

**STRATEGIC PLANNING PROCESS AND COMPETITIVE POSITIONING OF
DEPOSIT-TAKING SACCOS IN MARSABIT COUNTY, KENYA**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN
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DECLARATION

This project is my original work and has not been presented for the award of any degree in any university. No part of this project should be reproduced without the authority of the author and/or Kenyatta University.

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This research project has been submitted for the course examination with my approval as the University Supervisor.

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DEDICATION

This project is dedicated first and foremost to the Almighty God whose providence, grace, and care I cherish. I sincerely dedicate this work to my parents for their understanding while I was away from them pursuing the studies and for their support.

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ABBREVIATIONS AND ACRONYMS

| | |
|------------------------|--|
| CDA: | Coast Development Authority |
| CU: | Credit Unions |
| DT-SACCOs: | Deposit-Taking Savings and Credit Cooperatives |
| ICT: | Information communication technology |
| IRA: | Insurance Regulatory Authority |
| KCC: | Kenya Cooperative Creameries Limited |
| KEBS: | Kenya bureau of standards |
| KEBS: | Kenya Bureau of standards |
| NACOSTI: | National Commission for Science, Technology and Innovation |
| NGOs: | Non-Governmental Organisations |
| Non- DT-SACCOs: | Non-Deposit-Taking Savings and Credit Cooperatives |
| SACCOs: | Savings and Credit Cooperatives |
| SASRA: | Sacco Societies Regulatory Authority |
| SMEs: | Small and Medium Enterprises |
| TMT: | Telecommunications and Media Technology |
| UK: | United Kingdom |

OPERATIONAL DEFINITION OF TERMS

- Strategic planning:** It is an organizational management action used to set needs, concentrate vitality and assets, strengthen activities, ensure that staff and different partners progress in the direction of regular goals, concede to anticipated results, and assess and modify the course of the association in response to a changing setting.
- Competitive positioning:** Competitive positioning involves identifying how an organisation differentiates its offers and creating value for its industry.
- Strategy formulation:** The process in which an organisation selects the most appropriate course of action to accomplish its objectives.
- Strategy implementation:** This is the process in which organisations turn their plans and strategies into actions to accomplish its strategic objectives and goals.
- Monitoring & Evaluation:** It involves a follow-up and of the organisations set and implemented strategies to improve current and future management of outputs, outcomes and impact in an organisation.
- Strategy control:** It is a way in which an organisation manages the execution of the strategic plan, a process utilized by associations to control the development and execution of its vital plans

ABSTRACT

SACCOs in Kenya have constantly been affected by challenges such as Competition from already established and strong firms, inadequate financial resources that hinder expansion, insufficient technological development as well as unfavourable government policies. SACCOs, therefore, need to place themselves strategically to manage and take advantage of the ever-changing markets as well as tackle all the challenges facing them. These SACCOs have adopted certain strategic planning processes to help them build and maintain a sustainable competitive positioning. This study aimed at determining the effect of the Strategic Planning Process on Competitive Positioning of Deposit-Taking SACCOs in Marsabit County, Kenya. Specifically, the study examined the effect of strategy formulation, strategy implementation, strategy evaluation and control and the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya. The study was anchored on the game theory, contingency theory and goal-setting theory. The descriptive survey research design was adopted for the study with the target population comprising of 179 top-level management staff of all the SACCOs operating in Marsabit County. Stratified random sampling technique was used to select a sample of 94 respondents. Primary data was collected using semi-structured questionnaires. The research instrument was pretested. The study used both face and content validity to test the validity of the research instrument while the reliability of the research instrument was tested using Cronbach's alpha (α) coefficient. A coefficient of 0.7 or more was considered adequate in the study. Research data were analysed using descriptive statistics including mean scores, standard deviation and frequencies. Conceptual content analysis was also used to analyse primary data. Further, regression analysis was used to establish the effect of the strategic planning process on competitive positioning among Deposit-Taking SACCOs in Marsabit County. Finally, ethical factors were considered in the study. The study discovered that strategic planning process significantly and positively influenced competitive positioning among Deposit-Taking SACCOs in Marsabit County. It was found out that strategy formulation as a strategic planning process is significantly employed by the firms and has a positive and great effect on their competitive positions. The study also discovered that strategy implementation significantly influenced competitive positioning of the institutions through capacity development, policy and program development, reward structure, resource allocation and periodic strategy review. It was further discovered that strategy evaluation and control had a significant effect on competitive positioning through continuous monitoring and feedback, performance measurement, variance analysis, coming up with corrective action plans and setting performance benchmarks. Therefore the study concluded that strategic planning processes have a positive influence on competitive positioning among Deposit-Taking Saccos. The study recommends that the Deposit-Taking SACCOs need to come up with more ways of planning their strategies, monitoring them and ensuring that they work. The SACCOs need to involve employees and other stakeholders more to promote new ideas and strategies to enhance performance. The study further recommends that the SACCOs need to allocate more resources to strategic management as a key enabler of growth. The institutions also need to have a policy in place to guide strategic management practices, process and approaches. This will enable enhanced strategy formulation, implementation, monitoring and evaluation all aimed at improving competitiveness.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the 21st Century economy, business organisations play a very important role in economic growth by reducing the rate of unemployment and promoting flexibility and innovation. However, businesses are susceptible to threats arising from inadequate investment ability and resources necessitating the need to position them strategically to create a competitive advantage in the ever-changing market place (Wilson & Deschenes, 2018). To achieve this Kumar and Pansari (2016) stated that businesses require a distinctive brand tale to compete today and succeed in capturing and retaining a clear competitive edge over competitors in the niche. Every organization's success and sustainability in a competitive setting is determined by its strategic selection.

The primary goal of creating competitive marketing strategies is to build and maintain a sustainable competitive positioning. According to Tan and Sousa (2015), strategic positioning entails defining how a firm will separate its contribution and make an incentive for the clients. It's tied in with cutting out a spot in the serious scene, placing its stake in the ground, and winning mindshare in the commercial centre. The primary aim of strategic positioning is to distinguish the company from the competitor. By establishing a sustainable competitive advantage, a company can guarantee that it outweighs long-term competition, regardless of the financial circumstances.

According to Noe, Hollenbeck Gerhart and Wright (2017) traditionally, firms gained a competitive advantage from financial resources, physical resources as well as technological skills. They emphasize on organisational capacity as a critical source of competitive advantage, based on the assumption that organisations are not thinking, making choices, or allocating resources, but individuals do. They claim that problems concerning individuals should be managed with other approaches at the same time. Managers who can comprehend all the sources and integrate them are more likely to create competitive organisations. For organisations to gain a competitive advantage, there is a need for them to practice strategic planning.

Strategic planning is an authoritative administration movement used to set needs, concentrate vitality and assets, fortify activities, ensure that staff and different partners move in the direction of normal destinations, concede to anticipated outcomes or results, and evaluate and adjust organisations (Acharyan, 2018). According to Mcnamara (2005), strategic planning determines where an organisation will go over the next three years or more, how it will get there and how it will know whether or not it will get there. A strategic plan is valuable to an organisation as provides a guide for the employees, the organization's leadership and stakeholders to know where the organisation is going and why it is going there. Further, Wilson and Deschenes (2018) opined that strategic planning improves communication between the board and employees. By working through strategic choices and making tough choices, board and employees create better knowledge of each other, the organisation, and their mission.

1.1.1 Strategic Planning Processes

For centuries, strategic planning has been the cornerstone of organisational non-profit growth. The basis of any professional company is to define mission and vision, set strategic objectives, and create job plans. Non-profits typically go through the process of strategic planning upon start-up, after a few years of passionate service delivery, at a transition point, or as a consequence of important changes in the sector. The word strategic planning originated in the early 1950s but became popular from the mid-1960s to the 1970s. It was then commonly thought to be the solution to all issues of private and public management of organizations. However, it was set aside during the 1980s as there were no greater returns from the different scheduling systems (Kryger, Aggerholm & Thomsen, 2017). It later introduced again in the 1990s when it was valued by distinct academics in specific situations as a method with specific advantages.

Cassidy (2016) defined strategic learning processes as an outline of steps followed by an organization in determining their vision, mission and how to measure achievement of their goals. According to Bryson (2018), there are different strategic planning processes. However, the most popular strategic planning processes involve mission and objectives, environmental scanning, strategy formulation, strategy implementation and evaluation control. According to Wolf and Floyd (2017), mission and objectives describe the

organisations business vision including the unchanging values and purposes of the firm. Through the mission and objectives of the company, the firm's leaders can define a measurable financial and strategic objective.

This entails measures such as sales targets and growth in earnings as well as factors related to a firm's business position including market share and position. Environmental scanning as noted by Cassidy (2016) includes components such as the internal analysis of the firm which can identify the firm's strength and weaknesses while the external analysis reveals opportunities and threats. Strategic Planning offers the management of the organization with an opportunity to impact the business future and thus determine its destiny. Strategic planning's value is derived from processes, procedures, fresh perspectives and developments, and fresh concepts are being developed (Rothermel, 2012). Sandada, Poee and Dhurup (2014) believe that improving strategic performance is the only goal of strategic planning.

The essence of the planning process is to guide the management of the firm so that they do not aimlessly perform tasks that may not add value to the firm. Additionally, it helps the management to set business priorities that are of greater importance in achieving the overall organisational goals. As noted by Kumar and Pansari (2016), the strategic planning process is usually designed based on the firm's need to focus attention and provide direction to the management and employees in the achievement of goals. For this reason, the organisation's strategic plan and the planning process must be designed carefully to deliver the intended results. To do so there must be adequate cooperation between the management and employees, clear definition of the route course, changes required, and the necessary operational environment.

Concerning the indicators of strategic planning processes, the strategic formulation is the process by which an organization chooses the most appropriate courses of action to achieve its defined goals. This process is essential to an organization's success, because it provides a framework for the actions that will lead to the anticipated results (Saylor Foundation, 2014). Strategy implementation is also defined as how an organization should develop, utilize, and amalgamate organizational structure, control systems, and

culture to follow strategies that lead to competitive advantage and better performance (Management Guide, 2015). Henry (2008) defines strategy evaluation as the process of monitoring the firm's activities and performance results so that actual results can be compared with the desired performances.

In summary, the strategic plan defines both how and why you will achieve your performance management goals. The strategic planning process can be measured in several ways. Nzuki (2017) operationalized strategic planning into formality, use of strategic planning tools and techniques, employee participation and management participation. According to Andersen (2004), several key components make up the strategic planning process, including common phases like strategic analysis and strategy formulation, along with implementation and monitoring.

According to Bryson (2018), the strategic planning process includes conducting a situation analysis and developing the organization's mission statement, objectives, value proposition, and strategies. It involves conducting a situation analysis, conducting swot analysis and assessing both the internal and external environment. According to Wolf and Floyd (2017), the five stages of the process are goal-setting, analysis, strategy formation, strategy implementation and strategy monitoring. Goal Setting is the vision set for any organization. The analysis also called data gathering stage plays a crucial role in all the Strategic management process because the coming two stages are dependent on it.

Internal and external issues are identifying that can influence the objective of the organization. Moreover, Strategy Formulation involves reviewed the information given by the analysis. Resources have identified that can which of them can help further in the future. Also, Strategic Implementation is where the action is taken on all the given plans. This step is very crucial in the whole process of Strategic management (Fischer, 2018). The Evaluation and Control of the last stage of Strategic management process this involves the evaluation of the process whether everything is working correctly or anything is wrong. This study adopted strategic planning processes of strategy formulation, strategy implementation and strategy evaluation and control.

1.1.2 Competitive Positioning

Positioning idea originated in 1981 in a book by Al Ries and Jack Trout, *Positioning the mind fights How to see and hear in the crowded marketplace*. Competitive positioning is tied in with characterizing how the association will separate its contribution and make an incentive for its market. It's tied in with cutting out a spot in the competitive scene, placing your stake in the ground, and winning mindshare in the commercial centre. The position a firm has just obtained or is attempting to procure, comparative with its rival (Ibidunn, Osibanjo, Adeniji, Salau and Falola 2015). A competitive position gives a firm a favourable position over its rivals in this manner permitting it to hold/pull in more clients, gain mindshare of clients and piece of the overall industry. Competitive positioning is a methodology that characterizes how your business will build up and keep up a competitive bit of leeway.

As per Kharub and Sharma (2018) the competitive positioning of an association is regularly affected by showcase profile which involves the size of the market, contenders, phase of development, client portions this arrangement with the division on the segment, geographic, psychographic and conduct factors Anthony, Nelson and Tripsas (2016). Clients with comparative needs are assembled, includes competitive investigation; SWOT examination (Strength, shortcoming, openings and danger) and extraordinary incentive which manages the one of a kind worth the firm must idea to your clients and how you'll convey it to them.

A firm that is competitively positioned is in a better position to gain a competitive advantage. The Competitive Advantage notion indicates that businesses are more able to meet client requirements than their rivals. Raman (2015) mentions SCA as the continuous advantage obtained from implementing some distinctive value-creating approach that is not being implemented simultaneously by any potential or present competitor, as well as the failure to replicate the advantage of the strategy. Moreover, a firm is said to have procured competitive positioning if its costs are competitive and pull in clients, item and administration quality is superior to contenders, the firm is viewed as a favoured decision over another and has accomplished a consistent increment in a piece of the overall industry.

1.1.3 Deposit-Taking SACCOs in Marsabit County, Kenya

Savings and Credit Cooperatives (SACCOs) are owned, controlled and managed by members who are brought together by a common bond. These bonds often arise where people work together, belonging to the same church, labour union, social brotherhood or living. The origin of the SACCOs may be traced back in European countries including United Kingdom, Germany and France in the mid-19th Century where the initial social and economic groupings emerged to pool resources together to address their social and economic shortcomings.

Additionally, the development of cooperative movements was developed to form a common front on which workers could defend and promote their interests and that of their families due to the industrial revolution taking place in the region (Mumanyi 2014). The movement then spread to Europe's rural city, which later evolved into agricultural cooperatives and savings and loan cooperatives directed at improving members financial status. Furthermore, the cooperative movements helped farmers organize their agricultural input production systems and market their products instead of relying on intermediaries (Groeneveld, 2014).

In Kenya, SACCOs emerged during the colonial era and were restricted to the white settlers only until the 1950s. SACCOs form a major economic block for socio-economic development and significantly contributing to Kenya's GDP (Karagu & Okibo, 2014). Unlike in other jurisdictions, SACCOs are broadly categorised into two main categories namely Deposit-Taking SACCOs (DT-SACCOs) and Non-Deposit-Taking SACCOs (Non-DT-SACCOs). DT-SACCOs are by law allowed to take demand deposits and thus deliver services comparable to those provided by banking organizations that can be withdrawn from savings accounts. Then again, the non-DT-SACCOs are those that prepare investment funds (stores) from their individuals, which are frequently carefully used as insurance for credit offices progressed to such individuals. Non-store taking SACCO Societies is administered by the Cooperative Societies Act and are not approved to acknowledge withdrawable stores or present themselves to the general population as store taking substances (Anania, Gikuri and Hall, 2015).

The Sacco Societies Regulatory Authority (SASRA) is the administrative body for store taking SACCOs in Kenya accused of the duty of directing, permitting and overseeing store taking Sacco Societies. What's more, SASRA is commanded to secure the interests of Sacco individuals, guaranteeing that there is trust in people in general towards the Sacco area and prodding Kenya's monetary development through preparation of household reserve funds (Karagu & Okibo, 2014). Currently, there are 174 registered SACCOs, of which 5,000 are SACCOs. Marsabit County has over ten SACCOs with operational branches spread across the county.

1.2 Statement of the Problem

Savings and Credit Cooperatives play a pivotal role in Kenya's economic growth and development. World Bank (2018) showed that SACCOs play a significant role in financial deepening, financial inclusion and economic empowerment of the lower-income groups. Besides, the subsector in Kenya contributes about 62% of the investment funds and 65% of the advances accordingly making it the most powerful Sacco development in Africa. At present, more than 30 million Kenyans establishing 67% of the whole populace, rely upon the co-usable related exercises, legitimately and additionally by implication, for their vocations. Moreover, SACCOs control somewhat over 30% of Kenya's GDP and records for 80% of the absolute aggregated investment funds.

However, although the Sacco sector remains an instrument in the economy, little is done to amplify the role they play. The sector continues to face numerous challenges ranging from stiff competition from other financial institutions such as banks that are already established, inadequate financial resources, insufficient technological development and unfavourable government policies (Njanja & Pelissier, 2010). The requirement for capital adequacy for all cooperatives in Kenya reflects hard guidelines already used by their rivals (particularly mainstream banks). To deal with such challenges and compete favourably in the environment. SACCOs must have competitively positioned themselves and seek a competitive advantage. A strong competitive advantage is a function of a strong strategic planning process.

Several studies have been conducted on the strategic planning process and competitive advantage. Nzuki (2017) inferred that vital arranging rehearses impacted execution. Summarily, Owino (2012) concentrated on competitive systems embraced by reserve funds, credit cooperatives in Mombasa County, and inferred that SACCOs ought to settle on what explicit competitive methodology they need. They ought to likewise search for enough financing and visionary pioneers to increase the economical competitive favourable position to manage difficulties brought about by the outside condition. Also, several studies have been conducted on strategic planning and competitive advantage. Kariuki (2017) conducted a study on the effects of innovation strategy in enhancing competitive advantage among commercial banks in Kenya. Barney (2015) investigated firm resources and sustained competitive advantage.

Although several studies have been conducted on strategic planning and competitive advantage, most of the studies conducted dwelled on strategic planning processes and performance. The reviewed literature shows that none of the studies conducted focused on strategic planning and competitive positioning of SACCOs in Marsabit County, Kenya. This study sought to determine the effects of strategic planning processes on the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya.

1.3 Research Objectives

1.3.1 General Objective

The main objective of this study was to determine the effects of Strategic Planning Process on Competitive Positioning of Deposit-Taking SACCOs in Marsabit County, Kenya.

1.3.2 Specific objectives of the Study

The study was guided by the following specific objectives

- i. To determine the effects of strategy formulation on the competitive positioning of deposit-taking SACCOs in Marsabit County, Kenya.
- ii. To investigate the influence of strategy implementation on the competitive positioning of deposit-taking SACCOs in Marsabit County, Kenya.

- iii. To determine how strategy evaluation and control influences on the competitive positioning of deposit-taking SACCOs in Marsabit County, Kenya.

1.4 Research Question

The study sought to answer the following research questions

- i. To what extent does strategy formulation affect the competitive positioning of deposit-taking SACCOs in Marsabit County, Kenya?
- ii. How does strategy implementation influence the competitive positioning of deposit-taking SACCOs in Marsabit County, Kenya?
- iii. What is the effect of strategy evaluation and control influences on the competitive positioning of deposit-taking SACCOs in Marsabit County, Kenya?

1.5 Significance of the Study

As previously noted, there is a gap in the area of strategic planning's impact on the competitive positioning of SACCOs in Marsabit County. This research will contribute to the appreciation of the SACCOs strategic process and its effect on competitive positioning. This will benefit the financial sector players in Kenya and the business industry in general by expanding, including public policymakers who will profit greatly from this research. Similarly, the findings of this study will benefit researchers, students and scholars focusing on the strategic planning process and competitive advantage in providing relevant literature. The study will also help them in identifying research gaps and therefore improve their studies on strategic planning processes and competitive advantage.

1.6 Scope of the Study

The objective of this study was to determine the effects of the strategic planning process on the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya. This study specifically examined strategy formulation, strategy implementation and strategy evaluation and control the effect of each on the competitive positioning of SACCOs in Marsabit County, Kenya. This study targeted the top management employees of all SACCOs in Marsabit County. The study utilized data collected for the period beginning 2010-2018. This period within SASRA became fully operational.

1.7. Limitations of the Study

The objective of the study was to determine the effects of the strategic planning process on the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya. The study focused on determining the effects of the study variables (strategy formulation, strategy implementation and strategy evaluation control) on the competitive positioning of SACCOs. These variables used in the study were just four out of the many aspects of the strategic planning process. This study, therefore, dwelt much on the three variables and failed to include all the aspects of strategic planning that affect competitive positioning although the ones considered were dominant and key. To ensure that the variables of the study are relevant, the study did quite a thorough research that allows for future researchers to add on the topic.

In this study, the participants were top management employees who were not easily accessible to answer the research questionnaire. Consequently, the information collection method took longer than anticipated, which delayed the research as the respondent's enumerator collected information. However, the investigator sought appointment well in advance with the target participants on the best time to complete the questionnaires. The findings of this research might apply to SACCOs in Marsabit County and not be generalized to other counties or other. To ensure that the findings of the study are generalizable, the study used a fairly large sample. Furthermore, the results of the research were based on information gathered for only nine years. The results of the research might not be used to create long-term inferences about autonomous commissions' performance of employees.

1.8 Organization of the Study

There are five chapters in the project. Chapter one is the introduction to the research and includes the background of the study, the statement of the problem, the objectives of the study, the significance of the research, the study scope and constraints, and lastly the study limitations. Chapter two is the theoretical and empirical literature, the summary of the gaps in the literature and the conceptual framework. Chapter three includes the research methodology to be adopted by the scientist, specifically outlining the chapter on the research design, study population, sample size and sampling procedure, information

collection tool, information collection procedure, validity and reliability of data analysis methods and ethical aspects of the research tool. Chapter four presents the study findings while chapter five details the recommendations and conclusions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The second chapter of this study reviews the literature reviewed to build links between the predicted and the predictor variables. The chapter starts by reviewing the relevant theories that anchor the study. Thereafter, the empirical literature on previous studies conducted on the study constructs reviewed aimed at identifying research gaps. Further, a summary of the reviewed literature and the gaps identified are outlined in form of a table. Finally, a conceptual framework detailing the expected relationship between the study variables is provided.

2.2 Theoretical Review

This section outlines and discusses in details the theories on which the study was anchored aimed at developing an appropriate operational framework for variable measurement. In particular, the study was anchored on the game theory, contingency theory and the goal-setting theory.

2.2.1 The Game Theory

The game theory credited to the works of Princeton mathematician John Von Neumann in 1944 and has widely been adopted in academic fields such as mathematics, economics and management (Geckil& Anderson, 2016). The original model of the game theory was based on the premise of pure conflict, popularly known as zero-sum games(Von Neumann & Morgenstern, 2007).In this case, for one participant to win another must lose an equivalent amount gained and therefore players would find it relevant to cooperate to avoid losses. Recent versions of the game theory focus on games that are neither lose-lose nor simply helpful. In these games the players pick their activities independently, however, their connections to others include components of both rivalry and collaboration (Benmammar & Krief, 2014).

Thrasher (2014) asserted that a game as a science of strategy. That is when faced with multiple courses of action; the decision-maker will always select the outcome with the highest payoff. However, the same context there are several other participants such as

competitors, employees and shareholders, referred to as players, each of whom wants maximum payoff from the same setup. Consequently, the decision-maker forms a decision cognizant that there are other participants, whose choices will influence their payoffs. It is thus noted that in every decision choices are interdependent. That is, each participant's result relies on the other participants' decisions (strategies) (Hardin, 2015).

In strategic management, the game theory is relevant in explaining the dynamic and sequential strategic decisions made by the management (Geckil & Anderson, 2016). That is the management need to be proactive in determining the available strategic alternatives and anticipating the reactions of other players given each of the strategy taken. For a firm to secure a competitive position, it must beat competitors in strategy formulation and adoption. By fully understanding the dynamics of competitors, the management can recognize strategies that make their competitive position better off in the long-term and signalling tactics that avoid loss outcomes. Similarly, Weintraub (2017) opined that by understanding the strategies adopted by competitors, the management can develop strategies that change the rules of the game in their favour. These strategies may relate to the development of new products, pricing, licensing, research and development, advertising and regulation.

Based on the foundations of the study that each management decision outcome may be influenced by the reactions of competitors and that the by anticipating where their initial decisions will ultimately lead, the managers can calculate their current best choice. For this reason, the study finds the theory relevant in anchoring strategy formulation where the managers formulate strategies considering the strategies adopted by competitors and their reaction to the firm's strategy.

2.2.2 Contingency Theory

The contingency theory as proposed by Fiedler (1986) states that there is no best way of making choices, running a business or organizing a business. Instead, the appropriate course of action depends on the company's or decision's inner and external variables. Therefore, the theory depends on the reason that there is no best way to deal with the board (Otley, 2016), however the hierarchical elements of arranging, sorting out, driving,

and controlling must be custom-made to the particular conditions an association faces. Natural components influencing the adequacy of various types of association to incorporate ecological change and vulnerability, work innovation, and the size of an organization (Mansbridge, 2014). To accomplish proficiency and consistency, stable situations propose unthinking structures that stress centralization, formalization, institutionalization, and specialization, contingent upon the point of view of possibility. Assurance and consistency empower approaches, rules and systems to be utilized to control routine assignments and issues in dynamic.

On the other hand, unstable environments indicate organic structures, emphasizing decentralization to attain flexibility and adaptability (Alexander, 2017). Uncertainty and unpredictability for non-routine duties and issues involve general problem-solving techniques. Organizational units working in distinct settings create distinct features of inner units, and the higher the inner distinctions, the higher the need for unit cooperation (Mikes & Kaplan, 2014). There are multiple variations of contingency theory. Earlier sections of contingency theory tried to formulate wide-ranging generalizations about formal structures typically linked to or best suited to the use of different methods. The perspective originated with Woodward's (1958) work, which argued that methods directly determine differences in such organizational features as control span, energy centralization, and the formalization of laws and processes.

Other strands include Morgan (2007) version, which defines the primary aspects of a contingency to include organisations as open structures, no best way of organizing. Fiedler's 1986 model of contingency concentrated on an organizational leadership model of contingency. This model includes the connection between the style of management and the situation. Finally, model Scott (1981) says that the best way to organize depends on the nature of the setting the organisation has to relate to. Because distinct organizations have distinct conditions under which choices are made, therefore, management must be cautious to implement the best practices and policies that assist the company achieve competitive market position, achieve competitive advantage and achieve the best output. The theory was therefore used in this research to anchor the execution of the approach.

2.2.3 Goal-Setting Theory

The goal-setting theory was proposed by Kurt Lewin and later developed by Locke (1989). The theory holds that there exist inductive relationships between goal setting furthermore, improved creation execution. Right now, is seen as the point of an activity or errand that an individual intentionally wants to achieve (Erez, 2015). Then again, as indicated by Locke and Latham (2015) noticed that objective setting involves the intentional procedure of setting execution levels to accomplish alluring outcomes. The target setting hypothesis along these lines reasons that the essential wellspring of inspiration is the readiness and reason to accomplish the independently set objectives (Miller and Bauman, 2014).

Taking into account Kiresuk, Smith and Cardillo (2014) objective setting includes the improvement of an activity plan intended to persuade and direct representatives toward the set objectives. Objective setting is frequently guided by objective setting criteria, for example, explicitness, quantifiability, feasibility, sensible and time-bound as saw by Mawritz, Folger and Latham (2014). Locke (2015) opined that people who set explicit, troublesome objectives are bound to perform better than the individuals who set general, simple objectives. Therefore, he proposed five essential standards of objective setting, which incorporate lucidity of the objectives, challenge, and duty to objective accomplishment, input, and undertaking multifaceted nature. The best approaches to remain persuaded are to define objectives for you.

Miller and Bauman (2014) demonstrated linkage between objective setting and undertaking execution by contending that particular and testing objectives alongside fitting criticism add to higher and better assignment execution. Also, progressively explicit and yearning objectives lead to more execution improvement. Thusly, to acknowledge better outcomes, the set objectives ought to be explicit, troublesome, and have time limitations. For whatever length of time that the individual acknowledges the objective, can achieve it and doesn't have clashing objectives, there is a positive straight connection between objective trouble and undertaking execution. Moreover, Travers, Morisano and Locke (2015) reasoned that objective setting hypothesis is four creases. That is troublesome explicit objectives lead to fundamentally better, holding capacity

consistent produces inspiration prompting objective duty and better. Thirdly, the commendation, input, or the contribution propels the staff to perform better lastly for representatives to accomplish the objectives they should settle on an intentional decision, show exertion, and stay tireless.

Hence, the important characteristics of the goal-setting theory include willingness to work towards the attainment of a goal, specific and clear goals, realistic and challenging goals, better and appropriate feedback of results as well as employees' participation in goal setting (Erez, 2015). The theory states that for employees to achieve the better performance they must set appropriate achievable goals that challenge them to work harder. Although the theory does not expressly show that goal setting would lead to competitive positioning, the study notes that among the goals of the firm is to achieve better results by gaining competitive advantage through competitive positioning. It has thus alluded that a firm that sets clear challenging goals and works consistently to achieve them; they will achieve competitive positioning leading to better performance. Thus, the study found the theory relevant in anchoring strategy formulation, strategy implementation and strategy evaluation and control.

2.2 Empirical Literature Review

In this section, literature from previous studies on the current study variables is reviewed. Specifically, the study reviews the literature on Strategy formulation, strategy implementation, strategy evaluation and control.

2.2.1 Strategy Formulation and Competitive Positioning

Izadi (2012) conducted a study on Strategy formulation and performance of companies centered in the United Kingdom (UK) on high-tech small and medium enterprises (SMEs). The study aimed at investigating the relationship that exists between strategy formulation and firm performance. Based on a positivistic approach and cross-sectional research design, the study a questionnaire to collect primary data from targeted 357 respondents was created. Data collected was analysed through descriptive and statistical analysis to conclude that factors associated with effective strategy formulation affect the performance of high-tech SMEs. However, the research was based on SMES technology

and innovation in the UK and the results on Deposit-Taking SACCOs in Marsabit County may therefore not be generalized.

In their study on strategy formulation and performance Poister, Edwards, Pasha and Edwards (2013) aimed at analysing the impact of strategic planning and logical instrumentalism on the performance of 104 SMEs in the United States. Data on strategic growth were acquired through an online survey of agency executives, while the National Transit Database provided objective results information. Ordinary minimum square regression models were used to assess the impacts and interaction between the two scheduling methods. The findings suggest that strategic planning has a beneficial impact on measures of efficiency and productivity of the scheme, but does not impact measures of efficiency or cost-effectiveness. The survey was performed in the developed economy of the United States, while the present study will be performed in a remote county in Kenyan.

Additionally, Kaonde (2014) in a study on improving procedure detailing and usage in advanced education establishments in Malawi depended on deliberate way to deal with research the connection between methodology definition and execution in Higher Education Institutions. Four colleges, a business bank and a worldwide media communications company acted inside and out contextual analyses where essential information was accumulated utilizing a survey and subjectively dissected. The outcomes demonstrated that initiative, asset assignment, straightforwardness and undue multifaceted nature, authoritative culture, hierarchical structure, correspondence, HR the executives, authoritative learning and improvement, execution the board, technique plans and implementation planning, change management, overall quality management, systems and procedures have a straightforward impact. At the same time, the research found that processes for formulating strategies and implementing them contribute to an organization's general performance. However, the research findings were based on the formulation and execution of strategies in Malawi's higher education organizations whose findings may not be inferred on the Kenyan context.

Studying the process of formulating strategies in government secondary schools in Embu County, Njeru (2014), adopted a descriptive cross-sectional research model, selecting 60 schools from a population of 147 secondary schools in Embu County. Primary data was gathered through a structured questionnaire to the Principals and/or the Deputy Principals. Data collected were analysed using correlation and regression analysis of descriptive statistics. The findings showed no participation of stakeholders in the implementation of strategies. The Deputy Principals, Principals, members of the BOG and specialists, however, are the primary participants engaged in the process of formulating the strategy. However, this research only attempted to determine if the strategy formulation process in government secondary schools in Embu County is dully followed, while this research aims to determine the impact of the strategy formulation method on the competitive placement of Deposit-Taking SACCOs in Marsabit County.

Nyabinda (2016) also conducted a study to establish the process and challenges of strategy formulation at Simba Corporation limited, Kenya. The study aimed to identify the strategy formulation method taken by Simba Corporation and to identify the company's difficulties in the process of formulating a strategy. The research embraced case study in which senior employees were interviewed and analysed their reactions through the technique of content analysis. The research discovered the company had embraced diversification as its primary approach in its quest to be one of the major players in Kenya's engine industry. However, the research recognized several obstacles to the implementation of strategies, including opposition to change, deep-rooted culture, conflict of interest, ideological distinctions, expectations of industry and clients, government and laws, market liberalization, globalization, morality, communication and resource inadequacy. Although the study outlines the strategy formulation process and the challenges encountered in strategy formulation, the study failed to show the relationship that exists between strategy formulation and competitive positioning.

Santura, Muema and Nkaabu (2017) sought to determine the relationship between strategy formulation and performance of the public organization in Isiolo County. Using a census of 63 managerial staff in county government, a descriptive research design was adopted for the study. Based on descriptive statistics and correlation analysis the study

concluded that successful formulation of the strategic plan has taken root among the County governments and that leadership training that influences strategic plan formulation and has a strong relationship with performance of public institutions. While this study was carried out in Kenya, the study focused on public Isiolo County government that the operational environment and scope is significantly different from that of SACCOS

2.2.2 Strategy Implementation and Competitive Positioning

Seeking to establish strategy implementation practices of an organization, Muchemi (2014) conducted a study at the Kenya Post Office Savings Bank. In his study, interviews were conducted on key officials from offices engaged with methodology execution utilizing meeting guides. The reactions were broken down through substance examination to build up that Kenya Post Office Savings Bank utilize satisfactory assets, making and utilizing technique strong approaches and projects for nonstop improvement, constant checking and assessment of procedure and connecting reward structure to improve strategy implementation. Factors that encourage strategy implementation include good leadership, staff involvement in strategy formulation, continuous monitoring and evaluation of strategy implementation. However, the results of this study may not be generalised to the current study context since it used on data collected through a case study of one bank only. Besides, the study relied on qualitative data collected via interviews whereas the current study will utilise quantitative data, which may post different results.

Waichigo (2014) studied the perception of the top management team and strategy implementation at the Coast Development Authority (CDA) in Kenya. This study employed a descriptive research design in which a cross-sectional survey of CDA's top management team was undertaken from whom data was collected using a structured questionnaire. Data collected were analysed using descriptive statistics. The results indicate that a majority of the top management team has confidence in the adequacy of the current strategies in achieving the organizational objectives. The results also showed that allocating time to strategy implementation and developing the capacity to successfully implement strategy had the highest impact on strategy implementation while

strategy implementation process, top management commitment to strategy implementation, the involvement of external stakeholders, resources disbursement, creation of strategy implementation policies, TMT strategic leadership, the reward system, and external stakeholder support had little effect. This study only aimed at determining top management team perception on strategy implementation but did not show how strategy implementation affects the strategic position of the firm.

Studying the influence of the implementation strategy on the results of the Kenya Bureau of Standards (KEBS), Mbithi (2016) used the primary data case study approach, which was gathered using the interview guide. The organization's senior executives were interviewed and analysed using content analysis the qualitative information gathered. The research disclosed that the application of strategy was influenced by organizational structure, organizational culture, management style, communication, worker participation, and ICT infrastructure. Furthermore, the research disclosed that application of policy was a critical factor in enhancing KEBS efficiency through employee performance, retention and attraction of employees, enhanced market coverage on monitoring, improved turnaround time on sample assessment and enhanced number of ISO-certified customers. Although the results of the study showed a positive relationship between strategy implementation and firm performance, the results were based on a very small sample of five senior managers. Therefore, the results may differ significantly if a large sample was selected. Additionally, the study was a case study of KEBS that is based in Nairobi County and therefore its findings may not be generalised on Deposit-Taking SACCOs in Marsabit County.

Besides, Kihara (2017) looked to decide the impact of the use of arrangement on the consequences of SMEs in Kenya. The exploration meant to decide if the exhibition of creation SMEs in Kenya is affected by the executives' styles, structure, HR, innovation and vital heading. Secured on the organization's energetic point of view of limits and driven by the way of thinking of intelligent positivism, a mixed plan consolidating quantitative and subjective models was utilized to get information from 115 organizations from the absolute populace of 593 enlisted SMEs in Kenya. Using a stratified sampling method, these companies were classified as tiny or medium, young or old. Mean scores,

variances, standard deviation and inferential statistics were used to draw findings, including correlation and regression analysis. The findings showed that the application of the policy has a favourable and substantial impact on the performance of manufacturing SMEs. The results published in this research were based on information gathered from the manufacturing sector while the present survey will be performed among SACCOs in Marsabit County in the economic industry.

Nyakego (2017) on a study strategy implementation, planning typologies and performance of universities in Kenya, sought to determine the moderating effects of planning typologies on the relationship between strategy implementation and performance of universities in Kenya. The balanced scorecard model guided the study and employed an explanatory research design on a population of 39 the universities from which a sample of 12 universities was carefully chosen using stratified simple random sampling techniques. Structured questionnaires were distributed to 490 employees of the selected universities. Data were analysed using descriptive and inferential statistics to conclude that strategy implementation significantly affected the performance of universities in Kenya. However, the results of the study were based on public universities, which are in the education sector while the current study will focus on deposit-taking SACCOs in Marsabit County, which are in the financial sector.

To examine the connection between the process of formulating strategy and innovation output in microfinance banks in Nigeria, Nwachukwu, Chladkova and Fadeyi (2018) used correlation and regression analysis to conclude that the method of formulating strategy has a beneficial impact on process innovation performance, product innovation performance, and marketing innovation performance. Data used in the research were gathered through questionnaires given to a sample of 80 staff from the top microfinance banks ' 100 staff. Despite the positive relationship between the study variables, the results of the study were based on microfinance banks in Nigeria that may not apply to the Kenyan context, especially SACCOs in Marsabit County deposit-taking.

2.2.3 Strategy Evaluation and Control and Competitive Positioning

Mbugua (2010) aimed at determining the methods used by NGOs in Nairobi in the strategic assessment. This study was conducted on a sample of 70 NGOs listed by the NGOs Coordination Board in Nairobi County. Primary data was utilized in the study collected via questionnaire. The main respondents of the study were Program Officers of the respective NGOs who were selected using a stratified sampling technique. The descriptive cross-sectional survey research design was adopted. The study concluded that the NGOs in Nairobi use management by objective, continuous improvement and just in time strategy approaches in strategy evaluation. However, this study was conducted among NGOs, which are Non-profit making unlike the deposit-taking SACCOs in Marsabit County, which are profit-oriented. The results of this study results may therefore not be generalised to the current study.

Evaluating strategy evaluation practices adopted by insurance firms in Nairobi Kenya, Kinuthia (2012) based his study on a census of all the forty-three insurance firms in Nairobi, Kenya registered by the Insurance Regulatory Authority (IRA). The study utilised primary data gathered using a questionnaire from these companies. The study established that insurance firms in Nairobi formal approach to strategy evaluation, formal evaluation strategies, and informal evaluation strategies, formative and summative evaluation strategies. This study only showed the strategies adopted by the insurance firms in Nairobi but did not show the effect of the strategies on the competitive positioning of the firm. Besides, the study was conducted in the insurance industry while the current study will be conducted among deposit-taking SACCOs in Marsabit County, which are in the financial sector.

Muiruri (2014) attempted to find out the significance of strategic assessment and control methods as well as the difficulties at the University of Nairobi in research on strategic assessment and control methods. Using an interview guide, primary data was gathered and analysed via content analysis. The research disclosed that the most prevalent methods used by agencies were performance assessment and ISO audits. The results also showed regular assessment and control. It was also shown that assessment ensured that the organization was on the correct route towards attaining the strategic plan's goals and,

through control, the management was able to prevent any deviations from the goals or goals. Through this process, all the college stakeholders were accountable. This study's findings were based on a case study and therefore may not be generalized to all organizations. Moreover, the research only attempted to identify the implementation of strategic assessment and control methods but did not demonstrate the connection between strategic assessment and control procedures and the company's strategic positioning.

Further, Nyakoe (2014) studied strategy evaluation and control practices at the Kenya Bureau of Standards. This study sought to investigate the strategy evaluation and control practices at the Kenya Bureau of Standards (KEBS). A case study approach was used. Primary data and secondary data were utilised in the study. Informants were drawn mainly from the top management in the Human resource & administration, finance and Information communication technology (ICT), Testing, Metrology, Standards development, Certification, Quality assurance, Inspection and national quality institute provided the required data collected through a prepared interview guide comprising of open-ended questions. Secondary data was sourced mainly from annual financial reports, seminar presentations and KEBS Strategic Plan 2012-2017. A content investigation was utilized to dissect the information, which affirmed rehearses utilized by KEBS in methodology assessment and control as benchmarking, Certification, Accreditation, data correspondence innovation, key review, technique checking, execution evaluation and client overviews. Anyway, the examination was led in the open part inferring that the outcomes numerous not be summed up to the private segment. The investigation was led on a contextual analysis while the present examination will include all the store taking SACCOs in Marsabit County.

Mukui (2018) led to concentrate on system assessment rehearses embraced by new Kenya Cooperative Creameries Limited. The point of the investigation was to set up the vital assessment approaches actualized by New KCC. The examination was guided by objective setting hypothesis and open frameworks hypothesis. The objective populace of the examination was the New KCC's staff, Head of Business Strategy & Development, Chief Manager Factory Operations, Chief Manager Sales & Marketing, Chief Manager Finance, Head of Procurement, Head of Engineering, Head of Productions, and Head of

Information Communication & Technology. The examination gathers essential information through meetings and broke down through substance investigation technique. The examination finished up the technique assessment rehearses distinguished at new KCC to incorporate seat checking, inner reviews, adjusted scorecard, execution evaluations, accreditations and affirmations, consumer loyalty overviews and the utilization of data innovation programs. Although the consequences of the investigation indicated assessment rehearses received by the firm, the examination didn't show the impact of the assessment rehearses and competitive positioning in deposit-taking SACCOs in Marsabit County. Besides, the investigation was directed in an assembling firm while the present examination will be led in a budgetary division.

2.3 Summary of the Reviewed Literature and the Research Gaps

The summary of the literature reviewed and the research gaps identified based on the studies reviewed on the study variables are as shown in Table 2.1.

Table 2.1: Summary of the Literature Review and Research Gaps

| Author/s | Focus of the Study | Research Finding | Research Gaps | Focus of Current Study |
|-----------------|---|---|---|--|
| Mbugua (2010) | The approaches used in strategy evaluation among non-governmental organizations in Nairobi. | The study concluded that the NGOs in Nairobi use management by objective, continuous improvement and just in time strategy approaches in strategy evaluation. | This study was conducted among NGOs, which are Non-profit making unlike the deposit-taking SACCOs in Marsabit County, which are profit-oriented. The results of this study results may therefore not be generalised to the current study. | The current study was conducted in the financial sector among deposit-taking SACCOs in Marsabit County. |
| Izadi (2012) | Strategy formulation and performance of companies cantered in the United Kingdom (UK) on high-tech small and medium enterprises (SMEs). | Factors associated with effective strategy formulation affect the performance of high-tech SMEs. | The research was based on SMES technology and innovation in the UK and the results on Deposit-Taking SACCOs in Marsabit County may therefore not be generalized. | In the economic industry, this research was carried out. The research was broader in scope and tried to demonstrate the impacts of formulating strategies, implementing strategies and evaluating and monitoring strategies. |
| Kinuthia (2012) | Strategy evaluation practices adopted by insurance firms in Nairobi Kenya | The study established that insurance firms in Nairobi formal approach to strategy evaluation, formal evaluation strategies, informal evaluation strategies, formative, and summative evaluation strategies. | This study only showed the strategies adopted by the insurance firms in Nairobi but did not show the effect of the strategies on the competitive positioning of the firm. Also, the study was conducted in the insurance industry while the current study was conducted among deposit-taking SACCOs in Marsabit County, which are | The current study was conducted in the financial sector among deposit-taking SACCOs in Marsabit County. |

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|--|--|--|--|---|
| | | | in the financial sector. | |
| Poister, Edwards, Pasha and Edwards (2013) | Strategy formulation and organisational performance | The results suggested that strategic planning exerts a positive influence on effectiveness and system productivity measures, but does not influence efficiency or cost-effectiveness measures. | The study was conducted in the United States, a developed economy. | The current study was conducted in a remote county in Kenya which is a less developed economy. |
| Kaonde (2014) | Improving strategy formulation and implementation in higher education institutions in Malawi | The study concluded that strategy formulation and implementation processes contribute to the overall performance of an organisation. | The results of the study were based on strategy formulation and implementation in higher education institutions in Malawi whose findings may not be inferred on the Kenyan context. | The study was conducted in the financial sector in Kenya as opposed to the education sector in Malawi |
| Njeru (2014) | Strategy formulation process in public secondary schools in Embu County | The results showed that there was no involvement of stakeholders in strategy formulation. | However, the deputy principals, the principals, BOG members and experts are the main participants involved in the strategy formulation process. However, this study only sought to establish if the strategy formulation process is duly followed in public secondary schools in Embu County | This study aim at establishing the effect of strategy formulation, strategy implementation and strategy evaluation and control on the competitive positioning of Deposit-Taking SACCOs in Marsabit County |
| Muchemi (2014) | Strategy implementation practices of an organization the Kenya Post Office Savings Bank. | Factors promoting the execution of the strategy include excellent management, the participation of employees in the formulation of the strategy, ongoing monitoring and assessment of the execution of the | This study's findings may not be generalized to the present study framework as it uses information gathered from a single bank case study only. Furthermore, the research | The study was conducted among all deposit-taking SACCOs in Marsabit County. |

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|-----------------|---|---|--|---|
| | | strategy. | depended on qualitative information gathered through interviews while quantitative data was used in the present research, which may post various outcomes. | |
| Waichigo (2014) | Perception of the top management team and strategy implementation at the Coast Development Authority (CDA) in Kenya | The results showed that allocating time to strategy implementation and developing the capacity to successfully implement strategy had the highest impact on strategy implementation while strategy implementation process, top management commitment to strategy implementation, the involvement of external stakeholders, resources disbursement, creation of strategy implementation policies, TMT strategic leadership, the reward system, and external stakeholder support had little effect. | This research aimed only to determine the perception of the top management group on the execution of the strategy but did not demonstrate how the execution of the strategy impacts the company's strategic situation. | This study aim at establishing the effect of strategy formulation, strategy implementation and strategy evaluation and control on the competitive positioning of Deposit-Taking SACCOs in Marsabit County |
| Nyakoe (2014) | Strategy evaluation and control practices at the Kenya Bureau of Standards | Practices used by KEBS in strategy evaluation and control as benchmarking, Certification, Accreditation, information communication technology, strategic audit, strategy monitoring, performance appraisal and customer surveys. | However, the study was conducted in the public sector implying that the results may not be generalised to the private sector. The study was conducted on a case study. | The study involved all the deposit-taking SACCOs in Marsabit County. |
| Nyabinda (2016) | The process and challenges of strategy formulation at Simba | The research discovered the company had embraced diversification as its primary | The research describes the process of strategic implementation and the | The study sought to show the relationship that exists between strategy |

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|----------------------------------|---|--|---|--|
| | Corporation limited, Kenya. | <p>approach in its quest to be one of the major players in Kenya's engine industry.</p> <p>However, the research recognized several obstacles to the implementation of strategies, including opposition to change, deep-rooted culture, conflict of interest, ideological distinctions, expectations of industry and clients, government and laws, market liberalization, globalization, morality, communication and resource inadequacy</p> | <p>difficulties faced in the implementation of policy, it however did not show the connection between strategy formulation and competitive positioning.</p> | <p>formulation and competitive positioning.</p> |
| Mbithi (2016) | Influence of strategy implementation on performance of Kenya bureau of standards (KEBS) | <p>The study indicated that execution of the strategy was a critical factor in enhancing KEBS efficiency through employee performance, retention and attraction of employees, enhanced market coverage on monitoring, improved turnaround time on sample assessment and enhanced number of ISO-certified customers.</p> | <p>The findings were based on a very tiny sample of five senior executives. Therefore, if a large sample has been chosen, the findings may vary considerably. Also, the research was a case study of KEBS based in Nairobi County and its results on Deposit-Taking SACCOs in Marsabit County may therefore not be generalized.</p> | <p>The study was conducted among all deposit-taking SACCOs in Marsabit County.</p> |
| Santura, Muema and Nkaabu (2017) | The relationship between strategy formulation and performance of the public organization in Isiolo County | <p>The research found that effective strategic plan implementation has taken root among county governments and that management preparation that affects the formulation of strategic plans and has a powerful connection with</p> | <p>Although this research was carried out in Kenya, the research concentrated on the public government of Isiolo County that the operating environment and scope differ considerably from SACCOS.</p> | <p>The study was conducted among Deposit-Taking SACCOs in Marsabit County.</p> |

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|---------------|--|--|--|---|
| | | government institutions performance. | | |
| Kihara (2017) | The influence of strategy implementation on the performance of small and medium manufacturing firms in Kenya | The results showed that there exists a positive and significant influence of strategy implementation on the performance of the manufacturing SMEs. | The findings posted in this study were based on data collected from the manufacturing sector. | The current study was conducted in the financial sector among deposit-taking SACCOs in Marsabit County. |
| Mukui (2018) | Strategy evaluation practices adopted by new Kenya Cooperative Creameries Limited | The study concluded the strategy evaluation practices recognized at new KCC to incorporate seat stamping, inward reviews, adjusted scorecard, execution evaluations, accreditations and confirmations, consumer loyalty overviews and the utilization of data innovation programs. | The study did not show the effect of the evaluation practices and competitive positioning in deposit-taking SACCOs in Marsabit County. Moreover, the study was conducted in a manufacturing firm | The current study was conducted in the financial sector on deposit-taking SACCOs in Marsabit County. |

Source: Author and Literature Review (2019)

2.4 Conceptual Framework

Based on the literature review and the theoretical foundation in the study the conceptual framework in figure 2.1 is developed. The framework outlines how the constructs in the study were operationalized and the expected relationship between the variables.

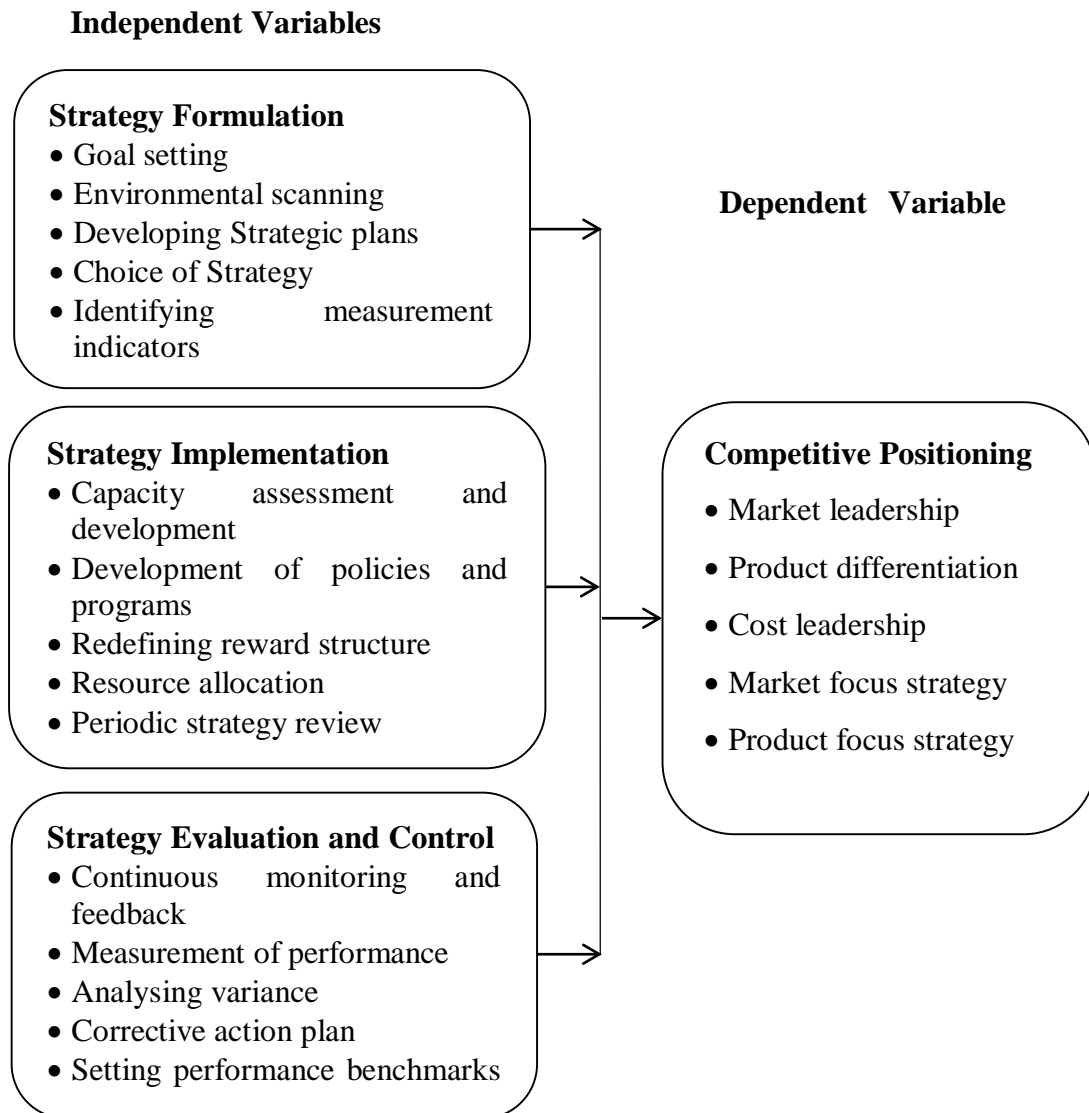


Figure 2.1: Conceptual Framework

Source: Researcher (2019)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter includes a comprehensive description of the research methods as well as the research design used in the study. This chapter also provides the Target Population, Sampling Technique, Research Instrument, Validity and Reliability of Research Instrument, Data Collection Procedure, Data Analysis and Presentation as well as Ethical Considerations.

3.2 Research Design

Research design is a plan on how the researcher intends to follow the study objectives in the process of data collection and evaluation. This study adopted a descriptive research design. The design was implemented in this research as it provides an opportunity for the researcher to use both quantitative and qualitative information to discover information and describe features of the population or phenomenon being studied (Ledford & Gast, 2018).

3.3 Target Population

The target population is defined as a group of individuals who have one or more common characteristics that are of interest to the researcher (Bailey, 2011). The target population is the total group of individuals from which the sample might be drawn. This study targeted a population of 179 top, middle and lower-level management staff of all the SACCOs in Marsabit County. The study target population was as shown in Table 3.1. The information on the distribution of the respondents was retrieved from the Marsabit county government database.

Table 3.2: Target Population

| Management Level | Frequency | Percentage |
|------------------|------------|---------------|
| Top Level | 23 | 12.8% |
| Middle Level | 49 | 27.4% |
| Lower Level | 107 | 59.8% |
| Total | 179 | 100.0% |

Source: Marsabit County Government (2019)

3.4 Sampling Technique

Sampling is the use of a section of the population to acquire the study data needed. A sample functions as the representative of the entire population, according to Etikan, Musa & Alkassim, (2016), and the researcher can then conclude the outcomes of this sample. The sample size was taken as a representation of the studied population (Bryman & Bell, 2015). In this study, the stratified random sampling technique was used. This technique is used when the population is not homogeneous and can be distributed in different strata such as the top, middle and lower-level management as shown in table 3.1 above. First, the population was stratified into three levels of leadership, including lower level, middle, and top-level management. In each of the stratum, the investigator used the easy random method to sample research participants. Stratified random sampling technique was used in this study to select a sample of 94 respondents. This sample size was achieved by using a confidence level of 95 per cent and a 0.05 error with the formulae proposed by Kothari (2004) to take the 179 employee members population and a sample of 94 was generated.

Table 3.3: Sample size

| Management Level | Total population | Ratio | Sample size |
|-------------------------|-------------------------|--------------|--------------------|
| Top Level | 15 | 0.76 | 11 |
| Middle Level | 32 | 0.76 | 24 |
| Lower Level | 77 | 0.76 | 58 |
| Total | 179 | | 94 |

Source: Author (2019)

3.5 Research Instrument

Primary data was used in this study. The data which was collected using semi-structured questionnaires. The questions were containing both closed and open-ended questions. According to Mutandwa, Grala and Grebner (2016), open-ended questions allow the respondents to give profound responses. Closed-ended questions on the other hand were easily accessed by the researcher. The open-ended questions allowed the responded to give well-structured responses which are easier to investigate and draw conclusions. The information that might have been missing in the open-ended questions was provided

through the closed-ended. The research instrument was self-administered by the researcher. The questionnaire was structured to contain two sections, section one provided demographic information while section two provided information regarding the study variables.

3.6 Pilot Study

A pilot study was conducted to establish the validity and reliability of data collection instruments (Alvesson & Skoldberg, 2017). The questionnaires were pre-tested on a pilot set of 8 respondents for comprehension, logic and relevance. This target was obtained from some of the management staff of some of the SACCOs in Marsabit County.

3.6.1 Validity of Research Instruments

The validity of a research tool relates to the precision and meaning of the outcomes of the study (Golafshani 2012). Validity allows the investigator to determine the questionnaire's validity. In this study, for testing the validity of the research tool, both face and content validity were used. Face validity is the extent to which a test is subjectively considered to encompass the concept to be measured by it. It concerns the sample population representatives while content validity draws an inference from test results to a wide range of comparable items to those on the exam. Knowledge and abilities covered by the test items should be representative of the wider knowledge and abilities domain (Gillham 2011).

3.6.2 Reliability of the Research Instrument

Reliability of a research instrument is the extent to which a research instrument gives similar results under the same conditions. According to Taylor, Bogdan and DeVault (2015), it is the extent to which it is consistent in measuring whatever it was intended to measure. Reliability is concerned with whether the results of the research are repeatable. The coefficient of composite reliability (Cronbach alpha) was regarded as sufficient for all constructs (Rousson, Gasser & Seifer, 2012). This study used the alpha (α) of the Cronbach coefficient of reliability to evaluate reliability. A coefficient of more than 0.7 indicates that the data collection instruments are reliable.

3.7 Data Collection Procedure

The research instrument was self-administered by the researcher with the help of research assistants. This method of administering the research instrument enabled the research to clarify any misunderstood question for the respondents at the same time allow the researcher to probe for more answers. This gives the respondent enough time to comprehend and understand the questions better and give appropriate responses. In an event that the self-administered questionnaire is irrelevant, the researcher dropped the questionnaire and came back for the later. The researcher also sought for an introductory letter from the university which was carried along with the questionnaire to give assurance to the respondents that the study was being conducted for educational reasons and that their information was confidential. The researcher also obtained a research permit from the National Commission for Science, Technology and Innovation (NACOSTI) to be allowed to carry out the research.

3.8 Data Analysis and Presentation

To prepare data for assessment and presentation, completed questionnaires were checked for consistency, then coded and data entered into a database. As a consequence, descriptive statistics and inferential statistics were conducted using SPSS software. Descriptive statistics, i.e. frequencies, mean and standard deviation were calculated for each of the study factors to allow the scientist to achieve meaningful outcomes using few indices (Taylor, Bogdan & DeVault, 2015). Open-ended questions were analyzed using conceptual content analysis. Using the Pearson correlation coefficient and regression analysis, inferential data evaluation was conducted. Analysis of regression was carried out to demonstrate how strategic planning process affects the competitive positioning of Deposit-Taking Saccos in Marsabit County, Kenya. The model of regression was as follows;

$$Y = B_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where: **Y**=Competitive Positioning
 B₀, β₁, β₂ and β₃= constants
 X₁ = strategy formulation

X_2 = strategy implementation

X_3 = strategy evaluation and control

ϵ = error term

3.9 Ethical Considerations

The researcher collected sensitive information that was handled with the utmost confidentiality. Authorization to conduct the study was sought from the National Commission for Science, Technology and Innovation, Kenyatta University and the county government of Marsabit County. Participants in the study were made aware of the objectives of the research and that participation was voluntary. Furthermore, respondents were assured that the information they provided was handled confidentially to guarantee their participation and willingness to provide appropriate information. This was done using the introductory letter from the university which provided that all the data collected was used for research purposes only. The researcher explained and allowed the respondents to ask questions about the study. All data related to the features or identity of the respondents was confidential. The participants were informed of the purpose of the research, how the research was conducted, and the expected advantages that the results would bring to the relevant organizations.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESULTS

4.1 Introduction

This chapter presents the findings of the study on the effect of the strategic planning process on the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya. The strategic planning processes selected were strategy formulation, strategy implementation and strategy evaluation and control. The respondents were the management staff in the Deposit-Taking SACCOs operating in Marsabit County who totalled to 179. Stratified random sampling technique was used to select 94 respondents for the study. The data were analyzed using both descriptive and inferential statistics with the aid of SPSS. The findings are as presented in the following sections.

4.1.1 Response Rate

Out of the 94 respondents sampled for the study, 80 of them completed the questionnaires and presented them for analysis. This represents a response rate of 85.11%. This rate is statistically significant and representative according to Mugenda and Mugenda (2003) who indicated that the response rate of half is sufficient for investigations and revealing, a 60% rate is by and large great while a 70% rate of response is magnificent. This is presented in the table below;

Table 4.4: Response Rate

| Response rate | Frequency | Percentage |
|----------------------|------------------|-------------------|
| Response | 80 | 85.11 |
| Non-Response | 14 | 14.89 |
| Total | 94 | 100 |

Source: Field data, 2019

4.1.2 Reliability Test

The questionnaires were used as items that were to be responded to. For reliability analysis, Cronbach's alpha was calculated by the application of SPSS. The value of the alpha coefficient ranges from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous (that is, questions with two possible answers) and/or multipoint formatted questionnaires or scales (i.e., rating scale: 1 = Strongly Disagreed, 5

= Strongly Agreed). A higher value shows a more reliable generated scale. Nunnally (1978) has indicated 0.7 to be an acceptable reliability coefficient. The Cronbach findings were as shown in Table 4.5.

Table 4.5: Reliability Test

| Variable | Number of Items | Cronbach Alpha |
|---------------------------------|------------------------|-----------------------|
| Strategy formulation | 8 | 0.771 |
| Strategy implementation | 8 | 0.807 |
| Strategy evaluation and control | 8 | 0.861 |
| Competitive Positioning | 8 | 0.813 |
| Average | | 0.813 |

Source: Field data, 2019

The study indicated that strategy formulation as a strategic planning process had a Cronbach Alpha of 0.771; strategy implementation had a coefficient of 0.807 while for strategy evaluation and control it was 0.861. Since the Cronbach alpha coefficients were all more than 0.7 the data collection instruments were deemed statistically reliable to collect data for the study.

4.2 Demographic Data

The study assessed the demographic background of the respondents among the Deposit-Taking SACCOs in Marsabit County based on their management level, the highest level of education and period worked within the SACCO. The findings were as presented below;

4.2.1 Level of Management

The study analyzed the management level to which the respondents belonged to. The findings were as tabulated below;

Table 4.6: Level of Management

| Management Level | Frequency | Percentage |
|-------------------------|------------------|-------------------|
| Top | 9 | 12.50 |
| Middle | 21 | 25.00 |

| | | |
|--------------|-----------|------------|
| Lower | 50 | 62.50 |
| Total | 80 | 100 |

Source: Field data, 2019

The study established that 12.5% of the respondents belonged to the top management level in their respective SACCOs, 25% of them were middle-level managers while 62.5% of them were lower-level management staff among the institutions. This indicates that majority of the respondents were lower-level managers given their large numbers, however, all levels of management were represented in the study.

4.2.2 Highest Level of Education

The study further analyzed the highest level of education the respondents had attained so far. The findings were as presented in the table below;

Table 4.7: Level of Education

| Education Level | Frequency | Percentage |
|------------------------|------------------|-------------------|
| Secondary | 5 | 06.25 |
| Certificate | 8 | 10.00 |
| Diploma | 15 | 18.75 |
| Undergraduate | 41 | 51.25 |
| Post-graduate | 11 | 13.75 |
| Total | 80 | 100 |

Source: Field data, 2019

It was established that 6.25% of the respondents were secondary school graduates, 10% of them were certificate holders, 18.75% were diploma holders, 51.25% had undergraduate degree while 13.75% had post-graduate qualifications. This indicates that most of the respondents were bachelor's degree holders. It also shows that most of the SACCO management staffs were significantly knowledgeable and qualified to perform their duties.

4.2.3 Period Worked

The study assessed the number of years the respondents had worked with their respective Deposit-Taking SACCOs in Marsabit County. The findings were as presented in the figure below;

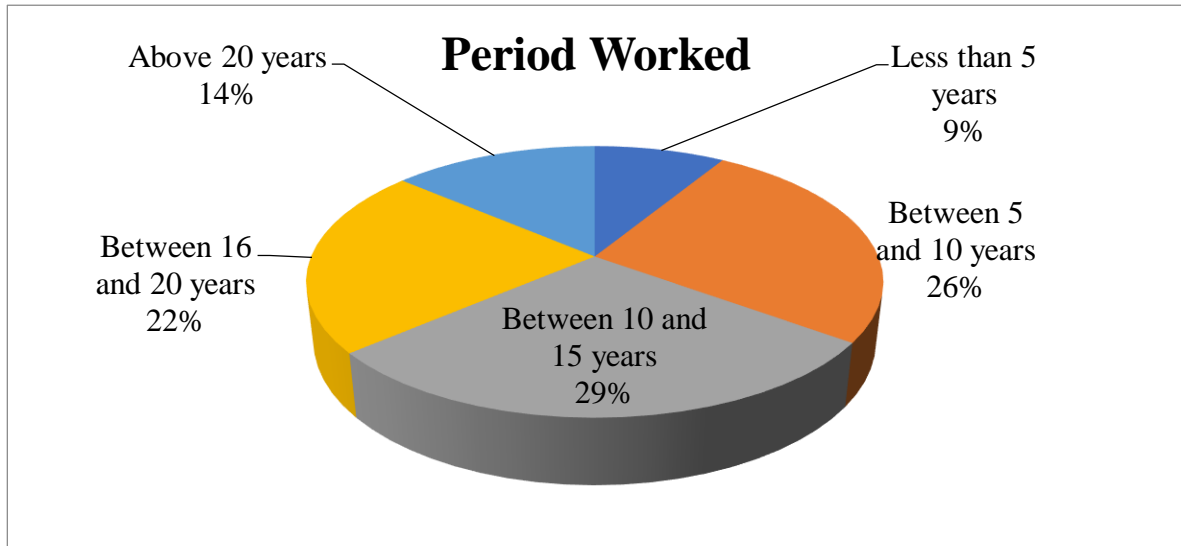


Figure 4.2: Period Worked

Source: Field data, 2019

The study established that 14% of the respondents had worked for over 20 years with their respective SACCOs, 9% had worked for less than 5 years, 26% had worked between 5 and 10 years, 29% had worked for between 10 and 15 years while 22% had worked for between 16 and 20 years. This shows that most of the respondents had worked for more than 5 years. This indicates a significantly long period to understand the operations of the institutions especially the strategic planning process and hence respond accordingly.

4.3 Descriptive Findings

The study analyzed the extent to which the DT SACCOs embraced strategic planning processes and the effect this had on the competitive positioning using descriptive statistics and presented the findings using means and standard deviation as indicated in the following sub-sections;

4.3.1 Strategy Formulation

The respondents were asked to indicate the extent to which they thought strategy formulation affects the competitive positioning of Deposit-Taking SACCOs in Marsabit

County. 66% of the respondents agreed that the relationship was to a very great extent, 29% indicated that it was to a great extent while 5% indicated that it was to a moderate extent. This indicates that strategy formulation, according to the respondents, had a significantly great effect on the competitive positioning of DT SACCOs in Marsabit County, Kenya.

The respondents were further asked to indicate the extent to which they agreed with the following aspects of strategy formulation in effecting competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya on a scale of 1-5 where 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree. The findings were as tabulated below;

Table 4.8: Strategy Formulation and Competitive Positioning

| Strategy formulation | Mean | Std. Dev |
|------------------------------------|-------------|-----------------|
| Goal setting | 3.78 | 0.901 |
| Environmental scanning | 3.55 | 0.711 |
| Developing Strategic plans | 3.69 | 0.864 |
| Choice of Strategy | 3.91 | 1.506 |
| Identifying measurement indicators | 3.88 | 0.833 |
| Aggregate Score | 3.76 | 0.96 |

Source: Field data, 2019

The study established that to a great extent goal setting, environmental scanning, developing strategic plans, choice of strategy and identifying measurement indicators as the key aspects of strategy formulation influenced competitive positioning among the deposit-taking SACCOs in Marsabit County, Kenya as indicated by a mean of 3.78, 3.55, 3.69, 3.91 and 3.88 respectively. This gives a mean score of 3.72. This generally shows that strategy formulation as a strategic planning process is significantly employed by the firms and has a positive and great effect on their competitive positions as shown by the aggregate mean score of 3.76. Additionally, the aggregate standard deviation of 0.96 indicates that generally, the respondents in this study seemed to agree in their responses. Kaonde (2014) carried out a study on improving strategy formulation and implementation in higher education institutions in Malawi and equally established that strategy

formulation and implementation processes contribute to the overall performance of an organization.

4.3.2 Strategy Implementation and Competitive Positioning

The study further assessed the extent to which strategy implementation affected the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya. 55% of the respondents concurred that strategy implementation informed competitive positioning to a very great extent, 31% indicated that it was to a great extent while 14% indicated that the effect was to a moderate extent.

The study further asked the respondents to indicate the extent to which they agreed with the following aspects on strategy implementation and their effect on the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya on a 5-point Likert scale where; 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree. The findings were as presented in the table below;

Table 4.9: Strategy Implementation and Competitive Positioning

| Strategy Implementation | Mean | Std. Dev |
|--------------------------------------|-------------|-----------------|
| Capacity assessment and development | 3.90 | 0.820 |
| Development of policies and programs | 3.77 | 0.831 |
| Redefining reward structure | 3.64 | 0.746 |
| Resource allocation | 3.52 | 0.824 |
| Periodic strategy review | 3.81 | 0.811 |
| Aggregate Score | 3.72 | 0.81 |

Source: Field data, 2019

The study established that capacity assessment and development, development of policies and programs, redefining reward structure, resource allocation and periodic strategy review as indicators of strategy implementation to a great extent influenced competitive positioning among the Deposit-Taking SACCOs in Marsabit County, Kenya as indicated by a mean of 3.90, 3.77, 3.64, 3.52 and 3.81 respectively. This gives a mean score of 3.72. This indicates that strategy implementation significantly influenced competitive positioning of the institutions through capacity development, policy and program development, reward structure, resource allocation and periodic strategy review.

Additionally, the aggregate standard deviation of 0.81 indicates that generally, the respondents in this study seemed to agree in their responses. Similarly, Muchemi (2014) conducted a study on strategy implementation practices of an organization at the Kenya Post Office Savings bank and established that excellent management, the participation of employees in the formulation of strategy and continuous monitoring of strategy contributes to positive organizational performance and hence competitive advantage.

4.3.3 Strategy Evaluation and Control and Competitive Positioning

The third objective of the study was to establish the effect of strategy evaluation and control on competitive positioning among DT SACCOs in Marsabit County. To this regard, the respondents were asked to indicate the extent to which they thought Strategy Evaluation and Control affects the competitive positioning of the establishments. 75% indicated that it was to a very great extent, 21% indicated that it was to a great extent while 4% indicated that it was to a moderate extent. This shows that strategy evaluation and control as a strategy planning processing had a significant effect on the competitive positioning of the SACCOs.

The respondents were further asked to indicate the extent to which they agreed on the following aspects of strategy evaluation and control in affecting competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya on a scale of 1-5 where; 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree. The findings were as presented in the table below;

Table 4.10: Strategy Evaluation and Control and Competitive Positioning

| Strategy Evaluation and Control | Mean | Std.Dev |
|--|-------------|----------------|
| Continuous monitoring and feedback | 3.66 | 0.717 |
| Measurement of performance | 3.50 | 0.901 |
| Analysing variance | 3.77 | 0.824 |
| Corrective action plan | 3.81 | 1.604 |
| Setting performance benchmarks | 3.93 | 1.544 |
| Aggregate Score | 3.73 | 1.12 |

Source: Field data, 2019

It was established that continuous monitoring and feedback, measurement of performance, analysing variance, corrective action plan and setting performance benchmarks as indicators of strategy evaluation and control had a great and positive effect on competitive positioning among DT SACCOs in Marsabit County as indicated by a mean of 3.66, 3.50, 3.77, 3.81 and 3.93 respectively. This gives a mean score of 3.73. This indicates that strategy evaluation and control had a significant effect on competitive positioning through continuous monitoring and feedback, performance measurement, variance analysis, coming up with corrective action plans and setting performance benchmarks. Mukui (2018) also in his study on strategy evaluation practices adopted by New KCC Limited indicated that the firm has employed benchmarking, internal audits, balanced scorecard, performance appraisals, accreditations and certifications, customer satisfaction surveys and the use of information technology platforms which have improved its competitiveness.

4.3.4 Competitive Positioning

The dependent variable of the study was competitive positioning among Deposit-Taking SACCOs in Marsabit County. To this effect the respondents were asked to indicate the general trend on the following aspects of competitive positioning among Deposit-Taking SACCOs in Marsabit County, Kenya on a scale of 1-5 where; 1=Greatly Reduced, 2= Reduced, 3= Constant, 4= Increased, 5= Greatly Increased. The findings were as tabulated below;

Table 4.11: Competitive Positioning among DT SACCOs

| Competitive Positioning | Mean | Std. Dev |
|--------------------------------|-------------|-----------------|
| Market leadership | 3.59 | 0.725 |
| Product differentiation | 3.81 | 0.801 |
| Cost leadership | 3.77 | 0.611 |
| Market focus strategy | 3.68 | 0.719 |
| Product focus strategy | 3.52 | 0.884 |
| Aggregate Score | 3.67 | 0.75 |

Source: Field data, 2019

The study established that competitive positioning among the Deposit-Taking SACCOs in Marsabit County had significantly improved through market leadership, product differentiation, cost leadership, market focus strategy and product focus strategy as indicated by a mean of 3.59, 3.81, 3.77, 3.68 and 3.52 respectively. This gives a mean score of 3.67. This shows that strategic planning processes which included strategy formulation, strategy implementation and strategy evaluation and control had a positive and significant effect on competitive positioning among the SACCOs. It further alluded that the firms had stiff competition from other financial sector players like MFIs and commercial banks but their strategies worked out since they targeted a specific market niche which also was the market majority.

4.4 Inferential Statistics

The study used regression analysis to establish the relationship between the independent and dependent variables of the study. The findings of Model Summary, ANOVA and Coefficient of Regression were as indicated in the following sections.

4.4.1 Model Summary

The findings of the coefficient of correlation and coefficient of determination are as shown in Table 4.9.

Table 4.12: Model summary

| Model | R | R square | Adjusted r square | Std. Error of the estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .801 ^a | .823 | .836 | 1.501122 |

a. Predictors: (constant), strategy formulation, strategy implementation and strategy evaluation and control

Source: Field data, 2019

The study shows that the coefficient of correlation R of 0.801 is an indication of the strength of a correlation between the variables. The adjusted R² was 0.836 which implies that 83.6% of the variation in SACCO competitive positioning was accounted for by the three independent variables which include strategy formulation, strategy implementation and strategy evaluation and control. The residual of 16.4% can be explained by other variables not incorporated in the current study.

4.4.2 ANOVA

An ANOVA was conducted at a 95% level of significance. The findings of $F_{\text{Calculated}}$ and F_{Critical} are as shown in Table 4.10.

Table 4.13: ANOVA

| Model | Sum of squares | Df | Mean square | F | Sig. |
|--------------|-----------------|-----------|-------------|---------|-------------------|
| Regression | 804.233 | 20 | 40.2117 | 11.8678 | .000 ^b |
| Residual | 203.300 | 60 | 3.3883 | | |
| Total | 1007.533 | 80 | | | |

a. Dependent variable: SACCO Competitive Positioning

b. Predictors: (constant), strategy formulation, strategy implementation and strategy evaluation and control)

Source: Field data, 2019

It was established that the study had $F_{\text{Calculated}}$ of 11.8678 and F_{Critical} was 4.1403, this show that of $F_{\text{Calculated}} > F_{\text{Critical}}$ an indication that the overall regression model was significant for the study. The p-value was $0.00 < 0.05$ an indication that at least one independent variable significantly influenced the competitive positioning of Deposit-Taking SACCOs in Marsabit County.

4.4.3 Regression Coefficient

The study used a regression coefficient to establish the effect of individual variables of the strategic planning process on the competitive positioning of Deposit-Taking SACCOs in Marsabit County. The findings are indicated in Table 4.11

Table 4.14: Regression Coefficient

| Model | Unstandardized coefficients | | Standardized coefficients | T | Sig. |
|-------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| (constant) | 5.011 | 1.02 | | 2.034 | .000 |
| Strategy formulation | 0.802 | .034 | .157 | 3.217 | .000 |
| Strategy implementation | 0.839 | .017 | .416 | 2.359 | .000 |

| | | | | | |
|---------------------------------|-------|------|------|-------|------|
| Strategy evaluation and control | 0.840 | .028 | .452 | 2.014 | .000 |
|---------------------------------|-------|------|------|-------|------|

a. Dependent variable: SACCO Competitive Positioning

Source: Field data, 2019

$$Y = 5.011 + 0.802X_1 + 0.839X_2 + 0.840X_3$$

Whereby:

Y = Competitive Positioning of Deposit-Taking SACCOs in Marsabit County

X₁ = Strategy formulation

X₂ = Strategy implementation

X₃ = Strategy evaluation and control

Table 4.11 indicates that all variables held constant, SACCO competitive positioning would be at 5.011 this indicates that competitive positioning of the SACCOs can still take place without the influence of the stated variables. The variable coefficients indicate that the relationship between strategic planning processes identified and SACCOs' competitive positioning was positive and significant. These findings are similar to those by Poister, Edwards, Pasha and Edwards (2013) who carried out an analysis on the effect of strategic planning on organizational performance and indicated that strategic planning exerts a positive influence on the effectiveness and system productivity measures. The p values of all the independent variables which include strategy formulation, strategy implementation and strategy evaluation, and control were 0.000<0.05 an indication that the variables significantly influenced competitive positioning of Deposit-Taking SACCOs in Marsabit County.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings of the study as presented and discussed in the previous chapter. The study conclusions and recommendations are enumerated based on the findings; suggestions for further studies are also provided.

5.2 Summary of Findings

The study sought to establish the effect of the strategic planning process on the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya. The study sought to establish the effect of strategy formulation, strategy implementation and strategy evaluation and control on DT SACCOs in Marsabit County. The target population was 179 management staff among DT SACCOs in Marsabit County. A sample of 94 respondents was selected. The response rate was 85.11% with 80 questionnaires sufficiently completed and submitted and hence used for analysis. Both descriptive and inferential statistics were used to analyze and present data.

The study established that to a great extent goal setting, environmental scanning, developing strategic plans, choice of strategy and identifying measurement indicators as the key aspects of strategy formulation influenced competitive positioning among the Deposit-Taking SACCOs in Marsabit County, Kenya. The study established that strategy formulation influences competitive positioning with a mean score of 3.76 for all the indicators. This generally shows that strategy formulation as a strategic planning process is significantly employed by the firms and has a positive and great effect on their competitive positions.

The study established that capacity assessment and development, development of policies and programs, redefining reward structure, resource allocation and periodic strategy review as indicators of strategy implementation to a great extent influenced competitive positioning among the Deposit-Taking SACCOs in Marsabit County, Kenya. The study established that strategy implementation influences competitive positioning with a mean score of 3.72 for all the indicators. This indicates that strategy implementation

significantly influenced competitive positioning of the institutions through capacity development, policy and program development, reward structure, resource allocation and periodic strategy review.

It was established that continuous monitoring and feedback, measurement of performance, analysing variance, corrective action plan and setting performance benchmarks as indicators of strategy evaluation and control had a great and positive effect on competitive positioning among DT SACCOs in Marsabit County. The study established that strategy evaluation influences competitive positioning with a mean score of 3.73 for all the indicators. This indicates that strategy evaluation and control had a significant effect on competitive positioning through continuous monitoring and feedback, performance measurement, variance analysis, coming up with corrective action plans and setting performance benchmarks

5.3 Conclusions

On the question of strategy implementation and how it influences competition, various activities such as goal setting, environmental scanning and choice of the strategy were found to influence competitive positioning was found to be significant. It then can be concluded that the Deposit-Taking SACCOs should continue enhancing strategy formulation activities as it is important to their competitive positioning.

The second focus was on strategy implementation and its influence on competitive positioning. Various activities such as structure, policies and resource allocation among others were considered. It then can be concluded from the findings that strategy formulation is critical to the competitive positioning of the Deposit-Taking SACCOs and as such the SACCOs should continue enhancing these activities.

The final focus as on strategy evaluation and control with activities such as monitoring and feedback, performance measurement, corrective action, and among others. The findings indicate that they are important and it can be concluded that the exercise of evaluation and control influences competitive positioning of the Deposit-Taking SACCOs.

5.4 Recommendations

The study recommends that the Deposit-Taking SACCOs need to consider the issues of strategy formulation, strategy implementation, as well as evaluation and control to enhance competitive positioning in its industry. They need to come up with more ways of planning their strategies, monitoring them and ensuring that they work. The SACCOs need to involve employees and other stakeholders more to promote new ideas and strategies to enhance performance. The study further recommends that the SACCOs need to allocate more resources to strategic management as a key enabler of growth. The institutions also need to have a policy in place to guide strategic management practices, process and approaches. This will enable enhanced strategy formulation, implementation, monitoring and evaluation all aimed at improving competitiveness.

5.5 Suggestions for Further Studies

The study recommends a similar study to be carried out by the use of secondary data. The current study had a coefficient of adjusted R^2 of 0.836 and a residual of 16.4% which can be explained by other variables beyond the scope of the current study that future scholars should focus on. The main objective of the study was to establish the effect of the strategic planning process on the competitive positioning of Deposit-Taking SACCOs in Marsabit County, future scholars should carry out a similar study in other sectors or entities or other counties in Kenya.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Hassan Aliow Guyo,
P.O. Box 43844-00100,
Nairobi,
Kenya.
Phone Number: 0723276324.

Dear Sir/Madam,

RE: INVITATION TO PARTICIPATE IN A RESEARCH

I am a student at Kenyatta University currently researching **STRATEGIC PLANNING PROCESS AND COMPETITIVE POSITIONING OF DEPOSIT-TAKING SACCOS IN MARSABIT COUNTY, KENYA**. I am writing to humbly request that you spare a few minutes off your time to complete the attached questionnaire. The questions seek your opinions regarding your organization's strategic planning process and competitive positioning.

Kindly respond with your most honest opinion. Your anonymity is assured and the information you provide will be treated with the utmost confidentiality. Thank you for participating in this study. Your cooperation and contribution in this research are highly appreciated.

Yours faithfully,

Hassan Guyo

APPENDIX II: RESEARCH QUESTIONNAIRE

Please provide your responses to the following questions. Use a tick or cross where necessary. Feel free to provide any additional relevant information relating to the subject matter in the spaces provided. Do not include any identifying details on this questionnaire.

PART A: BACKGROUND INFORMATION

1. Which level of management do you serve in the SACCO?

Top level

Middle level

Lower level

2. Please select the highest level of education you have attained so far?

Secondary education level

Certificate level

Diploma level

Undergraduate level

Postgraduate level

3. In the spaces provided, please check the most appropriate number of years you have worked in this organisation?

Less than 5 years

Between 5 and 10 years

Between 10 and 15 years

Between 16 and 20 years

Above 20 years

PART B: Strategy Formulation

4. To what extent do you think strategy formulation affects the competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya?

- Very great extent []
- Great extent []
- Moderate extent []
- Little extent []
- Not extent []

5. Please indicate by a tick [√] the extent to which you agree on the following aspects of strategy formulation in affecting competitive positioning of deposit-taking SACCOs in Marsabit County, Kenya.

Where: 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree

| Strategy formulation | 5 | 4 | 3 | 2 | 1 |
|------------------------------------|----------|----------|----------|----------|----------|
| Goal setting | | | | | |
| Environmental scanning | | | | | |
| Developing Strategic plans | | | | | |
| Choice of Strategy | | | | | |
| Identifying measurement indicators | | | | | |

SECTION C: Strategy Implementation

6. To what extent do you think Strategy Implementation affects competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya?

- Very great extent []
- Great extent []
- Moderate extent []
- Little extent []
- Not extent []

7. Please indicate by a tick [√] the extent to which you agree on the following aspects strategy implementation in affecting competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya.

Where: 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree

| Strategy Implementation | 5 | 4 | 3 | 2 | 1 |
|--------------------------------------|----------|----------|----------|----------|----------|
| Capacity assessment and development | | | | | |
| Development of policies and programs | | | | | |
| Redefining reward structure | | | | | |
| Resource allocation | | | | | |
| Periodic strategy review | | | | | |

SECTION D: Strategy Evaluation and Control

8. To what extent do you think Strategy Evaluation and Control affects competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya?

- Very great extent []
- Great extent []
- Moderate extent []
- Little extent []
- Not extent []

9. Please indicate by a tick [√] the extent to which you agree on the following aspects of strategy evaluation and control in affecting competitive positioning of Deposit-Taking SACCOs in Marsabit County, Kenya.

Where: 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree

| Strategy Evaluation and Control | 5 | 4 | 3 | 2 | 1 |
|--|----------|----------|----------|----------|----------|
| Continuous monitoring and feedback | | | | | |
| Measurement of performance | | | | | |
| Analysing variance | | | | | |
| Corrective action plan | | | | | |
| Setting performance benchmarks | | | | | |

SECTION E: Competitive Positioning

10. Please indicate by a tick [√] the general trend on the following aspect Competitive Positioning of Deposit-Taking SACCOs in Marsabit County, Kenya.

Where: 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree

| Competitive Positioning | 5 | 4 | 3 | 2 | 1 |
|--------------------------------|----------|----------|----------|----------|----------|
| Market leadership | | | | | |
| Product differentiation | | | | | |
| Cost leadership | | | | | |
| Market focus strategy | | | | | |
| Product focus strategy | | | | | |

11. Please provide any other relevant information on Competitive Positioning of Deposit-Taking SACCOs in Marsabit County, Kenya.

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