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EFFECT OF KNOWLEDGE MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE OF STIMA SAVINGS AND CREDIT COOPERATIVE SOCIETY IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

Knowledge management is an integral element of a firm's business process in the current competitive and global market. Knowledge is considered by organization's management as the most critical asset than any other asset in organizations in this era. This study sought to understand the association that exists among various knowledge management practices and performance of Stima Sacco. The objectives of the study was to establish the effect of knowledge oriented leadership on organizational performance of Stima Sacco in Nairobi City County and establish the effect of information technology on organizational performance of Stima Sacco. The study adopted a descriptive research design. The target population was 153 personnel drawn from all the departments of the Sacco. Stratified random sampling was used to select a sample of 110 respondents from all the departments. The data was collected using questionnaires. Data obtained from the field was coded, cleaned, and entered into the computer for analysis using the SPSS version 25. Data analysis was done through use of descriptive and inferential statistics . Descriptive statistics included frequency, percentages, mean and standard deviation. Inferential statistical analysis used was multiple regression and correlation analysis. The significant of each independent variable was tested at a confidence level of 95%. The analyzed data was presented using tables, pie charts and bar graphs. The study concludes that knowledge oriented leadership has a positive and significant effect on organizational performance of Stima SACCO in Nairobi City County. In addition, the study concludes that information technology has a positive and significant effect on organizational performance of Stima SACCO in Nairobi City County. Based on the findings, this study recommends that the management of Stima SACCO should continue ensuring top management commitment and role modeling by the top management to enhance organization performance. In addition, the management of Stima SACCO should continue embracing information technology adoption to ensure effectiveness and efficiency of operations in the organization. Further, the management of Stima SACCO should formulate and implement effective measures to ensure smooth management processs in the organization.

Key Words: knowledge management practices, knowledge oriented leadership, information technology and Stima SACCO

Background of the Study

The concept of knowledge management (KM) has in the recent past become a topical subject that has greatly attracted the attention of researchers and practitioners particularly with regard to sustainable and competitive firm performance (Marqués & Garrigós-Simón, 2006). The underlying reason for penetration of KM in the business world is the assumption that managing knowledge has a significant contribution to a company's bottom line (Andreeva & Kianto, 2012). In fact, for organizational long term survival and success, it is extremely important for them to develop and maintain KM (Durst et al., 2013; Galati, 2015). KM is conceptualized by Andreeva and Kianto (2012) as a set of managerial activities which enable firms to deliver value from their knowledge asset base. Cognizant of KM as a tool for sustaining competitive advantage, organizations are implementing wide ranging KM practices to gain an edge over competitors in a world that is under rapid innovation, globalization and intense and fierce competition.

KM practices refers to organizational aspects that are controllable and manipulable by intentional and conscious management activities (Andreeva & Kianto, 2012). KM practices facilitate creation and sharing of knowledge in an organizational setting and diligently implementing these practices is critical to organizations in building a knowledge reserve while encouraging its human resource to contribute to it and make use of it regularly. This may serve as a source for competitive edge vis-à-vis contributing to organizational performance. The assumption that a considerable part of knowledge existing in organizations is informal and tacit in nature makes it imperative for organizations to identify KM practices that have a significant impact on their competitiveness and ultimately on performance (Gupta & Chopra, 2018).

Nguyen and Mohamed (2011) note that leadership behavior is a critical element in organizations because leaders have a significant influence on the direction and effectiveness of KM within their organizations. For instance in Iran, Valmohammadi and Ahmadi (2015) urge organizational leaders to ensure knowledge-based leadership is part and parcel of organizational strategies. Gürlek and Çemberci (2020) note that Turkish firms have high knowledge management capacity (KMC), innovation performance and organizational performance under leadership of knowledge-oriented leaders. Empirical evidence from companies in Finland, Russia and China has shown that leadership is connected to firm operational excellence, innovation, organizational effectiveness, organizational creativity and firm's overall performance (Andreeva & Kianto, 2012). Conversely, Cumari (2018) observes that KM leadership is an impediment at the Kenya Bureau of Standards (KBS), suggesting that the role of KM is not appreciated.

Technological aspects play an appropriate and fundamental role in KM in organizations. This fundamental role, for instance, can be manifested in the United Kingdom in which organizations have made a clear emphasis regarding the use of general technological tools in supporting knowledge management activities geared towards improving operational efficiency and effectiveness (Edwards et al., 2005). Mbeya University of Science and Technology (MUST) in Tanzania has staff who are explicitly unaware of KM practices and neither are there knowledge management initiatives in place (Charles & Nawe, 2017). This perhaps demonstrates that information technology aspects in as far as they connect with KM are limited in this institution. A study by Ndiege and Wamuyu (2019) in the county governments in Kenya revealed absence of systematic KM practices as well as scarcity of relevant technological solutions geared towards supporting other KM practices. This revelation has implication on operational performance of county governments in Kenya in terms of service delivery.

Organizational culture is among the fundamental element that affects the capacity of organizations in managing knowledge (Donate & Guadamillas, 2010). Culture becomes a source of competitive advantage for an organization if it's rare, valuable and difficult to be imitated by competitors

(Donate & Guadamillas, 2010). Alavi et al. (2005) propose for an organizational that values knowledge seeking and problem seeking in large information services institution in Texas. Organizational culture has been attributed to the effective performance of quantity surveying and construction firms in South Africa (Harinarain et al., 2013). Extant and empirical literature on culture as a practice in KM is hardly available in the body of knowledge in the Kenyan context. It would thus be beneficial conducting this study in order to make an input regarding cultural aspects of KM on firm performance in Kenya.

Dynamic knowledge processes according to Jokar et al. (2012), are indirectly or directly related with different firm performance outcomes. In public sector organizations in United Arab Emirates (UAE), Balasubramanian et al. (2019) propose that they can implement effective and efficient knowledge management processes to help achieve desired results. Ideally, emphasis in public service is generally concerned with service delivery in terms of efficiency and effectiveness. Knowledge processes relevant in the public sector include knowledge creation, capture, storage, sharing, application and use (Cong & Pandya, 2003). Idris and Kolawole (2016) opine that KM processes significantly influence firm performance in the construction industry in Nigeria. Perhaps there is need to provide an environment that advances the awareness of KM processes in organizations so as to be a source of competitive advantage. In manufacturing firms in Kenya, KM processes are found to have a positive and significance influence on organizational performance (Ambula et al., 2017).

Generally, in Kenya, there is hardly any empirical literature on knowledge management practices and their effect on firm performance particularly on savings and credit cooperative societies. This is despite the fact that knowledge management is a concept that is very crucial in performance of organizations. When effectively managed, KM allows for knowledge sharing and access to experience and expertise which is critical to organizational performance (Ahn & Chang, 2004). This study will be considering the financial industry and only the deposit taking institutions in the cooperative movement will be under consideration to understand the effect of knowledge management practices on firm performance.

Statement of the Problem

Knowledge has become an organization's most crucial asset in the recent past and this is agreeable by both academicians and practitioners (Marqués & Garrigós-Simón, 2006). Unlike any other organizational resources, knowledge has been given special and preferential treatment by organization's management despite being a complicated asset. The special treatment accorded knowledge resources by the organization's management is due to the value that is derived from the application of this knowledge particularly with regard to being a source of sustainable competitive advantage. Although, knowledge management is gradually rising in popularity in various firms and organizations globally, the concept of knowledge management has not received the attention that it requires from deposit taking organizations in Kenya. Perhaps this may be attributed to limited understanding of the value of knowledge in such institutions. In this sense, the deposit taking savings and cooperative societies may not realize their full potential in terms of performance.

The financial sector in the Kenyan market including the deposit taking Saccos like Stima Sacco is faced by wide ranging challenges including improper knowledge management, inadequate infrastructure, corruption and political issues (Bell, 2017). Taking these challenges into consideration, it is worth noting that the financial services industry has impediments on knowledge management which is vital in gauging firm value and performance. Continued improper management of knowledge in these institutions may result into uncompetitive services and products that may eventually not be attractive to the consumers. This is because the sector would

be having a weak banking infrastructure. Unless remedial action is taken to properly manage knowledge in Stima Sacco, based on the challenges being encountered and particularly with knowledge management, then the organization may gradually suffer a slow exit from the market. Hence, the need for this study to investigate the effect of knowledge management practices on performance of Stima Sacco. The researcher preferred to investigate the study using Stima Sacco as its case based on the performance of the Sacco.

General Objective

The general objective of the study is to establish the effect of knowledge management practices on organizational performance of Stima Sacco.

Specific Objectives

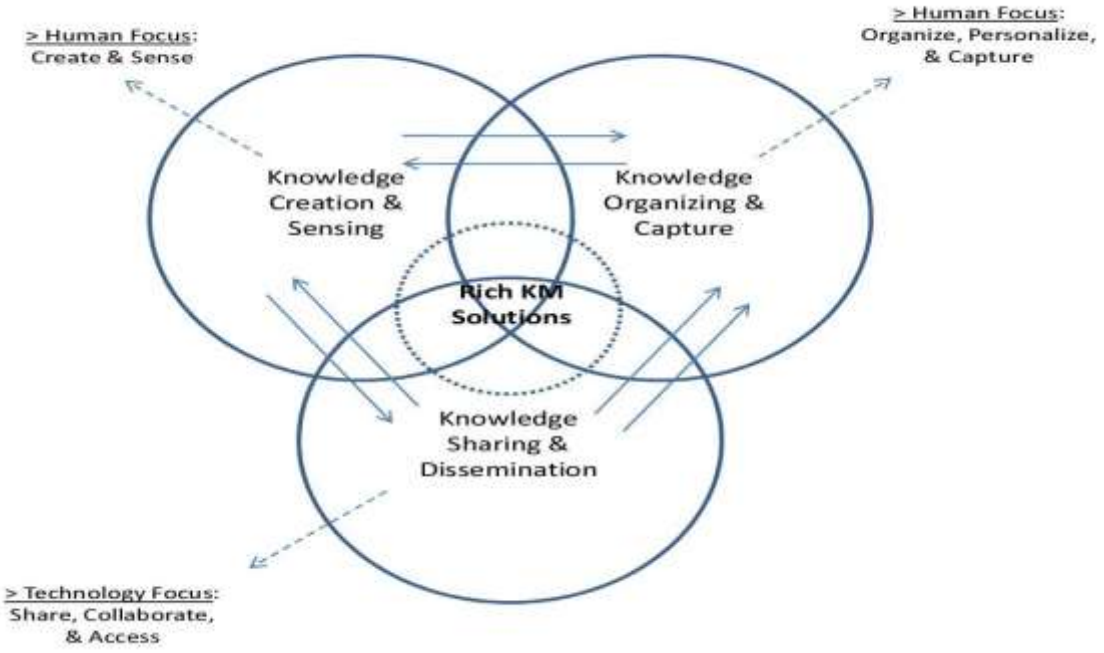
The specific objectives of this study were;

1. To establish the effect of knowledge oriented leadership on organizational performance of Stima SACCO in Nairobi City County.
2. To establish the effect of information technology on organizational performance of Stima SACCO in Nairobi City County.

Theoretical Framework

According to Grant and Osanloo (2014), theoretical framework is the foundation for constructing knowledge for a research study. It provides a basis for the development of research questions, conceptualization of literature review, research design approach and data analysis. The research will adopt KM process model by Botha et al. (2008). Figure 2.2 illustrates the model.

Figure 2. 1: KM Process Model by Botha et al. (2008)



This model offers a realistic overview of the knowledge management process. In this model, three broad categories (knowledge creation and sensing, knowledge organization and capture and knowledge sharing and dissemination) overlap and interact with one another. The model shows some categories which are people oriented and those that are technology oriented. In this study the

researcher argues that the broad category on knowledge sharing and dissemination is largely technology oriented as information technology may be adequately used to share, collaborate and access knowledge. Knowledge management process largely fall under knowledge organization and capture as well as knowledge creation and sensing categories. Leadership and organizational culture are variables under these two categories and fit in this study.

Conceptual Framework

Figure 2.1 illustrates the relationships that exist between the variables for this study. The figure shows the independent variables and dependent variable and how these variables interact. The figure shows that the independent variables have various dimensions or elements which influence the organizational performance (dependent variable). The independent variables include information technology, leadership, culture and knowledge management processes.

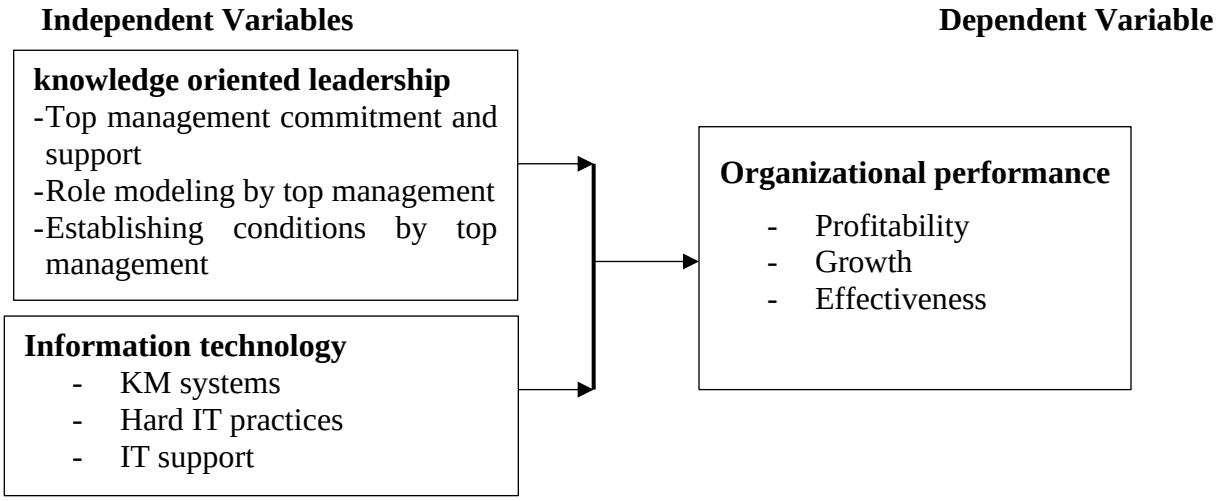


Figure 1: Conceptual Framework

Knowledge Oriented Leadership and Organizational Performance

Organizational leaders are the major people to influence direction and effectiveness of KM with the intention of enhancing business or organizational performance. Organizational leaders on one hand may create an environment that allow personnel to cultivate and exercise their knowledge manipulation skills, to make a contribution of their own individual resources or obtain easier access to relevant knowledge (Crawford et al., 2003). On the other hand, leadership may also present main barriers in creation and leveraging knowledge (von Krogh et al., 2012) by encouraging knowledge hoarding and competition as opposed to cooperation as well as a multitude of undesirable attitudes for knowledge-creating organizations (Lakshman, 2009). Leadership serves a central role in the development and implementation of KM initiatives or systems (Anantatmula, 2008). Therefore, for a KM programme to have an influence on organizational performance, involvement and backing of organizational leaders is essential.

Ward and Aurum (2004) while investigating KM process for software engineering acknowledged leadership as the key KM enabler among four enablers – leadership, measurement, culture and technology. Similarly, the KM model proposed by Baldanza and Stankosky (2000) isolated leadership as an important pillar in the four-pillar KM model that comprised of learning, technology, organization and leadership. In Texas, Koh, Ryan and Prybutok (2005) considered leadership as a crucial enabler of KM while investigating the evolution of the City of Denton from a traditional government institution to an e-government provider. Anantatmula (2008) is of the view that for KM investments to result to promotion of a collaborative culture both at

organizational and individual levels to foster knowledge for innovation and superior decision making, this has to be examined from a leadership perspective.

Gürlek and Çemberci (2020) conducted a cross-sectional study investigating the relationship between knowledge-based leadership and organizational performance in a sample of 502 Turkish technology development firms. The study findings revealed that in firms led by knowledge-oriented leaders, such firms had high KMC, innovation performance and organizational performance. The study had however, several limitations such being conducted in firms that were operating in the technology development industry and being conducted solely in particular national context that covered Turkish firms only. These limitations make it difficult to generalize the findings to other different settings or contexts such as other countries and industries. Sharply diverging from this study, the present one will be conducted in financial institutions and perhaps a comparison be made regarding the findings.

A related study to build a research model examining the impact of leadership on KM and OP was conducted by Koohang, Paliszkiewicz and Goluchowski (2017) in nine regions in USA focusing on managers from all levels in various organizations. A survey instrument was used to collect data and partial least squares path modelling was used to analyze the collected data. The data was collected from public, private and not-for-profit organizations. The findings of the study revealed a positive and significant linear relationship between leadership, KM and OP. The implications of this finding is that effective leadership promotes successful implementation of KM process which in turn contributes to OP.

In the construction industry in Nigeria, leadership was not found to be a critical success factor (CSF) of KM in organizational performance (Idris & Kolawole, 2016). This was revealed in a study that consisted of 215 project managers in the construction industry selected using stratified random sampling and data collected using questionnaire. This finding implies that leadership does not have an influence on the effective KM process within the setting of hypothetical and skills of the industry. This finding is contrary to those of other researchers. It will be interesting to establish whether the findings will differ when a related study is carried out in a different industry. In this case, the study will be carried out in the financial sector.

Information Technology and Organizational Performance

One of the effective ways of practicing knowledge management in organizations is through the use of information technology. Information technology supports the collaboration and categorization of explicit forms of knowledge at a cost that is very low (Pinho et al., 2012). Information technology when appropriately utilized is a significant enabler for all organizational knowledge management initiatives as well as a critical facilitator for enhancing the dynamic capabilities of organizations. Information technology is used as a medium for facilitating the flow of knowledge in supporting communication and collaboration. Technological practices in profit oriented organizations are geared towards increasing its competitiveness. Technologies that contribute to organization's KM environment include but not limited to intranets, document management systems, information retrieval engines, groupware and workflow systems, brainstorming applications and data warehousing and data mining tools.

Edwards et al., (2005) conducted a study on ten technology based organizations to assess the role of technology in KM. The researchers collected data from ten organizations drawn from different sectors of the economy. The data was collected from 78 participants through a facilitated and computer-supported group workshops. The researchers established that in all these organizations, there was a clear emphasis regarding the use of technological tools in supporting KM activities. Further noted from this study is the fact that the study participants whilst having a broad view of knowledge management were able to realize in the course of the workshop how the concept of

technology was fundamental to KM. Technological aspects were being infused in KM with the sole reason of improving their operational efficiency and effectiveness (Edwards et al., 2005). Similar findings were established in a survey conducted in Australian organizations (Zhou & Fink, 2003).

Hawajreh & Sharabati (2012) in a study on Jordanian Industrial Companies (JIC) investigated technological influence on knowledge management and the relation on firm performance. The data collected was from 206 companies and this data was collected by means of questionnaire. The study findings revealed a positive and a significant relationship between technological influence and knowledge management and company performance. In fact, the authors concluded that technological influence on knowledge management is a central source of organizational wealth and organizations have to take it into serious consideration when developing company strategies. Infusion of technology into knowledge management of an organization according to Hawajreh & Sharabati (2012) has the potential of evoking an innovative culture in an organization as it brings the pressure to people learn. This consequently will work towards improving the firm performance and its competitiveness.

RESEARCH METHODOLOGY

Research Design

This study employed a descriptive research design. This research design entails dealing with conditions, practices, structures or processes that apparently depict the patterns and trends that exist or sentiments held by people (Saunders et al., 2012). The choice of this research design is because the data collection instruments to be used was generate data that could be analyzed using descriptive explanations. Furthermore, the study focuses on practices which are ideal for this research design.

Target Population

Population is an aggregate or totality of all members, subjects or objects that conform to a set of a set specifications and with common characteristics (Orodho, 2009). The target population for this study was 153 members of staff of Stima Sacco from whom data about knowledge management practices was solicited.

Sample and Sampling Technique

A sample is a subset of a population that has been selected and contains the characteristics of a population (Orodho, 2009). The study used stratified random sampling to select the respondents. The researcher used Yamane Taro's (1967) formula for determination of sample size. The study sample size was 110 personnel.

Research Instruments

The study collected primary data. For the purposes of this study the data was collected using questionnaires. Questionnaires are used extensively to gather data on current conditions, practices, opinions and attitudes quickly and in a precise way (Orodho, 2009).

Pilot Test

A pilot study was conducted for two major reasons. First, it was conducted as a trial run of the larger study and secondly as a pre-test of the questionnaire tool. Piloting the study helped the researcher identify any problems prior to implementation of the study on a larger scale and subsequently make necessary adjustments or take corrective actions that improve the research process. According to Baker (1998), a sample size of 10-20% of the actual study sample size is appropriate for consideration to enroll in a pre-test. The researcher in this study used 10% of the

actual study sample size as the sample size in the pilot study. This means that 11 personnel in a different Sacco was selected to take part in the actual study who will be used to pre-test the questionnaire.

Data Processing and Analysis

Data obtained from the field was coded, cleaned, and entered into the computer for analysis using the SPSS version 25. The data was summarized in order to see emerging trends and issues around specific themes, which are dependent on the variables and objectives. Presentation of data was done in form of quantitative and qualitative reports which were presented in forms of tables and essay. For the quantitative reports, the tables consisted of mean and standard deviation values that were used to make interpretation of the analysis. Percentage, mean and standard deviation was used to show the frequency of responses. Tables were used to display the rate of responses and to facilitate comparison. Qualitative reports were presented in form of essay which was discussed as per the study objectives aligned with the theories and empirical study. Descriptive statistical included frequency, percentages, mean and standard deviation. Inferential statistical analysis used was multiple regression and correlation analysis. The significant of each independent variable was tested at a confidence level of 95%.

ANALYSIS AND INTERPRETATION OF DATA

Descriptive Statistics Analysis

Knowledge Oriented Leadership and Organizational Performance

The first specific objective of the study was to establish the effect of knowledge oriented leadership on organizational performance of Stima SACCO in Nairobi City County. The respondents were requested to indicate their level of agreement on statements relating to knowledge oriented leadership and organizational performance of Stima SACCO in Nairobi City County. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 1.

From the results, the respondents agreed that the top management act as role models for knowledge management. This is supported by a mean of 3.943 (std. dv = 0.981). In addition, as shown by a mean of 3.866 (std. dv = 0.850), the respondents agreed that there is support and commitment for knowledge management initiatives by top management. Further, the respondents agreed that the top management establishes conditions that facilitate knowledge management initiatives. This is shown by a mean of 3.831 (std. dv = 0.914). The respondents also agreed that organizational leaders are acting as catalysts for knowledge sharing. This is shown by a mean of 3.796 (std. dv = 0.947). With a mean of 3.789 (std. dv = 0.856), the respondents agreed that they are satisfied with the effectiveness of top management of their organization.

Table 1: Knowledge Oriented Leadership and Organizational Performance

	Mean	Std. Deviation
The top management act as role models for knowledge management	3.943	0.981
There is support and commitment for knowledge management initiatives by top management	3.866	0.850
The top management establishes conditions that facilitate knowledge management initiatives	3.831	0.914
Organizational leaders are acting as catalysts for knowledge sharing	3.796	0.947
Am satisfied with the effectiveness of top management of our organization	3.789	0.856
Aggregate	**3.793**	**0.873**

Information Technology and Organizational Performance

The second specific objective of the study was to establish the effect of information technology on organizational performance of Stima SACCO in Nairobi City County. The respondents were requested to indicate their level of agreement on the statements relating to information technology and organizational performance of Stima SACCO in Nairobi City County. The results were as shown in Table 2

From the results, the respondents agreed that The organizational IT infrastructure is capable of knowledge work and management decisions. This is supported by a mean of 3.996 (std. dv = 0.865). In addition, as shown by a mean of 3.919 (std. dv = 0.945), the respondents agreed that knowledge management systems and tools are widely accepted and regularly updated. Further, the respondents agreed that knowledge management systems are capable of sharing data and information among the stakeholders. This is shown by a mean of 3.898 (std. dv = 0.611). The respondents also agreed that knowledge management systems are sufficient to support daily work. This is shown by a mean of 3.831 (std. dv = 0.908). With a mean of 3.743 (std. dv = 0.897), the respondents agreed that they are satisfied with the effectiveness of of operations in their organization as a result of IT adoption.

Table 2: Information Technology and Organizational Performance

	Mean	Std. Deviation
The organizational IT infrastructure is capable of knowledge work and management decisions	3.996	0.865
Knowledge management systems and tools are widely accepted and regularly updated	3.919	0.945
Knowledge management systems are capable of sharing data and information among the stakeholders	3.898	0.611
Knowledge management systems are sufficient to support daily work	3.831	0.908
Am satisfied with the effectiveness of of operations in our organization as a result of IT adoption	3.743	0.897
Aggregate	**3.782**	**0.841**

Inferential Statistics

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between dependent variable (organizational performance of Stima SACCO) and independent variables (knowledge oriented leadership and information technology).

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (knowledge oriented leadership and information technology) and the dependent variable (organizational performance of Stima SACCO) dependent variable. Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients. The current study employed Taylor (2018) correlation coefficient ratings where by 0.80 to 1.00 depicts a very strong relationship, 0.60 to 0.79 depicts strong, 0.40 to 0.59 depicts moderate, 0.20 to 0.39 depicts weak.

Table 4: Correlation Coefficients

		Organization Performance	Knowledge Oriented Leadership	Information Technology
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	106		
Knowledge Oriented Leadership	Pearson Correlation	.840**	1	
	Sig. (2-tailed)	.002		
	N	106	106	
Information Technology	Pearson Correlation	.841**	.289	1
	Sig. (2-tailed)	.001	.061	
	N	106	106	106

From the results, there was a very strong relationship between knowledge oriented leadership and organizational performance of Stima SACCO in Nairobi City County, Kenya (r = 0.840, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the findings of (Anantatmula, 2018) who indicated that there is a very strong relationship between knowledge oriented leadership and firm performance.

In addition, the results revealed that there is a very strong relationship between information technology and organizational performance of Stima SACCO in Nairobi City County, Kenya (r = 0.841, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings conform to the findings of Edwards *et al.,* (2015) that there is a very strong relationship between information technology and firm performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (knowledge oriented leadership and information technology) and the dependent variable (organizational performance of Stima SACCO)

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.929	.863	.864	.10120

a. Predictors: (Constant), knowledge oriented leadership and information technology

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.863. This implied that 86.3% of the variation in the dependent variable (organizational performance of Stima SACCO) could be explained by independent variables (knowledge oriented leadership and information technology).

Table 6: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.027	2	3.018	46.43	.000[b]
	Residual	6.568	103	.065		
	Total	18.595	105			

a. Dependent Variable: organizational performance of Stima SACCO

b. Predictors: (Constant), knowledge oriented leadership and information technology,

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 46.43 while the F critical was 2.462. The p value was 0.000. Since the F-calculated was greater

than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of knowledge oriented leadership, information technology, Knowledge management culture and knowledge management processes on organizational performance of Stima SACCO in Nairobi County Kenya.

Table 7: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	**(Constant)**	0.205	0.038		5.395	0.000
	knowledge oriented leadership	0.369	0.099	0.367	3.727	0.004
	information technology	0.486	0.107	0.487	4.542	0.001

a Dependent Variable: organizational performance of Stima SACCO

The regression model was as follows:

$Y = 0.205 + 0.369X_1 + 0.486X_2 + \varepsilon$

According to the results, knowledge oriented leadership has a significant effect on organizational performance of Stima SACCO in Nairobi County Kenya β_1=0.369, p value= 0.004). The relationship was considered significant since the p value 0.004 was less than the significant level of 0.05. The findings are in line with the findings of (Anantatmula, 2018) who indicated that there is a very strong relationship between knowledge oriented leadership and firm performance.

The results also revealed that information technology has significant effect on organizational performance of Stima SACCO, β1=0.486, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings conform to the findings of Edwards *et al*., (2015) that there is a very strong relationship between information technology and firm performance

Conclusions

The study concludes that knowledge oriented leadership has a positive and significant effect on organizational performance of Stima SACCO in Nairobi City County. Findings revealed that top management commitment and support, role modeling by top management and establishing conditions by top management influence organization performance.

In addition, the study concludes that information technology has a positive and significant effect on organizational performance of Stima SACCO in Nairobi City County. Findings revealed that knowledge management systems, hard IT practices and IT support influence organization performance.

Recommendations

The study found that knowledge oriented leadership has a positive and significant effect on organizational performance of Stima SACCO in Nairobi City County. This study therefore recommends that the management of Stima SACCO should continue ensuring top management commitment and role modeling by the top management to enhance organization performance.

In addition, the study found that information technology has a positive and significant effect on organizational performance of Stima SACCO in Nairobi City County. This study therefore recommends that the management of Stima SACCO should continue embracing information technology adoption to ensure effectiveness and efficiency of operations in the organization.

Suggestions for Further Studies

This study focused on establishing the the effect of knowledge management practices on organizational performance of Stima Sacco. Having been limited to organizational performance of Stima Sacco, the findings of this study cannot be generalized to other firms in Kenya. The study therefore suggests further studies on examining the effect of knowledge management practices on organizational performance of other firms in Kenya

Further, the study found that the independent variables (knowledge oriented leadership and information technology) could only explain 86.3% of organizational performance of Stima SACCO. This study therefore suggests research on other factors affecting organizational performance of Stima SACCO in Nairobi County Kenya

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