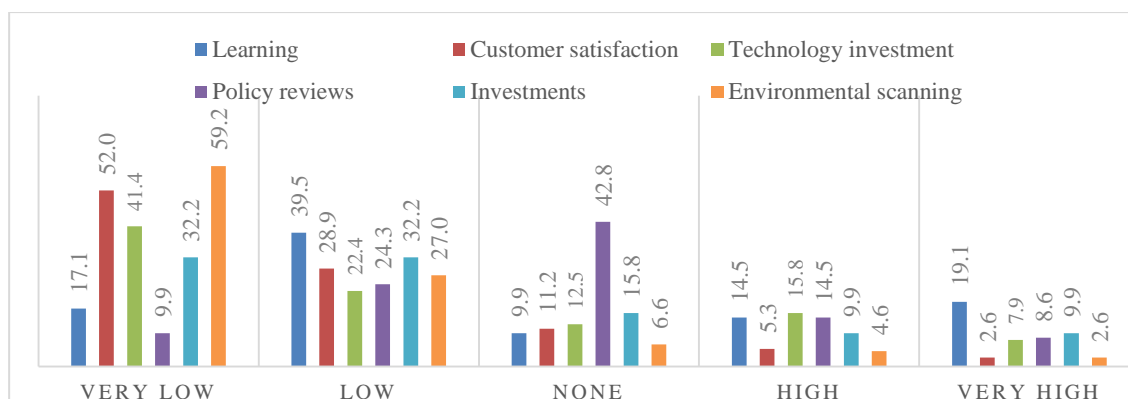
Source: Field Data (2016)

Figure 5: Customer Service and Rating Policies

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

4.2.3 Cooperative Competitiveness:

The findings from the 152 respondent interviewed using the Likert scale from very low to high shows policy reviews rated between (8-24%), customer satisfactions rated between (4-52%) environmental scanning measured between (2.6-59%) and investment estimated between (10-32%) as shown in Figure 6.



Source: Field Data (2016)

Figure 6: Cooperative Competitiveness

4.2.4 Training of Members:

The study also sought to find out whether or not there was training of members of the cooperative. The result of the study using the Likert scale reveals that training of the members of the cooperative indicate the response of sometimes (53.9%), rarely (25.7%), Often (11.8%), Never (5.3%) and almost always (3.3%). It targets specific topics of record and book keeping, management and leadership. The training is mainly done by the donors with government extension services extremely extinct after the advent of the devolution. Table 3 illustrates the finding above.

Table 3: Trainings

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

Source: Field Data (2016)

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

“Training of cooperative members and organization’s performance is closely linked and therefore every staff requires it.”

Another respondent had this to say about training of members.

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

All the above quotes are an indication that training remains a vital aspect for improved performance.

The training is generally taken as critical in ensuring that members are imparted with current skills to enable them to hover in the business environments. The findings of the current study reveals that training can play a fundamental role in the performance of livestock based societies. However, it can only be effective if it’s adequate and tailored towards the existing knowledge gaps of members.

4.2.5 The level of Interaction:

The researcher further used the two-tailed test to look at whether members and staffs interaction with the level of coordination of cooperative have effect on the performance of the societies. Table 4 summarizes the findings.

Table 4: Members and staffs interaction

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

Source: Field Data (2016)

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

4.2.6 Goal Achievement:

Goal achievement was not significantly associated with the level of coordination ($p=0.35$). The Cooperatives with a fair level of coordination had no to a small extent of goal achievement (31.5% – 46.3%). A minority of cooperatives with the poor level of coordination had a large extent of goal achievement (11.4%). In inference, it’s deduced that coordination and goal achievement is not associated with the performance of the livestock based cooperative societies. Table5 summarizes the results.

Table 5: Goal Achievement

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

Source: Field Data (2016)

4.2.7 Implementation and review of policies:

The implementation and review of policies were significantly associated with the level of coordination of cooperatives ($p=0.00$). The majority of cooperatives regardless of the level of coordination had no or a small extent of implementation and review of policies. The results reveal, excellent to no extent (75%), good to a small extent (65.6%), fair to a small extent (64.8%); poor to a small extent (40.7%) and very poor to no extent (57.1%). Table 6 illustrates results.

Table 6: Implementation and reviews of policies

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

Source: Field Data (2016)

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

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

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

4.2.8 Adoption of feedbacks:

The adoption of feedbacks was associated with the level of coordination of departments of cooperatives ($p=0.030$). Majority of cooperatives with an excellent level of coordination had no extent of adoption of feedbacks while the very poor level of coordination was associated mainly with moderate (40%) adoption of feedbacks. Table 7 gives the results.

Table 7: Adoption of Feedbacks

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

Source: Field Data (2016)

4.2.9 Service to the Clients and Policy Operations:

The service to the clients was associated with the level of coordination of cooperatives' departments ($p=0.000$). The cooperatives with poor coordination had very high extent of service to the client (74.1%), while those with the excellent coordination had no extent of service to clients (50%). The finding shows coordination and service to the client are associated with the performance of the livestock based cooperative societies. Table 8 gives as explained.

Table 8: Service to client

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

Source: Field Data (2016)

In terms of policy operations, the finding shows that there was a significant association between policy operations within cooperatives and boundaries limitations between departments ($p=0.000$). The response rate showed majority who responded with almost always well-defined boundaries between departments had good in the cooperative (55.6%) to fair (44.4%) policy operations within their cooperatives, while cooperatives with boundaries sometimes defined between departments had fair policy operations (68.8%). Cooperatives with no boundaries well defined between departments had fair to poor policy operations (43.3% - 30%). The Table 9 illustrates the result.

Table 9: Policy Operations

How do you rate the policy (-ies) operation within cooperatives	Excellent	Good	Fair	Poor	Very poor	Chi-Square	P-value
Almost always	0(0.0%)	5(55.6%)	4(44.4%)	0(0.0%)	0(0.0%)	41.50	0
Often	0(0.0%)	6(40.0%)	7(46.7%)	2(13.3%)	0(0.0%)		
Sometimes	0(0.0%)	13(27.1%)	33(68.8%)	1(2.1%)	1(2.1%)		
Rarely	1(5.0%)	1(5.0%)	8(40.0%)	10(50.0%)	0(0.0%)		
Never	0(0.0%)	14(23.3%)	26(43.3%)	18(30.0%)	2(3.3%)		

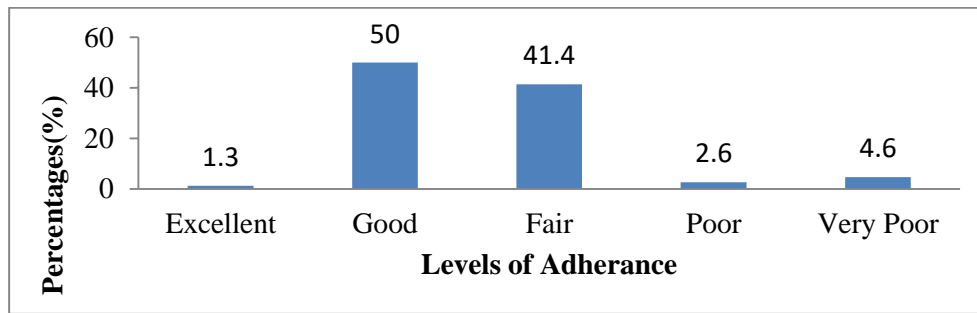
Source: Field Data (2016)

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

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

4.3.1 Adherence to the bylaws:

The study findings illustrated in figure 7 show the response to the adherence to the bylaws as good (50%), fair (41.4%), very poor 4.6%, poor 2.6% and excellent (1.3%) respectively.

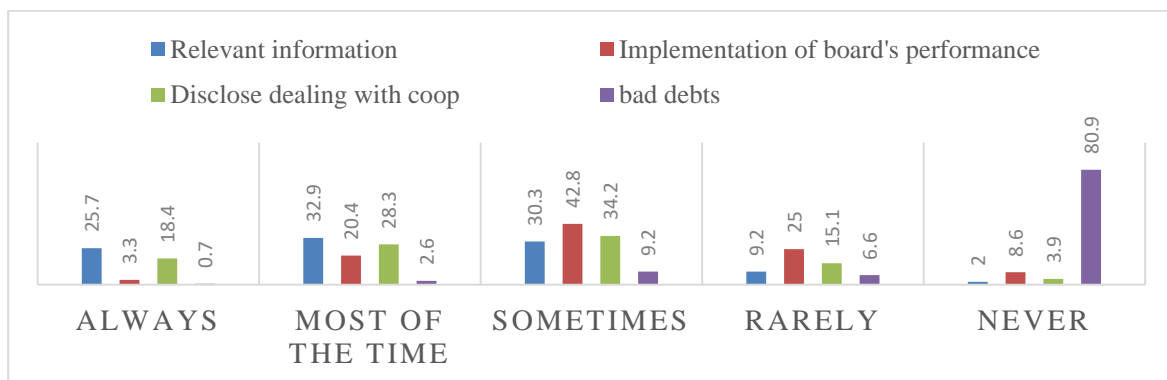


Source: Field Data (2016)

Figure 7: Adherence to By-laws and Members’ Rights

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

The researcher also made enquiries on whether members received any relevant information from the cooperative. Figure 8 shows the finding.



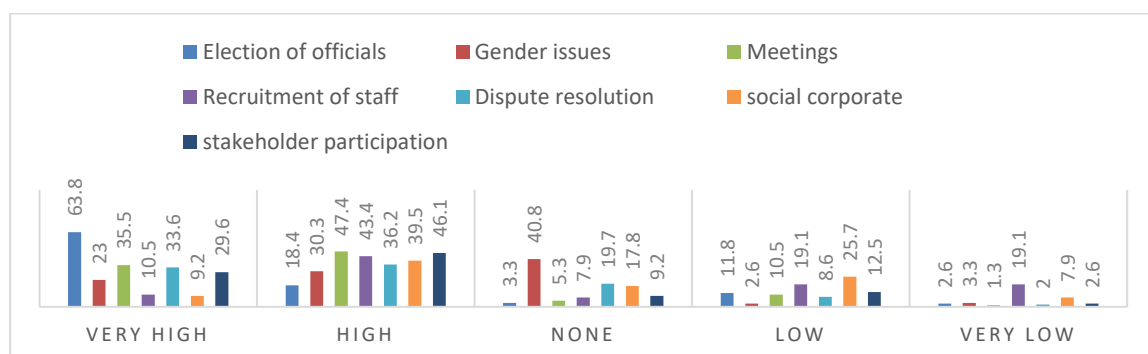
Source: Field Data (2016)

Figure 8: Implementation of Internal Policies

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

4.3.2 Supervision within the Cooperatives:

The response rate was based on a five-point scale from very high to none. Figure 9 explains the above finding.

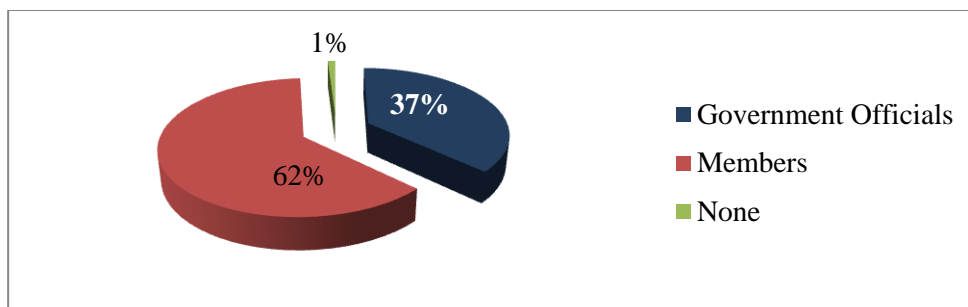


Source: Field Data (2016)

Figure 9: Supervision of Cooperative

The respondents rated election of the officials to be very high to none (85.5%), opinion on gender very high to none (94.1%). Respondent rated attendance of meetings, very high to none (88.2%) and the recruitment of staff rated as very high to none (59.2%) respectively. The dispute resolution opinion was very high to none (89.5%); social corporate response very high to none (66.5%) and stakeholder participation very high to none (84.9%) respectively. The finding reveals that election of officials, meetings and gender as the most important compared to recruitment, dispute resolution, social corporate and stakeholder participation. In overall, combined indicators shows that the variables can be used as a measure of performance of the cooperative greatly and affect the performance of the societies.

The information on the supervision helps in determining the fairness, openness, and transparency in the electioneering process of the societies. The figure 10 illustrates the findings.



Source: Field Data (2016)

Figure 10: Supervision of election

The respondent interviewed showed the election is being overseen by members (62%), government officials (37%) and none (1%). The Cooperative Act, 2004 is not clear on the supervision of election and the procedures for the appeals in the case of the election fraud.

4.3.3 Board and Staffs Dealing:

Further, the study used chi-square to verify adherence to bylaws affect board/staff dealings, bad debt and members obtaining relevant information affect the performance of the cooperatives. The researcher went further to look at adherence to bylaws and board/staff dealings on the performance of the cooperatives. Adherence of members to cooperative by-laws was significantly associated with the frequency of disclosing board/staff dealings ($p < 0.05$). Table 10 gives the results.

Table 10: Board and Staffs Dealing

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

Source: Field Data (2016)

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

4.3.4 Bad debts:

There was no significant association between adherence to bylaws and cooperative debts ($P=0.21$). The cooperatives with excellent adherence to bylaws have never (100%) been hit by bad debt, same as Good (81.6%), Fair (82.5%), poor (75%) and very poor (57.1%) respectively. Most respondents interviewed mentioned their respective cooperatives had never been hit by bad debts. Due to the nature of non-deposit cooperatives bad debt is not affecting the performance of the livestock based societies as the business is not offering any credits to its members. Going forward, the cooperatives need to develop policies that cushion them against the bad debt and Table 11 explains.

Table 11: Bad Debts

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

Source: Field Data (2016)

Adherence to bylaws was significantly associated with members obtaining relevant information from the cooperative ($p<0.05$). The excellent adherence to bylaws was associated with either obtaining relevant information most of the time (50%) or rarely (50%). Good adherence was mentioned when members obtained the relevant information almost always (46.1%). Fair adherence was mentioned when the relevant information was obtained sometimes (47.6%). Poor adherence was associated with never obtaining relevant information (50%). This shows that obtaining relevant information by members affect the performance of the livestock based cooperative. Table 12 illustrates the findings.

Table 12: Members Obtaining Relevant Information

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

Source: Field Data (2016)

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

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

4.4.1 Leadership Interaction with various Departments/Groups:

In order to find out if leadership had any influence on Performance of the livestock based Cooperatives (LBCs), the respondent were first asked to rate leadership interaction with departments/groups in the cooperative. Table 13 shows the responses.

Table 13: Influence of Leadership on selected Items

Items	No Extent	Small Extent	Moderate Extent	Large Extent	Very Large Extent	M	SD
Task Allocation	13(8.6%)	15(9.9%)	30(19.7%)	43(28.3%)	51(33.6%)	3.16	1.38
Specialization on the work	89(58.6%)	45(29.6%)	14(9.2%)	3(2.0%)	1(0.7%)	1.57	0.79
Motivation of members	17(11.2%)	39(25.7%)	22(14.5%)	17(11.2%)	57(37.5%)	3.38	1.48
On Job training and rotation	46(30.3%)	37(24.3%)	26(17.1%)	26(17.1%)	17(11.2%)	2.55	1.37
Time and resource management	34(22.4%)	68(44.7%)	31(20.4%)	19(12.5%)		2.23	0.94
Rewards	65(42.8%)	26(17.1%)	22(14.5%)	28(18.4%)	11(7.2%)	2.30	1.37
Training of the members	86(56.6%)	27(17.8%)	34(22.4%)	3(2.0%)	2(1.3%)	1.74	0.96
Adoption of technology	32(21.1%)	35(23.0%)	3(2.0%)	40(26.3%)	42(27.6%)	2.47	1.16
Product promotion and branding	27(17.8%)	51(33.6%)	24(15.8%)	8(5.3%)	42(27.6%)	2.91	1.48
Communication	28(18.4%)	50(32.9%)	18(11.8%)	24(15.8%)	32(21.1%)	2.88	1.49

Source: Field Data (2016)

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

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

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

“Leadership generally defined that act of leading other through various ways especially by motivating them towards a particular direction.”

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

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

The issue of product promotion and branding came third in terms of its relationship with leadership (M=2.91, SD= 1.48). The result was as follows: 17.8% of the respondents (no extent), 33.6% (small extent), and 15.8% (moderate extent), and 5.3% (large extent), and 27.6% (very large extent). The findings also reveal that leadership has some influence on communication (M=2.88,SD= 1.49), In this case, 21.1% of the respondent indicated that leadership influenced communication to a very great extent, 15.8% indicated the influence was to a large extent, 11.8% suggested that there

was a moderate influence, 32.9% small extent while 18.4% said leadership did not influence communication. The study also shows the rating between leadership and on job training and rotation (M=2.55, SD= 1.37) where about 11.2% of the respondents said the influence of leadership was to a very large extent, 17.1% said large extent, 17.1% were of the opinion that the influence was moderate and 24.3% of the respondents indicated there was only a small influence. However, 30.3% of the respondents said there was no influence at all. Other ratings include the influence of leadership in adoption of technology (M=2.47, SD= 1.16) with no extent (21.1%), small extent (23.0%), moderate extent (2.0%), large extent (26.3%) and 27.6 % (very large extent); rewards (M=2.30, SD= 1.36) where no extent (42.8%), small extent (17.1%), moderate extent (14.5%), large extent (18.4%) and 7.2 % (very large extent). Time and resource management (M=2.23, SD= 0.94), training of the members (M=1.74, SD= 0.96), and specialization on the work (M=1.57, SD= 0.79).

4.4.2 Auditing of Cooperative books and Members’ Reactions:

The researcher asked whether the cooperative had carried out auditing of its books. The findings are summarized in Table 14 below.

Table 14: Frequency of Auditing the Cooperative Books

Level of Interaction	Frequency	Percent
Almost always	31	20.4
Often	40	26.3
Sometimes	34	22.4
Rarely	31	20.4
Never	16	10.5
Total	152	100.0

Source: Field Data (2016)

The researcher also probed the respondents to find out their reactions towards the auditing. The respondent reactions; very satisfied (19.7%), satisfied (21.7%), neither (11.2%), dissatisfied (32.2%) and very dissatisfied (15.1%) as summarized in Table 15.

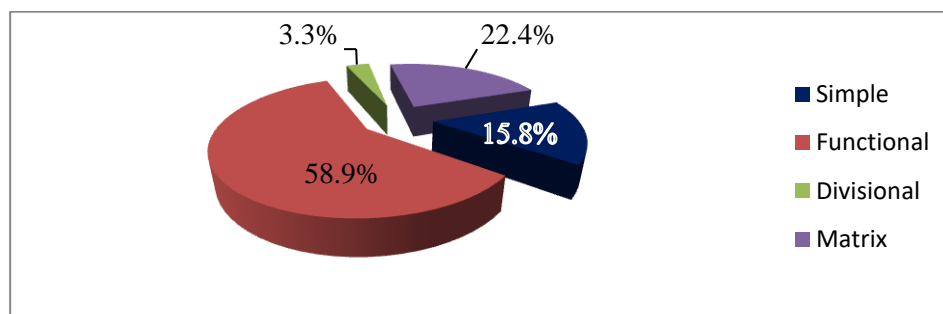
Table 15: Member’s Reaction on the Auditing

Level of satisfaction	Frequency	Percent
Very satisfied	30	19.7
Satisfied	33	21.7
Neither	17	11.2
Dissatisfied	49	32.2
Very dissatisfied	23	15.1
Total	152	100.0

Source: Field Data (2016)

4.5 Organizational Structure and performance of LBCS in Isiolo County:

The organization structure is found both in a formal and informal defined by its simplicity and complexity to serve their clients. Figure 11 summarizes the findings.



Source: Field Data (2016)

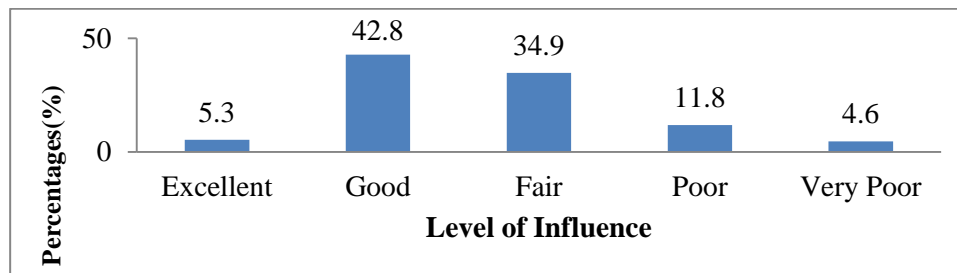
Figure 11: Organization Structure and Performance Rating

The findings of the respondent interviewed on the organizational structure of the cooperative societies show as functional (58.6%), matrix (22.4%), simple (15.8%), and divisional (3.3%).

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

The study also sought to establish the level of donor influence on the performance of the cooperatives. The table 16 illustrates the findings.

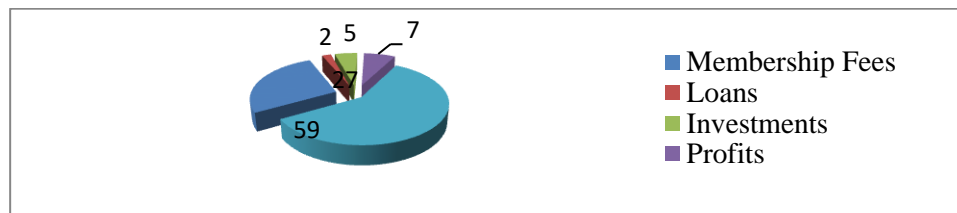
Table 16: Influence of Donors and Support



Source: Field Data (2016)

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

The study to establish how the cooperative raise their resources affects the performance of the cooperatives. The respondent rated the investment effect on performance in terms of excellent, good, fair, poor and very poor. The figure 13 below shows.



Source: Field Data (2016)

Figure 12: Source of Funds

From the findings, the majority of the cooperative society's respondent shows the proportion of resources through membership subscription (59%), donors (27%), profit (7%), investment (5%), and loans (2%) respectively. The findings show that member contribution as one of large source of the revenue followed by donor's supports taking the second biggest portion. Therefore, the donor support influences the cooperative administration making it over reliance compromising their decision making.

Enquiries were also made by the researcher to find out whether there was improved cooperative business and premises. The findings are summarized in table 17.

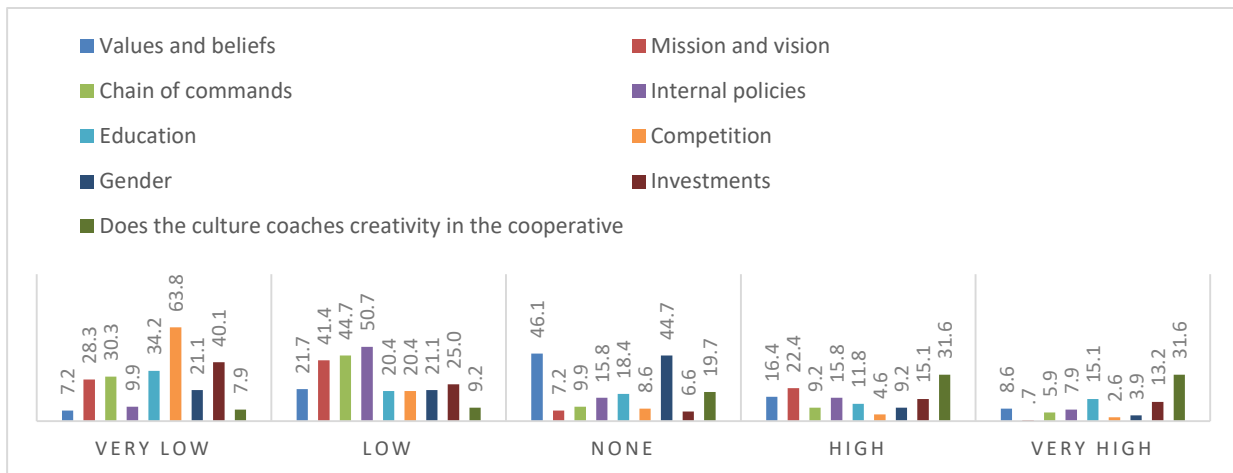
Table 17: Improved Cooperative Business and Premises

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

Source: Field Data (2016)

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

The study sought to find out factors affecting factors affecting operation of the cooperative. The response rate was rated on a five-point scale from very low to very high and the findings displayed in Figure 13.



Source: Field Data (2016)

Figure 13: Factors affecting operation of the cooperative

The respondents rated values and beliefs to be very low to very high (7.2%, 21.7%, 46.1% 16.4% and 8.6%) and opinion on mission and vision very low to very high (28.3%, 41.4%, 7.2%, 22.4% and 0.7%) respectively. Respondent rated chain of command from very low to very high (30.3%, 44.7%, 9.9%, 9.2% and 5.9%) and internal policies from very low to very high (9.9%, 50.7%, 15.8%, 15.8% and 7.9%). Education is rated from very low to very high (34.2%, 20.4%, 18.4%, 11.8% and 15.1%) and competition rated from very low to very high (63.8%, 20.4%, 8.6%, 4.6% and 2.6%). The gender is rated from very low to very high (21.1%, 21.1%, 44.7%, 9.2% and 3.9%), investment rated from very low to very high (40.1%, 25%, 6.6%, 15.1% and 13.2%) and creativity rated from very low to very high (7.9%, 9.2%, 19.7%, 31.6% and 31.6%) respectively. The finding reveals that creativity, education, investments, values and beliefs as the most important compared to internal policies, chain of command, gender, competition, mission and vision. In overall, combined indicators shows that the variables can be used as a measure of performance of the cooperative greatly and affect the performance of the societies. The study also sought to establish the values and beliefs with cooperative structure affect their performance. Table 18 gives the summary of the findings.

Table 18: Values and Beliefs

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

Source: Field Data (2016)

The findings in Table 18 above show that $P < 0.05$, hence values and beliefs significantly affect the cooperative structure performance. The specific results were as follows: very important and no beliefs (76.7%), important and no belief (49.4%), fairly important and high (34.3%), slightly important and low beliefs (62.5%). This shows values and beliefs affect the performance of the cooperative.

The researcher also made enquiries on whether the organization's mission /vision together with structure had any effect on the performance of the cooperatives. Table 19 shows the results.

Table 19: Mission and vision

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

Source: Field Data (2016)

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

The study also aimed at establishing the chain of command with cooperative structure affect the performance of the cooperatives. The result shows that $p > 0.05$ hence chain of commands does not significantly affect cooperative structure performance. The results: very low and very important (50.0%), fairly important and low (62.9%), not important and none (50.0%) as shown in Table 20.

Table 20: Chain of commands

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

Source: Field Data (2016)

There was also need to establish whether internal policies affect the performance of the cooperatives. Table 21 below summarizes the findings.

Table 21: Internal Policies

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

Source: Field Data (2016)

The findings show the $p > 0.05$; hence internal policies significantly affect cooperative structure performance. The results are as follows: important and low (53.2%), slightly important and none (25%), not important and very high (50.0%). Further, the study by Mwanja (2014) support the findings because the author also concluded that policies are in use that guide the boards on investments, human resource, loans, education and training, values, and risk management.

The study sought to establish the competition with cooperative structure affect the performance of the cooperatives. The finding shows that the $p > 0.05$, hence competition significantly affect the performance of the cooperatives. The result very important and very low (80%), Important and very low (67.5%), not important and very low (63.8%) and slightly important and very low (50%) as demonstrated by Table 22 below.

Table 22: Competition

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

Source: Field Data (2016)

The study also sought to establish the investment with cooperative structure affect the performance of the cooperatives. Table 23 gives the findings.

Table 23: Investments

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

Source: Field Data (2016)

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

4.6 Discussion:

Drawing upon descriptive research design, the current study revealed that the systems were not well understood. This may be attributed to the fact that cooperatives have department with blurred territories. This further reflects the descriptions of systems theory where the various departments are viewed as whole and not as independent parts of the whole organizations. The current findings concur with those of Dawidowicz (2012) where most of the respondents disclosed that there was no clear boundary between the various departments. In terms of evaluation, most of the respondents indicated that it was done on yearly basis. This is one of the common practices for most organizations owing to the fact that it is an expensive exercise. The current findings concur with the results by Lee (2012) in the study of "Using systems thinking to improve organizational learning in the public sector: the perspective of public officials" where evaluation was seen to occur once every year. The study further revealed that there was some fair level of adherence to cooperative policies which is in line with the findings of Mwanja, et al (2014) who also made the same observations. The study clearly reveals that training remains a vital aspect for improved performance. The current findings are in tandem with those of Ndwedwe (2013) who while examining if there was any relationship between "business growth and level of training in the line of business" revealed that most of the respondents who had received training in their areas of business reported that their enterprises were doing well. The current findings are in contradiction to the study by Makena, et al (2014) where training did not play any significant role in the performance of the organizations.

Based on the second objective on whether corporate governance affects the performance of the Livestock Based Cooperatives, the findings clearly revealed that indeed, livestock based cooperative alongside, corporate governance support the performance of the societies.

The study also established that leadership influences the growth and enhances the morale of the employee to achieve the overall objective of the organization. Additionally, the variable of leadership is one critical path of the study to enable the researcher to look at the management issues that affect the performance of the cooperatives in the Northern Kenya. The presumption is that task allocation, specialization, motivation, on job training and rotation, time and resource management, reward, adoption of technology, product promotion, and branding communication and auditing are essential indicators among the appraising effectiveness and efficiency of the management. In most cooperatives, trust is often bestowed upon the leaders. Subsequently, the variables especially motivation, task allocation, training and auditing are significantly associated with the performance of the cooperatives. This calls for setting the minimum standard for qualification of appointment to the board across deposit and non-deposit for the accountability and transparency. In general, the findings show that leadership affects the performance of the cooperatives.

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

5. CONCLUSION AND RECOMMENDATIONS

The study concludes that organization systems have not been taken seriously in the past studies to identify its efficiency and effectiveness in the performance of the cooperative. These have great limits in the growth of both deposit and non-deposit taking the cooperative and other service delivery as shown by the findings.

Also, the study concludes that organizational structure affects the performance of the cooperatives. Issues of donor support and other source of funds determine the performance of the cooperative, hence the need for the Cooperative Act, 2004 to spell out the grace period for the up-scaling of the non-deposit taking to deposit taking to inculcate the culture of profit-oriented venture not only carrying out business for survival. Having organizational systems, corporate governance, leadership and organizational structure become a prerequisite for the long-term sustenance and performance improvement of the cooperatives.

Based on the above findings and conclusion, the study recommends for the need for the livestock based cooperative societies in Isiolo to put efforts geared towards reviewing the organization and its interrelationship in order to improve efficiently of each sub-unit. There is also need to strengthen and build the capacity of members to appreciate its contribution towards ensuring fairness, equity and equality in the prosperous Sacco's. In particular, corporate governance supports the growth of the livestock based cooperative societies thus need for formalization of non-existent procedures and policies. Furthermore, there is an urgent need to come with programs and trainings on leadership since it affect performance of the societies as already illustrated. There is also need to further look closely other regulating dynamics in leadership that inhibit the performance of the societies.

Lastly, there is need to design the kind of organization structure characterized by key and essential aspects such as empowerment and motivation. Other strategic changes should be considered where appropriate for the success of the whole organization.

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