STRATEGIC PLANNING AND PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN NAIROBI CITY COUNTY, KENYA

KARUOYA WAIRIMU ELIZABETH

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS, ECONOMICS AND TOURISM IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF KENYATTA UNIVERSITY

APRIL 2023
DECLARATION

This proposal is my original work and has not been presented for a degree in any other university.

[Signature]
January 19, 2022

Karuoya Wairimu Elizabeth
D53/OL/CTY/26344/2019

I confirm that the work in this proposal was done by the candidate under my supervision.

[Signature]
20-01-2022

Dr. Paul Waithaka
Department of Business Administration
School of Business
Kenyatta University
DEDICATION

This dissertation is heartily dedicated in memory of my late father Mr. Zedekiah Karuoya Murage for his care, sacrifice to educate me and preparing me for my future. To my mother Mrs. Jane Wanjiku Karuoya, my husband Mr. Fredrick Kinama, and my children, Nadia Kendi and Nathan Tanai, who inspire me every day.
ACKNOWLEDGEMENT

I am grateful to the Almighty Lord for His grace and favor for making it possible to conduct this study. I also wish to sincerely appreciate Dr. Paul Waithaka for his mentorship, guidance, time and expertise to better my work, throughout the time it will take me to complete the research and write the dissertation. I also express my appreciation to all other lecturers at the Kenyatta University for sharing their knowledge and expertise by providing academic support at various levels, which has contributed to my academic excellence.
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## OPERATIONAL DEFINITION OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>Deposit-Taking SACCOs</td>
<td>these are SACCOs that accept deposits, and provide withdrawable savings account services as well as front office services, where members can walk in to withdraw and deposit money into these accounts, similar to commercial banks.</td>
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<tr>
<td>Environmental Analysis</td>
<td>it is a process which examines all components both internal or external and recognizes pertinent aspects that have impact on the successful functioning of an organization.</td>
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<tr>
<td>Firm Performance</td>
<td>this is a firm’s ability to realize its goals based on resources utilization and revenue maximization. It is the achievement of SACCO objectives measured by profitability, quality service delivery and customer satisfaction.</td>
</tr>
<tr>
<td>Savings and Credit</td>
<td>it is a financial cooperative owned, run and controlled by members with an aim of mobilizing savings, provide members with access to loans at competitive terms, and strengthening the socio-economic wellbeing of members.</td>
</tr>
<tr>
<td>Cooperative Societies</td>
<td></td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>it is a firm procedure used to define its course and apportion its resources to attain strategic goals. This study looked at environment analysis, strategic formulation and strategy selection as key areas used in developing strategic change in SACCOs.</td>
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</table>
**Strategy Formulation**

it is a guide used by the top management of a firm to explicate its pursuit together with the firm’s overall objective, and the process that was be used to realize its purpose. This was measured using three indicators namely, setting long-term and short-term strategic direction, allocating resources and embracing human resource practices.

**Strategy Selection**

refers to identifying the available options, evaluating and selecting the appropriate strategy which best meet the firm’s objective. Strategy choice was measured by using a quality and strategic decision process, criteria for selection and considered top management preferences.
# ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
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<tbody>
<tr>
<td>ANOVA</td>
<td>Analysis of Variances</td>
</tr>
<tr>
<td>DC</td>
<td>Dynamic Capabilities</td>
</tr>
<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Products</td>
</tr>
<tr>
<td>ICA</td>
<td>International Cooperative Alliance</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communications Technologies</td>
</tr>
<tr>
<td>KUSCCO</td>
<td>Kenya Union of Savings and Credit Cooperatives</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>NCC</td>
<td>Nairobi City County</td>
</tr>
<tr>
<td>PESTEL</td>
<td>Political, Economic, Sociological, Technological, Environmental and Legal</td>
</tr>
<tr>
<td>RBV</td>
<td>Resource Based View</td>
</tr>
<tr>
<td>ROCA</td>
<td>Rotating savings &amp; Credit Associations</td>
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<tr>
<td>Sacco Societies</td>
<td>Savings and Credit Cooperative Societies</td>
</tr>
<tr>
<td>SASRA</td>
<td>Sacco Societies Regulatory Authority</td>
</tr>
<tr>
<td>SD</td>
<td>Standard Deviation</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small Medium-sized Enterprises</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities and Threats</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
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<tr>
<td>WOCCU</td>
<td>World Council of Credit Union</td>
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ABSTRACT

SACCOs play a crucial role in granting access to sustainable fiscal assistance and are identified as most effective models in enhancing productivity with over 80% of the population in Kenya, deriving their livelihood directly or indirectly from the cooperative sector. However, SACCOs are facing challenges in performance as a result of stiff competition from other financial institutions, modern technology, problems in financial management, poor leadership and governance issues. This review narrows the gap by evaluating the impact of strategic planning on SACCO performance in Nairobi City County, Kenya. The general objective of this research was to determine the effects of strategic planning practices on SACCO performance in Nairobi City County. The specific objectives of this research were to examine the influence of environment analysis on SACCO performance, establish the effect of strategy formulation on SACCO performance and to ratify in what way strategy selection affects performance of SACCOs. This study was guided by the Balance Scorecard Model, Michael Porter’s Five Forces Model, Resource-Based View Theory and Dynamic Capabilities Theory. A descriptive survey research design was utilized. The research targeted 47 licensed SACCOs in Nairobi City County using a census sampling method. The respondents of the study included staff from the accounting department, human resource department and operations department, summing up to a summation of 141 informants of which, a total of 115 questionnaires were fully filled and successfully returned. This represented a response rate of 82% that was considered adequate for data analysis. Questionnaires were used in collection of primary data and administered by adopting the drop and pick method. This study involved a pilot test to pretest the data collection instrument as well as check on reliability and validity of the questionnaire in collecting necessary data intended for this research. The Cronbach Alpha coefficient for 14 items was found to be 0.763. This exhibited a high internal consistency. To enable the researcher to get percentiles and cumulative frequencies, a computer software known as Statistical Package for Social Sciences (SPSS) was used in inputting plus analyzing data using a simple descriptive analysis. In data analysis, descriptive and inferential statistics were utilized. Results for Pearson correlation analysis revealed that all independent variables comprise environment analysis, strategy formulation and strategy selection, were significant and had a positive relationship with SACCO performance. R square depicted that the independent variables explain 90.5% of the changes in SACCOs performance. Therefore, it was concluded that strategy planning delivers positive results in a firm, with strategy selection contributing most to the performance of SACCOs, followed by strategy formulation and then environmental analysis. The study recommends that SACCOs should review its strategic plan every quarter of the year for continuous improvement of performance.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Savings and Credit Cooperative Societies (SACCOs) are globally acknowledged as imperative avenues of economic progression. A dynamic and vibrant cooperative sector has significantly contributed to the growth and economic expansion of many countries. There are more than 57,000 credit unions operating in a total of 105 countries worldwide. Credit unions are enabling people to access affordable and high-quality financial services and as a result, changing millions of lives in the world, stabilizing economies and reducing poverty (WOCCU, 2019).

In the recent times, the significance of SACCOs has been achieved world-wide. Almost a billion people are associated with cooperatives which are aligned to the International Cooperative Alliance (ICA), an independent global association that unites, serves and represents cooperatives worldwide. According to Mosley (2001), SACCOs have been successful in many instances, for example in Latin America where 60% of the country’s chicken is produced by Bolivia poultry production, and close to 30% of fertilizer inputs as required by the country. A report by Okoye (2009) states that a gross business worthy 93 billion US dollars is owned by four million members of SACCOs in United States of America (USA).

Schenk (2007) and WOCCU (2009) state that other than commercial banks, cooperative finance increases the chance for the poor to access credit by offering fairly lower fees and reduces the cost of remittance transfers. In developed countries, cooperative finance is stable and less responsive to market rates and monetary policy.
As gathered by an African Review of Economics and Finance (2018), cooperatives are extensive throughout the African continent. In Sub-Saharan Africa, these organizations often start in communities, assembling membership based on common bonds, such as employment or spatial proximity within neighborhoods. Generally, SACCOs are regarded as favorable in providing loan terms to the community, both in case of social groups or work-based situations in countries such as Rwanda, Malawi, Cameroon, and the African diaspora. SACCOs are more cost effective in the provision of credit to low-income sections of communities when funds and assets are pooled at the community level. Essentially, this economic model is perceived as efficient in unblocking bottlenecks and combating poverty particularly in Africa’s rural areas.

In Kenya, 45% of its Gross Domestic Product (GDP) is contributed by SACCOs and according to Hezron and Muturi (2015), the sector has effectively managed to mobilize assets worthy Shilling (KES) 210 billion and KES 200 billion deposits. In the Africa continent, Kenya contributes to 62% and 67% of reserves and assets respectively, making it the most vibrant and largest SACCO sector in Africa (SASRA, 2014). The Government of Kenya (GOK) has seized the initiative to govern cooperative proceeds by law to acquire the vision 2030 objectives and Millennium Development Goals (MDGs) for economic development. From a survey by the Financial Sector Deepening (2010), it is evident that the economy of Kenya largely relies upon the cooperative sector and extends to all sections of the economy including Agriculture, Livestock, Health, Transport, Housing, Finance and many more. The employer and rural based are the existing two types of SACCOs in Kenya.
SACCOs are presently the main source of cooperative credit for socio-economic development in Kenya. According to WOCCU report (2019), the cooperative sector is a major player and bigger contributor to the financial market and Kenya economy contrary to what the industry alleged.

In addition, the Coop Africa Paper (2007) states that in Kenya, 98% of 6 million members are active in lending activities of their SACCOs leading to an increase in cooperative membership and more micro-credit opportunities spreading to other people.

Mchugh (2002) observes that the environment is rapidly changing today, resulting to plans becoming obsolete in a little while, thus making it difficult for organization to do strategic planning. Some organizations have sort for short-term plans that quickly respond to customer requests and needs, with an aim of flexibility and responsiveness to the market. Strategic planning is requisite in situations where the environment is volatile and should be considered as crucial by all organizations.

In Kenya, the concern to do strategic planning is still positively perceived because of its importance. Practically, SACCOs in Kenya have adopted strategic planning by possessing strategic plans. If used appropriately, strategic planning is likely to aid SACCOs in reducing costs and saving time. Therefore, this study investigated the effect of strategy planning on SACCO performance in the Nairobi City County (NCC) of Kenya.

1.1.1 Organizational Performance

Organizational achievement is the final output measured against the expected outcome of an organization. Richard, Devinney, Yip and Johnson (2009) summarize organizational
accomplishments in three key outcome parts namely product performance, fiscal performance and shareholder return. Product performance can be calculated as market share or sales attained, feedback evaluation for customers and penetration to new markets. Fiscal performance is calculated using return on assets/return on invested capital and profits. Shareholders return on the other hand, is considered as an estimate of economic value addition as well as total shareholder return.

Organization performance compares the actual output attained to the projected output of an organization. Richard (2009) states market share, product performance, profitability and customer satisfaction as key indicators to organization performance. Another measure of organization performance is through attaining success by carefully utilizing resources, leading to customer satisfaction and cost differentiation.

It is imagined that organizations which perform highly, have successfully adopted strategic planning in comparison to firms that lack strategic plans. Company performance is improved by embracing strategic planning. Gradually, strategic planning has been accepted globally and in all sectors for its benefaction to organization success. Currently, both public and private sectors utilize strategic planning as a tool for fast tracking performance.

In Africa, the performance for organizations which embrace strategic planning exceeds those without strategy plans (Adegbite, 1986; Fubara, 1986; and Woodburn, 1984). These organizations however, concentrated on the conventionalism of planning instead of linking planning and firm performance. According to Greenly (1986), strategic planning holds unrealized benefits along with
essential principles which ultimately render enhanced firm performance. Thus, strategic planning enables better organization performance.

Fujo and Ali (2016) considered the aspects which influence the SACCOs’ financial performance in Kilifi County – a report by Imarika SACCO. In the results, coordination, leadership competency, shared values and access to resources strained the SACCOs’ financial performance. Evidence is provided by Haber and Reichel (2005), of an optimistic relationship amid financial control and planning to an effective financial achievement of SACCOs. Mbonyane (2006) asserts that non-performance of SACCOs in a certain country has a huge effect on economic development and can result to a decrease in financial value of assets as well as economic distress.

SACCOs in Kenya are steadily embracing new techniques to the SACCO model and responding to abrupt changes in the financial atmosphere. For instance, the advancement of products not linked to the long-established model of the SACCO, depends on the secured shares deposit. Nevertheless, it is prudent that SACCOs stay abreast with evolving needs, deliver quality services and continuously stay liquid.

In Kenya, SACCOs practically experience intense competition from their opponents within its fiscal sector such as investment groups, micro-finance institutions, commercial banks and shylocks (Republic of Kenya, 2013). Still, a considerable 51% of SACCOs remained non-functional in spite of the government drive to assist cooperative activities via regulation of laws. The high-rate failure of SACCOs continually circumvents the MDGs and Vision 2030 objectives for growing fiscal presence (Pollet, 2013). Also, it is projected that under 50% of the earmarked SACCO initiatives
contribute to SACCO enterprises as a result of the extreme failures. Based on these corresponding aspects, this study examined strategic planning practices that impacted SACCOs’ performance within the NCC in Kenya.

1.1.2 Strategic Planning

By planning strategically, an organization goes through a process of defining its course and apportioning its resources to attain strategic goals. Drucker (1974) defines the term strategic planning as an analytical process of managing by strategies and is focused in making optimal decisions. Most decisions facing a business are strategic and therefore deserve strategic planning attention. Ansoff (1970) theorizes strategic planning as an undertaking that pursues a good fit amongst an organization’s technology or product, and its growingly unstable markets. This is perceived as the shift from a favorable atmosphere to an unknown planet of advanced robotics, contemporary customer habits, peculiar competitors, new depths of communal power and basically examining the obligation of a firm within a society.

In strategic planning, there is a procedure observed for the firm to have a secure and feasible strategy. Wendy (1997) described strategic planning as enhancing plus ensuring there is uniformity among the firm’s objectives, resources and its shifting opportunities. Wendy (1997) additionally clarifies that there are three elements included in the strategic planning process, which makes a firm’s mission and vision attainable. These elements comprise strategic analysis, strategic selection, as well as strategic implementation. Strategic analysis includes using mission, vision and goals to set the firm’s direction. Hence, this requires illuminating the firm’s strategic purpose and focusing on knowing the industry and its environment.
A mission statement is a succinct explanation of the reason why an organization exists, its overall intention and purpose in the society. Donnelly (2007) observes the significance of a practical mission statement that is straightforward, easy to relate to and simple to recall for provision of direction to all members of the firm in every organizational level. As reported by Hesterly (2010), a firm’s performance can be ruined by some mission statements even though they have effectively been used to form considerable competitive advantages. For example, an organization’s mission statement could be well-defined but only focused on the internal primacies of the founders as well as personal values, regardless of whether they are dependable with the economic realities surrounding the organization.

Faria (2002) articulates that a business mission should be grounded on the firm’s current customers, cautious scrutiny of the benefits and scanning of both the existing and predicted environment situations. The mission statement ought to centre on organization’s market more than its products and services. A firm’s vision is a declaration of its long-term results for its efforts, and where it desires to be in future. Frazier (1998) declares that the business definition set out in the vision statement should be supported by the strategic plan. In order to attain their missions and visions, organizations must achieve their goals. Each Strategic Business Unit (SBU) of the firm requires goals and marketing objectives to reach its mission and vision (Wellington, 2000).

Environmental analysis helps the firm in identifying the elements of both internal and external business surrounding, that can positively or negatively impact the organization’s performance. When an organization undertakes a study to identify its internal weaknesses and strengths, it similarly examines its external threats and opportunities (Faria, 2022). In conducting an
environmental scanning, the organization not only tracks the ongoing occurrences and trends for the internal environment, but also the external environment, and uses the information in determining what can affect implementation of strategies as well success of the firm.

Rudelius (2002) claims that an organization is informed of its plan execution, trends affecting it and external factors by comparing and evaluating its current situation, and where it wants to be in future. On the contrary, Cunningham (2001) contends that while undertaking an environmental scrutiny, the organization must continuously ponder on its ability to win within the industry and at the same time, monitor both the micro and macro-environment factors that affect its capacity to attain its goals and succeed. According to Forbes (2014), organizations will just be accommodated if they position their strategic process with the shifting needs of all its stakeholders due to a change in environment.

Strategy formulation is defined by Thompson and Strickland (2003) as a process of strategic management where an organization generates a plan to pursue, create direction and determine its objectives. As Ebert (2005) states, strategy formulation defines a firm’s purpose and how it reacts to new challenges in order to meet its goals and objectives. Additionally, Ansoff, Declerck and Hayes (1976) proposed process (emergent) and plan (design) as two key methods for strategy formulation. The planning method is proactive, deliberate and signifies a cognizant planning derived from formal and calculated efforts.

David (2011) pinpoints that an organization is committed to its products, markets, technologies and resources in the long run, due to the strategy formulation decisions made. A firm is able to
align its opportunities with internal resources as well as threats with the external environment through a strategic formulation process. From a design outlook, Porter (1980) argues that strategy growth is the speculative positioning for a firm that has a directive procedure and comprehensive analytical structure. The emergent school of thought acknowledges the significance for positioning an organization internal process to its external situation, regarding strategy formulation as a continuous practice, on-going and flexible process of readjusting a firm to its changing environment.

Strategic choice determines the future strategy of an organization through decision making. Strategic choice is defined by Johnson, Scholes, and Whittington (2009) as a whole process which involves identifying various alternatives, assessing and choosing a particular option as the best strategy for implementation, while taking into account the stakeholders’ expectations. Pfeffer and Salancik (1978) and Dutton and Duncan (1987) underscore the significance of a business portfolio including diversification, strategic alliances and restructuring which revolve around strategic choice.

The nature of strategic choice and its effectiveness rests on how the top management embraces the right choices and regards the organization’s environment issues. Tushman and Romanelli (1985) claim that the choice of viable strategies is defined by the perception of the firm’s executives on environment changes. An organization’s top management identifies creativity and innovation as crucial aspects in choice of strategies. Strategic choices should be aligned with the changing environment for an organization to remain competitive and viable. This argument is supported by
Machuki and Aosa (2011) in confirming that the performance of an organization is depended on the way an organization positions itself with the environment changes.

1.1.3 SACCOs in Nairobi City County, Kenya

The research was administered in NCC of Kenya and targeted all registered SACCOs in the county. NCC was initially named Nairobi Province until the year 2013 when the eight provinces in Kenya were split through a devolution process to 47 counties. NCC lies on the same administrative boundaries as Nairobi Province which spreads over a scope of 696 square kilometers. NCC borders Machakos towards East, Kiambu towards North and West and Kajiado towards South.

The results for the Kenya Population and Housing census held in the year 2019 confirm that a population of 4.4 million people resides in NCC. The county has a total of eighty-five wards and is split into seventeen sub-counties. The sub-counties include Lang’ata, Kibra, North, Dagoretti, Westlands, Dagoretti South, Embakasi North, Makadara, Roysambu, Mathare, Kasarani, Kamukunji, Starehe, Ruaraka, Embakasi South, East, Central and West.

Compared to other counties, NCC has the most registered SACCOs totaling to 47, due to a considerable number of both employed and self-employed people. These persons need financial intermediation to address their needs, and mainly prefer SACCOs which are considered as a cheaper source of financing. The SACCOs are facing challenges in performance as a result of stiff competition from other financial institutions, modern technology, problems in financial management, poor leadership and governance issues. Currently, strategic planning is important as it allows the firm to put business challenges into perspective and is positively recognized. As a
result, there is a growing demand for well-established and stable SACCOs. The ability of SACCOs to withstand these competitors depends on their strategy planning practices that aims to give them a competitive edge.

1.2 Statement of the Problem

As part of fiscal structures, SACCOs contribute to the economic growth, and they exist in most sectors of Kenyan economy. An approximate of 63% of Kenyan natives are benefitting from the SACCO initiative (Republic of Kenya, 2013). Most SACCOs in Kenya have faced performance challenges with some of them experiencing operational risk associated with rapid adoption of technology in delivery of services (Kenya Financial Sector Stability Report, 2018).

There is a high rate in growing demand for well-established and stable SACCOs. KUSCCO is authorized to assist SACCOs in addressing issues related to designing and implementing strategic plans. A report by SASRA (2013), indicates that SACCOs are key in economic development and their importance is significant for the general soundness of the financial sector. To a greater extent, SACCOs play a vital role in delivery of credit services, collection of savings and provision of insurance services to a huge population of the country.

The impact of strategy planning process to performance of firms has been conducted in various studies both locally and worldwide. Designing of strategic plans is recognized positively for its significance to Kenya’s economic growth. The researcher therefore seeks to assess the NCC SACCOs’ strategic planning practices and how they influence their performance, thereby enhancing a steady and sustainable growth.
Studies imply existence of a favorable impact on organizational achievement through strategic planning (Abdow & Ogollah, 2016; Kathama, 2012; Wachira, 2019; Aldehayyat & Twaissi, 2011; and Hopkins & Hopkins, 1997), while Gica and Negrusa (2011) specifies that the connection amid strategic planning and performance is negative. A study by Sahan and Ravindra (2019) concluded that strategic planning and performance have mixed outcomes. No significant relationship was found amid strategic planning and organization performance (French, Kelly & Harrison, 2004).

The empirical review of these studies revealed numerous disparities that required fastening for better proof and knowledge advancement. Studies about influence of strategic planning on organization performance were consistently conducted in other sectors such as Wachira (2019) on private hospitals, Kimunge (2016) on dairy boards, Wakahia (2014) on gender inclusion, and Rintari (2014) on public institutions. There were limited studies on strategic planning practices among SACCOs, a case in point where a survey by Nguta (2009) acknowledged that there were various challenges faced by SACCOs in strategic planning, without explaining the chief reasons and effects on SACCO performance. The research recommended further research to find out whether the performance of SACCOs practicing strategic planning was better than that of SACCOs not practicing strategic planning. This study thus endeavored to fill these contextual and conceptual gaps concentrating on the effect of strategy formulation, strategy selection, and environment analysis in connection to strategic planning and SACCO performance in NCC.

1.3 Objectives of the Study

There were two categories of research objectives namely, general and specific objectives.
1.3.1 General Objective of the Study

The general objective of this research was to establish the effect of strategic planning on SACCO performance in Nairobi City County of Kenya.

1.3.2 Specific Objectives:

This research pursued the subsequent specific objectives:

i) To examine the effect of environment analysis to SACCO performance in NCC.

ii) To establish the impact of strategy formulation in SACCO performance in NCC.

iii) To determine the relationship between strategy selection and SACCO performance in NCC.

1.4 Research Questions

This study was guided by the queries below.

i) How does environment analysis affect SACCO performance in NCC?

ii) What is the impact of strategy formulation on SACCO performance in NCC?

iii) How does strategy selection determine the SACCO performance in NCC?

1.5 Significance of the study

This research will be useful to SACCOs’ top executives by improving the strategic planning process, assessing possible solutions to problems and formulating of policies to address the identified challenges. The findings and conclusions of this research will support the concerns on strategic planning that boost SACCO performance. This study will assist to identify gaps that may
promote SACCOs in re-evaluating their strategic plans and employ strategy design as a management tool to allow for flexibility and adaptability in meeting environmental challenges and formulating policies.

While appreciating the County Government of Nairobi for their support to the SACCOs, the findings will be of importance to the county and will give guidance to understanding strategic planning practices among SACCOs thereby, playing an informed role in supporting them to run in an efficient and effective manner. This research may serve as a resource for scholars interested in implementation of strategic planning practices in SACCOs not only in NCC but also in the country. In Kenya, there has been little research and literature in strategic planning as a concept of business management of the SACCOs. In accordance with the study outcomes, this research recommended future research having formed a baseline for studies.

This study aimed at encouraging SACCOs to embrace strategic planning tools for the sake of improving the organization performance. When the SACCOs grow and become best practices, the general public will learn on their growth and learn about the management systems to put in place in order to be successful.

1.6 Scope of the Study
This study covered NCC and focused on certified SACCOs located in the county. Overall, NCC has 47 authorized SACCOs which formed the populace for the research. The interest was to determine how strategy planning individually and collectively impacted on performance. On time scope, this research focused on registered SACCOs that had been existent and operating for at least
five years, between 2017 and 2021. The rationale for this choice is instructed by a SASRA write up which sited the average growth rate of 30% per year of the sector. Hence, it was imperative to undertake this research to understand the widespread risks and governance challenges faced by SACCOs during this period, hindering their growth and retarding their economic impact. In essence, this research addressed the influence of strategy formulation, strategy selection along with environment analysis, as well as identified the relationship of each variable with performance of SACCOs in County of Nairobi.

1.7 Limitations of the Study
This research fixated on registered SACCOs in NCC, and censors sampling approach was used. The top management of the SACCOs would be busy and data collection would be hectic. To close this gap, a drop and pick technique was adopted in administering the questionnaire. This allowed more time for respondents to complete the questionnaire as well as increase the response rate.

Data collection was a key limitation due to non-response as a result of hesitance to reveal confidential information regarding their entities. Also, respondents feared that their competitors could access and discover the findings of the research. In order to mitigate this constraint, the respondents were guaranteed that the information was utilized for educational reasons by producing an introduction letter from Kenyatta University to ease any doubts by the management. The respondents were also guaranteed that integrity and confidentiality would be honored.
1.8 Organization of the Study

The first chapter presents a brief synopsis on strategic planning and SACCO performance in NCC of Kenya. It also outlines the study objectives, importance, scope, and challenges faced while conducting the research. Chapter two focusses on the literature review of the study as well as past studies and theories which will guide the research. It also builds up to the designing of a conceptual model as directed by the research objects. Chapter three discusses the research method employed in the study, capturing methods and statistical measures applied by conducting the research and handling the study queries. Chapter four records the research hypotheses, and chapter five considers a synopsis of the research, conclusions, recommendations and suggestions for additional research.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This section presents an extensive evaluation that focuses on theoretical review, empirical review, discussion of variables, synopsis of the bibliographic review along with a conceptual framework. The theoretical review focused on the conceptual views and opinions of the research, while the empirical review examined past studies, and covers the methodological plus gaps identified. The conclusions of the research were guided by these theoretical and empirical orientations.

2.2 Theoretical Review
The research is tied to four main theories which are vital in clarifying reasons for firms’ engagement in strategic decision process. These theories include the Balanced Scorecard Model, Michael Porter’s Five Forces Model, Dynamic Capabilities and Resource Based View Theory.

2.2.1 Michael Porter’s 5 Forces
This framework was proposed as an effective guide for assessing and evaluating a firm’s industry structure and operating environment of competition of a business in strategic processes (Porter, 1980). In this model, the attractiveness and competitive intensity of a market is determined by five industry level forces which influence a firm’s competitiveness within an industry. These level forces comprise, power of business suppliers, new market entrants, power of customers, substitute products, and competitive rivals. An organization can secure a position in an industry and influence its competitors in its favor or guard itself against competitive forces by using the approach (Porter, 1980). The Michael Porter’s model plays a key role to how a firm attains its competitive edge.
Bruijl (2018) alludes that this strategic model is well-known and has been used to boost a firm’s strategic planning for a long time. It helps a firm to form an industry that is attractive and see its competitive environment from a different point of view, hence gaining a deeper understanding on who are the powerful industry players that influence how business is conducted. In addition, the model not only aids firms to understand the forces of the industry and possible future changes, but also have an indication of the industry at a certain point in time. Overall, the framework is an effective tool used in establishing a competitive edge for organizations.

Johnson, Scholes and Whittington (2008) postulate the model as a powerful and simple framework that is used by organizations in identifying strengths inside out within a certain business situation. The five forces framework enables a firm to overcome threats and embrace opportunities through matching its strengths and resources with the environment changes. Most organizations value this framework since it offers a key source for strategic analysis and also evaluates the attractiveness of a sector or industry. The Porter’s five forces model can also assist to identify strategic gaps especially where rivalry is low.

According to Kotler (2012), the significance of designing competitive strategies cannot be emphasized enough since it helps a firm stand out from its competitors. The acquirement and maintaining of competitive advantages inspire organizations to market fresh commodities and identify untapped markets for the purpose of stimulating growth. The model is applicable in the research and essential in evaluating the influence of environment analysis, strategy formulation, and strategy selection, which are the key independent variables for this research. Through the
strategic planning process, SACCOs will assess the environment effectively and overcome challenges that may affect their plans. The model was key in assessing the competitive environment, defining the organization profile, embracing highly skilled personnel and guide in adopting corporate social strategies.

2.2.2 Resource-Based View Theory

Founded by Penrose (1959), this ideology explores on existing connection between an organization’s resources and competition. The RBV theory was afterwards extended by a few scholars including Barney (1996), Dierickx and Cool (1989), Rumelt (1984) and Wernerfelt (1984) describing the impact that substantial and insubstantial resources have on organization performance. The theory claims that resources possessed by a firm help it to achieve a competitive advantage. Thus, a business competitive edge is set out by its potential to continually utilize its tangible and intangible resources at its disposal. Theorists behind the RBV theory claim that organizations should seek to find the sources of competitive from inside the organization rather than outside.

Steinthorsson and Soderholm (2002) asserts that for a firm to gain a superior business position, it must possess resources that are non-substitutable and inimitable, as well have business capabilities. Barney (1991) indicates that an organizations resources are more crucial than the environment in which it operates. The two key assumptions that RBV is pegged on are diverse distribution of resources among all firms and immobility of the firm resources. From these assumptions, resources should possess qualities of rarity, value, imperfect imitability, no substitutability and no transferability with a focus of attaining an organization’s competitive edge.
Grant (1991) postulates that a timeframe for an organization’s strategic planning process depends on its possessions and proficiencies, so that it can secure a sustainable competitive edge. A firm can either invest in creating new sources of competitive advantage or embrace a short-term harvesting strategy when its capabilities and resources lack qualities of rarity. The key considerations in formulating an organization’s strategy are its resources and capabilities, which can facilitate an organization to formulate strategies and develop inimitability. Understanding the connections amid productivity, capabilities, resources and competitive edge is a vital resource-based avenue to strategy formulation.

According to Zingier (2002), resources controlled by a firm comprise information, knowledge, assets, capabilities, firm attributes and organizational process, which form a baseline point for an organization to attain and implement strategies that are successful. The RBV theory supports this research since SACCOs need both intangible and tangible resources to survive. These resources enable SACCOs to use their competencies in formulating their competitive strategies. This theory was useful in guiding particularly on strategic formulation and strategy selection which were crucial parameters of the study. The theory attests that the two independent variables could determine an organization’s commercial effectiveness positively.

2.2.3 Dynamic Capabilities Theory

With an aim of helping organizations realize their competitive edge by utilization of their resources, Teece, Pisano and Shuen (1997) authored the Dynamic Capabilities (DCs) theory. The theory enables firms to rapidly adjust to the business environment changes by reconfiguring and
integrating their internal and external resources. According to Teece, Pisano and Shuen (1997), firms that adopt DCs redefine their strategies and resources to attain a sustainable competitive edge in volatile environments. Dynamic capabilities are distinct from ordinary operational capabilities since they provide an organization the capacity to earnestly build, enlarge and adjust its activity-based capital.

Teece (2007) states that the DCs concept is fundamental for an organization’s corporate agility, enabling its capacity to seize opportunities, overcome threats and maintain competitiveness by enhancing, safeguarding and redefining its goodwill and fixed assets. For an organization to attain best practice in the industry and retain its customers, suppliers and partners, it needs to identify opportunities as well as avoid threats by scanning, searching and exploring activities across markets and technologies. Seizing and shaping opportunities includes assessing of emerging and existing competences by investing in appropriate strategies and technologies that increase the firm’s acceptance in the market (O’Reilly III & Tushman, 2008; Teece, 2007).

Chmielewski and Paladino (2007) note that DCs assist firms to increase their efficiency and effectiveness by acknowledging the fast-changing macroenvironment, which ultimately strengthens their performance. The survival of an organization depends on whether it can adapt to its external environment. The DCs theory is therefore applicable to this study in creation of long-term capabilities to ensure that most viable strategic plans are adopted by SACCOs. This theory is significant because it enforces skills and knowledge for SACCOs to strengthen resources, enhance genuine work structure and leadership that sponsors empowerment of employees in strategic
planning. The theory guides the research on the role of environment analysis, strategy formulation and strategy selection as key variables in enhancing the performance of SACCOs positively.

2.2.4 Balanced Scorecard Model

As introduced by Kaplan and Norton (1991), this model is a strategic-based framework which helps organizations measure their past performance and improve where necessary to meet the set strategic goals. Zelman, Pink and Matthias (2003) argue that other than using financial indicators to measure a firm’s performance, non-financial metrics enable the senior management to focus on strategic success of the organization. The BSC model is vital since it offers a comprehensive determination of achievement with respect to non-financial, financial, customer and employee perspectives (Kaplan & Norton, 1992).

Pan and Nguyen (2015) emphasized on four key areas that organizations can use to measure success in short term and long term. These include financial aspects, internal business, customer attitude, learning skills and innovation. The financial aspect measures items like shareholder value and profitability, indicating whether an organization is improving financially. According to Zyznarska-Dworczak (2012), a financial perspective is designed to create value for business owners using the economic added value based on a firm’s liquidity.

Customer focus enables an organization to concentrate on customer needs and satisfaction by targeting market segments that have been selected to succeed. The customer perspective enquires how a firm is alleged by customers to achieve its vision. Swiderska (2010) notes that for an organization to make profits and grow, it must retain and attract new customers for financial gains.
Retaining and acquiring new customers is achieved through customer satisfaction which leads to an increase of financial effectiveness of customers’ service.

According to Nita (2008), the internal business process perspective is key to excellence and achievement of set objectives as determined by the financial and customer perspective. The firm not only focuses on time saving and cost reduction, but also on ensuring consistence on standards for products/services. Inside the innovation and learning skills perspective, an organization is capable of developing and learning based on the laid-out systems, staff and procedures (Pierscionek, 2011). An effective relationship between the four perspectives helps to strike a balance between the results and performance drivers, hence creating value for the organization.

The BSC model is applicable in this research because it requires concentration on strategy and teamwork rather than control and reporting. A combination of outcome measures and performance drivers leads to an effective BSC. If a SACCO lacks outcome measures like customer satisfaction, profitability and quality service delivery, the BSC will not show a sign of how sound the performance of the SACCO is. The fiscal and non-fiscal aspects of the SACCOs need to be monitored and evaluated by the management efficiently and effectively. This model therefore supports SACCO performance in NCC of Kenya which is the dependent variable of this research. The theory is key in evaluating the profitability, quality service delivery and customer satisfaction enhancing performance of SACCOs.
2.3 Empirical Review

This part covers dissertations undertaken previously. As captured in the review, the connection between organization performance and strategic planning has been established in numerous studies with supportive conclusions. This research describes the empirical literature of strategic planning and performance of SACCOs. The empirical review explores proof on several studies undertaken earlier on environment analysis, strategy formulation and strategy selection, on the performance of organizations.

2.3.1 Environment Analysis and Performance

Gitonga (2019) administered a dissertation titled impact of Industry environmental factors on security firms’ performance within NCC. By using a descriptive design method, the research selected 135 managers. A questionnaire was the instrument used to collect primary information. In its findings, the study established that a substantial positive connection exists, linking new entrants as well as buyers bargaining power with performance. Rivalry among competitors is essential for increased productivity in an industry. The study concluded that new entrants and buyers bargaining power influences profitability of a company, and rivalry enhances quality among organizations.

Pulaj and Pulaj (2015) addressed the impact of strategic environmental analysis on organization performance involving all the construction companies in Vlora region in Albania. A structured questionnaire in collection of data was used. Based on external environment variables, a descriptive analysis was conducted for the construction industry. The study found that lack of liquidity among other financial problems are main challenges that hinder performance of the
companies and their achievement of objectives. The study notes that organizations ought to be aware of the external environment changes and how they happen, as it is beneficial in having a better impression of the dynamics and successfully manage change.

Research in MSMEs of Batu City, Ontorael, Suhadak and Mawardi (2017) dwelt with analysis of the food and beverage sector’s internal and external environmental factors on business performance. Using explanatory research, the raw information was gathered by use of a questionnaire, from a sample of 108 respondents. Data analysis suggests that a definite and remarkable influence exists amid internal and external environment forces as well as on business performance. The study concluded that human resource capacity, access to external funding and legal and regulatory framework were main factors that shape business performance.

2.3.2 Strategy Formulation and Performance

Research by Maina, Munga and Njeru (2020) was conducted on strategy formulation in Kenya state corporations’ performance. Using descriptive research design, data was collected using a questionnaire from a sample of 77 managers. For data analysis, a descriptive statistic was used. The study found major aspects affecting strategy formulation in operation of state corporations as vision, mission, firm resources, leadership and environment scanning. A conclusion was reached that more emphasis should be put by state corporations on leadership and environment scanning, which are key pointers in strategy formulation and have highest impact on performance.

Research on manufacturing firms in Sri Lanka was undertaken by Wijetunge and Pushpakumari (2015) and pursued to link strategic formulation and organization performance. 275 SMEs provided response. The research discovered that general performance of an organization has a
positive moderate correlation with strategy formulation. A positive correlation was also found amid annual sales, annual profitability, employee growth, strategic planning and investment to business in the last three years. Additionally, the study found direct relationship between the general performance of the firm and scanning of macro-environment, review of key obstacles and strategic preference.

Kanano and Wanjira (2020) conducted research in strategy management processes and achievement of supermarkets’ in Nakuru County. The study targeted 12 supermarkets and 100 managers by use of a descriptive research design. In its findings, the research concluded that strategic formulation, strategic implementation and strategic evaluation have a positive connection over the functioning of the supermarket. The research concluded and recommended that strategy formulation can promote an advanced achievement, and there is need to mitigate risks related to investments for supermarkets to successfully implement formulated strategies.

2.3.3 Strategy Selection and Performance

Research targeting the humanitarian Non-Governmental Organizations (NGOs) in NCC was undertaken by Nyambariga (2018), seeking the influence of strategic choice on organizational performance. By adopting an explanatory cross-sectional survey design, 31 respondents were engaged in collection of primary data using questionnaires. The research found and concluded that a close association exists amid strategic choices and performance. The research proposes to the leadership of humanitarian NGOs to do additional financing in formulation and implementation of strategies, since they influence organizational performance positively and in a significant manner.
Mbithi (2016) dwelt on impact of strategy choice in Kenya’s sugar companies’ performance. The research employed a mixed approach survey design through structured questionnaires and interviews to obtain primary data. The study concluded that a cost reduction, boost in sales, improved reputation, stronger customer loyalty and motivated employees in sugar companies was achieved due to adopting Corporate Social Responsibility (CSR) activities. The research recommended that an expansion of product base, improved procedures, exploration of unrelated products, exploit idle capacity, and adoption of CSR in sugar companies would help to improve on returns, increase sustainability, manage competition, boost returns and build strong image.

A study in Italian food SMEs was conducted by Carraresi, Mamaqi, Albisu and Banterle (2011) and sought for the connection between strategic choice and performance. A survey was done, and primary data gathered in a sample of 69 firms using questionnaires. The study found and discovered that a direct connection exists amid performance and strategic choice through chain relationship development, product positioning and innovation. Therefore, attention should be paid to developing strategy choice which is obtained from particular capabilities and resources in the food SMEs.

2.4 Summary of Literature Review and Research Gaps

Dissertation by Gitonga (2019) discovered that there is a substantial positive connection amid new entrants, buyers bargaining power and rivalry among competitors with performance. This study presents a contextual gap and conceptual gap by focusing on non-financial performance and competitive environment. Pulaj and Pulaj (2015) focused on the beneficial effect of environmental analysis on organization performance and found that lack of liquidity among other financial
problems are main challenges that hinder performance of the companies and their achievement of objectives. This study focused only on the outward situation thereby identifying external aspects that hamper the activity of construction companies.

Ontorael, Suhadak and Mawardi (2017) found factors that human resource capacity, access to external funding and legal and regulatory framework were main elements impacting performance of business. The study presents a conceptual and contextual gap by focusing only on environment factors as well as non-financial performance. The research was done in Indonesia hence, the conclusions are not pertinent to the Kenya context. Maina, Munga and Njeru (2020) found that major aspects affecting strategy formulation in functioning of state corporations are vision, mission, firm resources, leadership and environment scanning. Conceptual and contextual gaps are identified where strategy formulation was conceptualized as independent variable plus the necessity to conduct research in the Kenya financial sector since this area is less targeted.

Wijetunge and Pushpakumari (2015) found positive correlation amid annual sales, annual profitability, employee growth, strategic planning and investment to business in the last three years. The research was built on manufacturing companies and study was based in Sri Lanka thus presenting a conceptual gap and contextual gap respectively. Kanano and Wanjira (2020) found that strategic formulation, implementation and evaluation have a favorable link to functioning of supermarkets. A conceptual gap is identified on study of strategic management practices, along with a contextual gap in conducting this research in the financial sector.
Nyambariga (2018) found that at 95% confidence interval, all strategic choices produced a positive co-efficient implying that a positive effect of strategy selection on performance of NGOs. This research presents a conceptual gap by solely focusing on strategic choice, and a contextual gap of channeling its approach to SACCOs in the financial sector. Mbithi (2016) study results revealed that a cost reduction, boost in sales, improved reputation, stronger customer loyalty and motivated employees in sugar companies was achieved due to adopting CSR activities. This research shows that there is an empirical gap and should address strategic planning practices other than solely focus on strategic choice. A contextual gap is revealed on changing the approach to the financial sector.

Carraresi, Mamaqi, Albisu and Banterle (2011) discovered that a definite connection exists amid performance and strategic choice through chain relationship development, product positioning and innovation. A conceptual and contextual gap was identified since the study focused on association amid strategic choice and non-financial performance for a developed country that does not fit in the Kenya context since it is a developing country. The table below further summarizes these reviewed studies and clearly provides the names of the authors, research titles, identified gaps and recommendations. A comprehensive summary of identified disparities is provided with solutions to how to bridge the gaps.
<table>
<thead>
<tr>
<th>Author</th>
<th>Focus of Study</th>
<th>Findings</th>
<th>Knowledge Gaps</th>
<th>Focus of current study</th>
</tr>
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<tbody>
<tr>
<td>Gitonga (2019)</td>
<td>Impact of Industry environmental factors on the performance of security firms in Nairobi County</td>
<td>The study found that new entrants influence organization performance by enhancing innovation and creativity. Buyers bargaining power influences the quality of products and services and endeavor to address customer needs efficiently and effectively. Rivalry incentivizes firms to differentiate their products to gain customer loyalty and reduce switching.</td>
<td>This study presents a contextual gap and conceptual gap by focusing on non-financial performance and competitive environment.</td>
<td>In addition to the competitive environment, this study concentrated on the internal and external environment with focus on SACCOs.</td>
</tr>
<tr>
<td>Pulaj and Pulaj (2015)</td>
<td>Effects of strategic environmental</td>
<td>The study found that the main factors that hamper the activity and performance of the companies towards achieving the</td>
<td>This study focused only on the external environment and identified external</td>
<td>This study additionally considered internal</td>
</tr>
<tr>
<td>Ontorael, Suhadak and Mawardi (2017)</td>
<td>Analysis of the influence of external and internal environmental factors on business performance, a study on MSMEs</td>
<td>The study established that the factors found to affect business performance include legal and regulatory framework, access to external funding and human resource capacity.</td>
<td>The study presents a conceptual and contextual gap by focusing only on internal and external environment as well as non-financial performance. The research was conducted in Indonesia; hence the findings would not be</td>
<td>A locally based study was done considering the competitive environment and focused on SACCOS in NCC.</td>
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<tr>
<td>Study</td>
<td>Title</td>
<td>Findings</td>
<td>Context</td>
<td>Additional Information</td>
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<tr>
<td>Maina, Munga and Njeru (2020)</td>
<td>Influence of strategy formulation on performance of state corporations in Kenya.</td>
<td>The study found that leadership, mission and vision, firm resources and environmental scanning individually and statistically influence strategy formulation in performance of state corporations. Organizations must put in place effective leadership, possess a formal mission to pursue its objectives, embrace human resource practices and continuously reducing reliance on the environment in managing the resources at hand.</td>
<td>Conceptual and contextual gaps are identified where strategy formulation was conceptualized as independent variable plus the need to undertake a study on the financial sector in Kenya, an area which is under targeted.</td>
<td>The study focused on strategic planning practices and performance of SACCOs in NCC.</td>
</tr>
<tr>
<td>Wijetunge and</td>
<td>Link strategy formulation and</td>
<td>The study found a positive correlation between strategic planning and annual</td>
<td>The study illustrates the manner in which strategic</td>
<td>A local study was conducted and</td>
</tr>
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</table>
| Pushpakumari  
(2015) | organization performance on manufacturing firms in Sri Lanka. | sales, annual profitability, and strategic planning and investment to business in the last three years. The study found positive correlation between purposes, goals, and mission philosophies, scanning of business environment, analysis of strategic issues and strategic selection with overall firm performance. | formulation influences organizational performance, and based on manufacturing organizations in Sri Lanka, hence presenting a conceptual and contextual gap. | targeted on strategic planning practices in the SACCO subsector. |
| Kanano and Wanjira  
(2020) | Strategic management and performance of supermarkets in Nakuru County, Kenya. | The study found that strategy formulation had the highest influence on performance in supermarkets. The research found that carrying out assessment of formulated strategies was the most cited aspect of strategy formulation in supermarkets in Nakuru. | Conceptual gap identified on study of strategic management practices. Contextual gap on the need to replicate the study in less researched areas such as the financial sector. | This study addressed strategy planning practices as distinct from strategic management in performance of SACCOs. |
<table>
<thead>
<tr>
<th>Study</th>
<th>Title</th>
<th>Summary</th>
<th>Key Findings</th>
<th>Implications</th>
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<tbody>
<tr>
<td>Nyambariga (2018)</td>
<td>Strategic choice and organizational performance of humanitarian Non-Governmental Organizations (NGOs) in Nairobi County.</td>
<td>The study found out that at 95% confidence interval, all strategic choices produced a positive co-efficient implying that strategic alignment, sub-contracting, diversification, funding liberalization and donor education have a positive effect on performance of NGOs.</td>
<td>Conceptual gap by solely focusing on strategic choice. Contextual gap on the need to shift focus from humanitarian NGOs to SACCOs. Strategic choice was considered as one of the objectives in strategic planning practices and additionally focused on environment analysis and strategic formulation in performance of SACCOs.</td>
<td></td>
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<tr>
<td>Mbithi (2016)</td>
<td>Effects of strategic choice on performance of sugar</td>
<td>The results revealed that sugar companies pursued product development, market development, diversification, and corporate social strategies in different levels. From the results, it can be</td>
<td>The study conceptualized on strategic choice as an independent variable on performance of non-financial sector. This study considered strategic planning practices in the financial sector.</td>
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companies in Kenya. concluded that cost reduction, boost in sales, improved reputation, stronger customer loyalty and motivated employees was achieved as a result of adopting CSR.

| Carraresi, Mamaqi, Albisu and Banterle (2011) | Relationship between strategic choices and performance in Italian food SMEs. | The research findings revealed that in the food sector, strategic choices based on innovation, product positioning and chain relationship development have positive effects on performance, but only if distinctive resources and capabilities are considered. Innovation plays a capital role because of its direct as well as indirect effects. | Conceptual gap since the study focused on relationship between strategic choice and non-financial performance in a developed country that does not fit in the Kenya context since it is a developing country. | A local study that targeted on SACCO subsector and considered strategic choice as an independent variable was undertaken. |

Source: Author (2021)
2.5 Conceptual Framework

As reported by Camp (2001), a conceptual model is employed by researchers to describe the development of a phenomenon to be researched. According to Mugenda and Mugenda (2009) it is a diagram that represents the association between variables being investigated, that include dependent and independent variables. The conceptual framework for this study comprises one dependent variable with three independent variables. While performance is the dependent variable, the strategic planning practices form independent variables that include environment analysis, strategy formulation, and strategy selection.

**Environment Analysis**
- Assessing external and internal environment
- Seizing opportunities and defusing threats
- Evaluating competitive environment

**Strategic Formulation**
- Setting long-term and short-term strategic direction
- Allocating resources
- Embracing human resource practices

**Performance of SACCOs**
- Profitability
- Quality service delivery
- Customer satisfaction

**Strategy Selection**
- Quality and strategic decision process
- Criteria for selection
- Top management preferences

*Figure 2.1: Conceptual Framework*

*Source: Researcher (2021)*
Arrows point to the dependent variables to show a causal link amid strategic planning practices and SACCO performance. Each variable is operationalized into measurable constructs. The performance of SACCOs is measured by profitability, quality service delivery, and customer satisfaction of the SACCOs. This research has three independent variables as follows: environment analysis is interested on degree of application in assessing external and internal environment, identifying opportunities, diffusing threats, and evaluating competitive environment. Strategy formulation will be assessed from setting long-term and short-term strategic direction, allocating resources, and embracing human resource practices. The assessment of strategy selection will be interested with quality and strategic decision process, criteria for selection and top management preferences to enhance careful consideration of decisions and decision effectiveness.

The study adopts three components of strategy planning namely, environment analysis, strategy formulation and strategy selection. Environment analysis at a given firm helps to align firm strategies with the environment, identify potential influences, forecast the future, shape opportunities and identify threats, thereby increasing the performance of the organization. Strategy formulation helps firms to seek long-term goals, prepare for change and exploit its strengths. Strategy selection is crucial in deciding on the priorities that enable the executives react quickly to the changes in environment, therefore supporting organization growth in key business areas. Strategic selection addresses the question of where a firm wants to go and is achieved through making decision on strategies that best meet the firm objectives.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This section identifies the techniques and procedures used in the study, in order to realize the research objectives. This chapter defines target populace, research design, sample size/sampling techniques, validity and reliability of instruments, data procedure and instruments, information analytics and casting, along with values and principles that address questions.

3.2 Research Design

This research adopted a descriptive survey research design to establish impact that strategy planning practices has in SACCO performance within NCC. This type of research design aids in collecting data by administering questionnaires to individuals in order to understand the characteristics of a group, offer ideas for further probe and make certain decisions. According to Mugenda and Mugenda (2003) the descriptive survey is a method that determines, reports and endeavors to explain such things as likely behavior, values, characteristics and attitudes with no alteration of anything in the environment. The descriptive survey research design was most suitable in this study since it granted a researcher to gather sufficient data at a certain period of time and help generalize results in a wider populace in an explicit manner.

3.3 Target Population

As defined by Mertler and Vannatta (2010), the population of a study holds certain common observable characteristics and regarded as a finalized set of individuals, objects or cases. While Length (2001) observes a populace as a combination of features that a researcher examines, Shields
and Rangarjan (2013) perceive a target population as a sub-set of the overall population, from which the researcher draws the study sample. According to SASRA (2021) report on list of SACCOs, there are 175 licensed SACCOs authorized to operate business in Kenya, that form the populace for this research. In essence, the 47 registered SACCOs in NCC form the target populace as per appendix V. The target populace was preferred due to its propinquity to the researcher and therefore, most suitable for undertaking the study.

### 3.4 Sample Size and Sampling Technique

As defined by Cooper and Schindler (2011) a sample is a lesser selection of units that comprise of a specific group used to establish truths concerning that population. Census sampling method involves an exhaustive register from every member in a population. According to Creswell and Creswell (2017), a small and manageable study populace facilitates equal representation of research parameters hence, a census sampling technique is recommended. This sampling method reduces biasness and variableness in the responses obtained (Cooper & Schindler, 2014). The sample size of 47 registered SACCOs in NCC allowed a substantive amount of information to be gathered from a suitable population using the most economical method. The study targeted three respondents from each firm comprising accounting, operations and human resource department, summing to 141 informants.

#### Table 3.1 Target Respondents

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Number in each SACCO</th>
<th>Sum of 47 SACCOs</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Department</td>
<td>1</td>
<td>47</td>
<td>33.3%</td>
</tr>
<tr>
<td>Department</td>
<td>Count</td>
<td>Percentage</td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Human Resource Department</td>
<td>1</td>
<td>66.7%</td>
<td></td>
</tr>
<tr>
<td>Operations Department</td>
<td>1</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>TOTAL RESPONDENTS</td>
<td>3</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Source: NCC (2022)

3.5 Data Collection Instruments

A researcher should develop the relevant research instruments that aid in collecting the required information (Kothari, 2006). This research utilized a combination of primary and secondary data sources. The questionnaire contained indefinite, multiple-choice and likert-scale queries in measuring various variables used in study investigation. Simultaneously, fiscal statements, journal, annal reports, books, authorized and printed documents were used to provide secondary data.

3.6 Validity and Reliability of Research Instrument

Validity and reliability are concepts used to evaluate the quality of research and are important aspects of selecting a survey instrument. While validity refers to the accuracy of a measure, reliability is determined by consistency and the extent that the instrument yields the same results over multiple trials. Kavale, Mugambi and Namusonge (2014) elucidate that a pilot study increases the probability of success by establishing whether the proposed instrument is appropriate. This research involved an initial test to pretest the questionnaire ensuring that it measured accurately and allowed for finding errors that would affect the quality of the data. Pretesting of the form was undertaken in Machakos County, which is a distinct populace from the proposed area of research. The researcher identified SACCOs that contributed to the pilot survey using purposive sampling.
The questionnaire’s reliability and validity was guaranteed by the information derived from the pilot test.

3.6.1 Validity of Research Instruments

As reported by Field (2005), validity is defined as measuring what is meant to be studied. Validity means how justifiable, reasonable and accurate data is after collection, ensuring it covers the targeted investigation area (Ghauri & Gronhaug, 2005). To assess the instrument validity, the questions should conform with the research objectives. A research tool is authentic when purposive information is gathered, facilitates hypotheses testing and find solutions to the research queries. The soundness of a questionnaire is certified by seeking a viewpoint from the supervisor as well as strategic management professionals to build on the questionnaire where needed, prior to collection of actual data.

Mugenda and Mugenda (2003) states that upon finalizing, a questionnaire should be tried out in the field. A pilot test is an important step in conducting research. According to Newing (2011), the significance of a preliminary test can hardly be over-emphasized in case that questions emerge as irrelevant for producing the kind of data amidst other errors. A pilot test was done for confirming on dependability as well as soundness for the questionnaire used in gathering necessary data for this study. The researcher ensured that the practices utilized while for testing the form were same as the ones done through data collection. Mugenda and Mugenda (2003) emphasizes that during testing, respondents ought to be one tenth of the study sample with similar characteristics. In this study, the researcher pre-tested the questionnaire by selecting five SACCOs in Machakos County
through purposive sampling. A total of 14 respondents participated in the pilot test. Comments, suggestions and questions revealed as vague during pre-testing assisted in aligning and rephrasing the questionnaire thus enhancing respondents answer questions effectively.

3.6.2 Reliability of Research Instruments

This is moderately how constant and consistent results are obtained from measuring a phenomenon. Generally, reliability concerns the extent in which a questionnaire produces constant outcomes when a study is replicated (Carmines & Zeller, 1979). This study applied the Cronbach Alpha coefficient, which is regarded as a pertinent measure of reliability since this study made most use of Likert scales. The Cronbach Alpha coefficient for 14 items was discovered as 0.763. This exhibited an inflated internal consistency. The questionnaire is said to be reliable when the coefficient is 0.7 (Cooper & Schindler, 2007).

Table 3.2 Reliability Test

<table>
<thead>
<tr>
<th>Reliability Test Variables</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment Analysis</td>
<td>14</td>
<td>0.801</td>
</tr>
<tr>
<td>Strategic Formulation</td>
<td>14</td>
<td>0.795</td>
</tr>
<tr>
<td>Strategy Selection</td>
<td>14</td>
<td>0.692</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td><strong>0.763</strong></td>
</tr>
</tbody>
</table>

Source: Pilot Data (2023)

3.7 Data Collection Procedure

To administer the questionnaire, a drop and pick approach was embraced. Forms were conveyed to the respondents physically, then collected at another time. The reason why a drop and pick
approach was adopted is because many respondents were mostly in the management or supervisory level, hence with a lot of engagements and commitments, and this would give them adequate time to respond. That being the case, it was not easy to set up face-to-face meetings with all respondents and complete filling the forms with them.

3.8 Data Analysis and Presentation

This aids in making informed decisions by organizing, structuring and disintegrating data collected (Mugenda & Mugenda, 2003). Before accepting data for analysis, a ratification on data quality was made. The process of identifying and fixing incorrect or corrupted data within a data set is known as data cleaning. Diagnostics tests were carried out to ensure collected information contains the key appropriations for administration of basic analysis methods along with regression analysis.

A Statistical Package for Social Sciences (SPSS) computer software applied simple descriptive statistics and was utilized in entering and analyzing data, in order to get cumulative frequencies and percentages. The SPSS software was most preferred since it is greatly used for analyzing data, and user-friendly while using both bivariate and multivariate analysis. The descriptive measures to be used in summarizing data comprise relative frequencies, cumulative frequencies and percentages. In this research, quantitative information was measured using regression analysis. Dispersions in variables, averages and patterns was gathered by use of descriptive statistics. The relationships between study variables were described using inferential statistics that involve regression analysis.
R square is a Coefficient of Determination that indicates a proportion of the variance for the dependent variable to be elaborated by the independent variables in this research. A correlation analysis will be conducted, and Analysis of Variance (ANOVA) will help determine if the impact of strategic planning is proportionally significant to SACCO performance. Thus, if P-Value is beyond 0.05 measure of the statistical significance, then the strategy planning practice will not significantly affect SACCO performance.

Correlation coefficient represented by values of r, show the direction and extent of link between variables. Values of r = 1.0 represent a strong positive linear relationship or direct correlation, while Values of r = 0.0 will indicate no linear connection amid two variables. If Values of r = -1.0, then there is a strong inverse relationship or perfect negative. The researcher presented data in form of percentages, frequency distribution, tables and graphics.

### 3.8.1 Regression Model for Testing the Relationship between Variables

As suggested by Muthen and Muthen (2007) the dependent variable in this study is constant thus, a Regression Model will be used. A linear equation is used to present the model. The effect of independent variables on the performance of SACCOs is represented by the equation displayed below.

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

Where:

- \( Y \) = SACCO performance
- \( \beta_0 \) = Constant (intercept)
\( \beta_1, \beta_2, \beta_3 = \) Coefficients of independent variable

\( X_1 = \) Environment Analysis

\( X_2 = \) Strategic Formulation

\( X_3 = \) Strategy Selection

\( \varepsilon \) is equivalent to error term.

### 3.9 Ethical Considerations

Ethical consideration is a set of principles and rules that comprise confidentiality, anonymity, informed consent, potential harm, voluntary participation and results communication, which aid in directing the research plans and execution. A cover letter of introduction was obtained from Kenyatta University School of Business authorizing advancement in data collection. Moreover, a declaration was made to inform relevant authorities of the county government along with guarantee respondents that data collected would be treated as confidential. Permission was obtained from the senior-level management for SACCOs before collecting data in the organization. The researcher observed honesty, respect for dignity and protection of privacy.
CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter reports on the outcomes of data analysis derived from data obtained from the field. Information gathered by use of questionnaires was analyzed using descriptive and inferential statistics. The findings were examined, analyzed and interpreted to address the research questions. The analyzed data was presented in form of tables and charts.

4.2 Response Rate

A sample size of 141 questionnaires was handed out to the respondents of which, a total of 115 questionnaires were fully completed and successfully given back. This represented 82% response rate which was very good according to Babbie (2014) and considered as adequate to analyze data and publish study findings. Babbie (2014) asserted that return rates of 50% are acceptable, 60% is good and 70% is very good to analyze and publish research findings. Thus, 82% was justifiable in this research.

Figure 4.1: Response rate

Source: Survey Data (2023)
4.3 General Information

This research targeted forty-seven (47) registered SACCOs operating in NCC, Kenya. The participants comprise three respondents from the accounting, operations and human resource department of each SACCO. This section captures details of participants’ gender, age, education and experience.

4.3.1 Gender

The research pursued to know the breakdown by gender of the respondents. The findings are represented in table 4.1 below. 61.7% of the respondents indicated that they were male, while 38.3% were female. Both genders were well represented in this research though not in equal proportions.

Table 4.1: Gender distribution

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>44</td>
<td>38.3</td>
</tr>
<tr>
<td>Male</td>
<td>71</td>
<td>61.7</td>
</tr>
<tr>
<td>Total</td>
<td>115</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Survey Data (2023)

4.3.2 Age Bracket

The researcher asked the respondents to indicate their age. The findings are presented in figure 4.2 below. Results indicate that majority of the respondents (53.9%) were aged between 46-60 years; 29.6% were between 30-34 years, and 16.5% were 29 years and below. The findings show that all respondents were adult who have well understanding of SACCO activities and function in relation to strategic planning.
4.3.3 Education Level

Table 4.2 below presents findings of the level of education for the participants. From the findings, more than 70% of respondents either achieved a diploma or bachelor’s degree as the highest level of education. The remaining respondents attained a certificate or postgraduate qualification. This is an implication that the respondents were in a position to understand and answer questions asked in this study.

Table 4.2: Education Level of the Respondents

<table>
<thead>
<tr>
<th>Education level</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>20</td>
<td>17.4</td>
</tr>
<tr>
<td>Diploma</td>
<td>37</td>
<td>32.2</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>44</td>
<td>38.3</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>14</td>
<td>12.2</td>
</tr>
<tr>
<td>Total</td>
<td><strong>115</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Survey Data (2023)
4.3.4 Department

As the bar graph in Figure 4.3 displays, the highest participants of 34.8% were from the operational department; 24.3%, 17.4%, 13.9% and 9.6% were from customer service, accounting, human resource and research and development departments respectively.

![Department](image)

**Figure 4.3: Age Department**

**Source:** Survey Data (2023)

4.3.5 Period Worked in the SACCO

The respondents were requested to indicate for how long they had been working. Table 4.3 presents a synopsis of the timeframe the participants worked in the SACCO. Majority of respondents have been operating in their respective SACCOs for over 11 years. Hence, staff were well experienced and conversant with how the SACCO operates. On average, the findings imply that most respondents had been working in their respective SACCOS for over 5 years, which indicates that they have experience and are knowledgeable about the organization, thus providing reliable information.
Table 4.3: Period Worked in the SACCO

<table>
<thead>
<tr>
<th>Period worked in the SACCO</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 Year</td>
<td>13</td>
<td>11.3</td>
</tr>
<tr>
<td>1-5 years</td>
<td>27</td>
<td>23.5</td>
</tr>
<tr>
<td>6-10 years</td>
<td>33</td>
<td>28.7</td>
</tr>
<tr>
<td>Over 11 years</td>
<td>42</td>
<td>36.5</td>
</tr>
<tr>
<td>Total</td>
<td><strong>115</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data (2023)

4.3.6 Years of SACCO Existence

The study was interested to know the period the SACCOs has been operating. The findings are presented in the table below. Results indicate that most SACCOs in NCC have been in existence for 16 – 25 years. Findings indicate that on average, most of the SACCOs have been operational for more than 5 years.

Table 4.4: Years of SACCO Existence

<table>
<thead>
<tr>
<th>Years of SACCO existence</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-9 years</td>
<td>16</td>
<td>13.9</td>
</tr>
<tr>
<td>10-15 years</td>
<td>17</td>
<td>14.8</td>
</tr>
<tr>
<td>16-25 years</td>
<td>57</td>
<td>49.6</td>
</tr>
<tr>
<td>Over 25 years</td>
<td>25</td>
<td>21.7</td>
</tr>
<tr>
<td>Total</td>
<td><strong>115</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data (2023)

4.3.7 Whether SACCOs have a Strategic Plan

The study sought to know if SACCOs have a strategic plan. From the study a majority of 94.8% agreed that the SACCO has a strategic plan.
Further, the study sought to know how often the firms review its strategic plan. As presented in the table below, majority of SACCOs review the strategic plan once per year. Approximately 70% of the SACCOs review the strategic plan either once or twice per year. A few SACCOs review the strategic plan every quarter of the year. Thus, the findings imply that SACCOs review their strategy plan at least once a year.

**Table 4.5: How Often a Firms Reviews its Strategic Plan**

<table>
<thead>
<tr>
<th>How Often a Firm Reviews its Strategic Plan</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>6</td>
<td>5.2</td>
</tr>
<tr>
<td>Every Quarter of the year</td>
<td>10</td>
<td>8.7</td>
</tr>
<tr>
<td>Twice per year</td>
<td>30</td>
<td>26.1</td>
</tr>
<tr>
<td>Once per year</td>
<td>50</td>
<td>43.5</td>
</tr>
<tr>
<td>Every 5years</td>
<td>19</td>
<td>16.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>115</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

*Source: Survey Data (2023)*
4.3.8 Is Strategic Planning Important to the SACCO?

The research endeavored to know if strategic planning is important to the SACCOs. The result from the participants is displayed in Figure 4.5 below. Findings indicate that most of the participants (53.9%) indicated that strategic planning is very crucial to the SACCOs, supported by 22.6% who indicated it is crucial and 13% indicated it is extremely crucial. A few participants indicated that its less crucial and 3.5% not crucial at all. The findings imply that strategic planning is important to the SACCOs and there is need to embrace it.

![Importance of Strategic Plan](image)

**Figure 4.5: Importance of Strategic Plan**

**Source:** Survey Data (2023)

4.4 Descriptive Analysis

Descriptive statistics are key in effectively validating answers to research questions as displayed through mean and Standard Deviation (SD). This section demonstrates the results for the independent variables as components of strategic planning.
4.4.1 Environment Analysis

The first objective of the research was to examine the effect of environment analysis to SACCO performance in NCC. By achieving this, the results in table 4.6 presents the participants opinions on numerous environment analysis items and tabulated in mean and SD.

Table 4.6: Environment Analysis

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SACCO complies with legal and regulatory obligations.</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>4.0870</td>
<td>0.6697</td>
</tr>
<tr>
<td>Top management makes informed decisions in a timely and effective manner.</td>
<td>115</td>
<td>3.00</td>
<td>5.00</td>
<td>4.0696</td>
<td>0.5576</td>
</tr>
<tr>
<td>SACCO periodically conducts a Strengths, Weaknesses, Opportunities and Threats analysis, and seizes its opportunities and strengths for benefit of the SACCO.</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.9565</td>
<td>0.6542</td>
</tr>
<tr>
<td>Selects attractive options that complement the SACCO resources and the external environment to attain a competitive advantage.</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>4.0522</td>
<td>0.6191</td>
</tr>
<tr>
<td>Conducts a value chain and competitor analysis to assist the management to establish the SACCOS competences.</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.9739</td>
<td>0.5208</td>
</tr>
<tr>
<td>Provides quality products and services that are priced competitively</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>3.9826</td>
<td>0.6752</td>
</tr>
<tr>
<td>Conducts consumer research for competitive positioning and to determine changes in consumer demand.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>3.9913</td>
<td>0.7551</td>
</tr>
<tr>
<td><strong>Average of means</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>4.0162</strong></td>
<td><strong>0.6360</strong></td>
</tr>
<tr>
<td><strong>Valid N (listwise)</strong></td>
<td>115</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Survey Data (2023)

An average of means (4.02) indicated that majority of participants firmly agreed that environment analysis affects the performance of SACCO in NCC. This is additionally confirmed by a low SD (0.64) implying a small variability. On a scale of 1 - 5, individual mean responses varied from 3.96 - 4.09. According to the responses, most participants agreed that SACCOS comply with legal and regulatory obligations. The mean (4.09) revealed a slightly more than neutral rating, indicating agreement. Further, the relatively low SD (0.67) denoted that majority of participants concurred with the statement, with only a few disagreeing. This suggested that majority of SACCOS
endeavored to mitigate risks and protect themselves from reputational damage, with focus to stay competitive in the industry.

Results also established that on average, top management decisions were perceived as being made in a timely and effective manner. This was demonstrated by the findings (M=4.07; SD=0.56) that showed a relatively low level of variance or dispersion in the scores. Majority of respondents agreed that top management plays an important role, actively participates and is committed in strategic planning process. In addition, the findings (M=3.96; SD=0.65) indicate that SACCOs conducted a SWOT analysis to seize opportunities and strengthen their organizational advantage. Results reveal that SACCOs understand the value of SWOT analysis and are supportive of utilizing this approach for sound awareness of internal and external opportunities, and to inform their strategy and decisions. As such, SACCOs are on the right track with regard to strategy and decision making, in effort to keep up in the dynamic business environment.

As revealed by the results (M=4.05; SD=0.62), the participants affirmed that management selects attractive options that complement the SACCO resources and the external environment to attain a competitive advantage. This advocates awareness of the SACCOs’ management on using these factors to their advantage in order to gain a competitive edge. Further, statistics indicated (M=3.97; SD=0.52) inferring that SACCOs conduct a value chain and competitor analysis which is used to assist the management to establish their competence. This implied that SACCOs performed in line with their expectations to strive in the industry, and identified areas needed to improve and capitalize in order to remain competitive.
As shown by the aggregate mean (3.98), the respondents agreed that SACCOs had successfully created a competitive pricing model that meets customer needs and provide quality products and services. This was further affirmed by lowly rated SD (0.68) which suggested that most participants believed that the SACCO’s environment analysis was effective. This finding indicated that most SACCOs had implemented an effective environment analysis strategy and maintained high standards when it comes to the environment analysis process. This could be seen in the positive customer feedback received from surveys and other customer satisfaction ratings. Customers were satisfied with the quality and pricing of the services and products rendered by the firm.

With an average score (M=3.99; SD=0.76), results displayed that environment analysis conducted consumer research for competitive positioning and to determined changes in consumer demand. This signified that environment analysis is a powerful tool for companies looking to gain a competitive advantage and keep up with changing consumer demands. Through environmental analysis, companies could conduct consumer research to understand the market better and identify potential opportunities or threats that could emerge from changes in consumer preferences. The research is supported by Ontorael, Suhadak and Mawardi (2017) who analyzed the effect of internal and external environmental factors on business performance in the food and beverage sector. Data analysis suggested that a definite and remarkable influence exists amid internal and external environment forces as well as on business performance.

4.4.2 Strategic Formulation

The second objective of the research was to establish the impact of strategy formulation in SACCO performance in NCC. The researcher set up numerous practices on strategy formulation and asked
the respondents to give their opinion on the impact of strategy formulation. On performance of SACCOs, the findings are shown in Table 4.7 below which presents the respondent’s views on strategy formulation in SACCO performance in NCC.

**Table 4.7: Strategic Formulation**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>SACCO has a vision and mission statement.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>3.9826</td>
<td>0.9364</td>
</tr>
<tr>
<td>SACCO mission and vision are pertinent to the firm’s goals and directive.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0435</td>
<td>0.8825</td>
</tr>
<tr>
<td>SACCO mission and vision are often reviewed as per the firm’s needs</td>
<td>115</td>
<td>3.00</td>
<td>5.00</td>
<td>4.2261</td>
<td>0.6361</td>
</tr>
<tr>
<td>There is an organized and transparent resource allocation</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.3739</td>
<td>0.7888</td>
</tr>
<tr>
<td>SACCO activities are well budgeted for to support firm’s activities.</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8870</td>
<td>0.6457</td>
</tr>
<tr>
<td>Resources are managed effectively to support strategic goals.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.1739</td>
<td>0.8193</td>
</tr>
<tr>
<td>Employees’ ideas are considered in strategy planning and decision-making process of the SACCO</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>4.2435</td>
<td>0.6568</td>
</tr>
<tr>
<td>There is a training policy or training program applicable for all employees</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>4.1130</td>
<td>0.6979</td>
</tr>
<tr>
<td>A performance evaluation for employees is measured on objective quantifiable results basis.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0261</td>
<td>0.9685</td>
</tr>
<tr>
<td><strong>Average of means</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>4.1188</strong></td>
<td><strong>0.7813</strong></td>
</tr>
</tbody>
</table>

**Valid N (listwise)**: 115

**Source**: Survey Data (2023)

With the findings (M=4.12; SD=0.78) most respondents agreed that strategy formulation has great influence on SACCOs’ performance in NCC. Participant affirmed that most SACCOs have got a vision and mission statement (M=4.04; SD=0.94), and SACCO mission and vision are pertinent to the firm’s goals and directive (M=3.98; SD=0.88). Also, majority of participants agreed that the mission and vision of the SACCOs are often reviewed as needed (M=4.04; SD=0.94). This suggests that respondents are aware of the importance of regularly evaluating and updating the SACCOs’ mission and vision. Similarly, findings indicated that participants were generally
satisfied with the SACCOs’ current mission and vision. This is an indication that SACCOs effectively communicate their mission and vision and are able to engage their members in a meaningful way. The research findings can be used to inform SACCOs’ strategies and help them ensure they remain competitive and relevant in the current market.

The respondents agreed that there was an organized and transparent resource allocation (M=4.37; SD=0.64), SACCO activities were well budgeted to support firm’s activities (M=3.89; SD=0.65), and resources were managed effectively to support strategic goals (M=4.18; SD=0.82). This implied that most SACCOs were engaged in a proper resource planning that matched with resource availability and organization needs, thus played a very crucial role in financing activities and promoting accountability ensuring that strategic goals of the organization were achieved. Specifically, the results (M=4.24; SD=0.66) demonstrate that SACCOs are open and willing to hear out employees’ ideas, thus taking them into account. This suggested that SACCOs actively engaged employees in the strategy planning and decision-making process, thereby allowing them to contribute to the organization success. A such, engagement of employees can have a beneficial impact on the firm's performance, bring fresh perspectives as well as help to identify areas of opportunities that can be leveraged.

As represented by statistics (M=4.11; SD=0.70), majority of SACCOs have a training policy in place. This policy applied to all employees, regardless of their job title. This suggested that there was a degree of consistency among the policies in terms of how they applied to all employees. In addition, results (M=4.03; SD=0.97) indicated that employees were doing better than expected and their performance was relatively consistent across the board. This is an implication that employees are keeping to a certain standard of performance, which is beneficial for the organization success
in strategic planning. The results support earlier research by Maina, Munga and Njeru (2020) who also pointed out the major aspects affecting strategy formulation in operation of state corporations as vision, mission, firm resources, leadership and environment scanning. A conclusion was reached that more emphasis should be put by state corporations on leadership and environment scanning, which are key pointers in strategy formulation and have highest impact on performance.

### 4.4.3 Strategic Selection

The third objective of this research established how strategy selection affects SACCO performance in NCC. By achieving the study objective, Respondents were asked to give their views on how strategy selection affects SACCO performance in NCC. The findings are displayed in table 4.8.

**Table 4.8: Strategic Selection**

<table>
<thead>
<tr>
<th>Enabling environment for decision-making by the top management</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management finds comprehensive alternatives to generate more information to select strategies from.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0522</td>
<td>0.7236</td>
</tr>
<tr>
<td>Management engages stakeholders’ ideas, proactively considering their needs and desires before making a decision.</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>4.2000</td>
<td>0.6908</td>
</tr>
<tr>
<td>Strategic plan decisions are communicated to all stakeholders on a timely basis.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0261</td>
<td>0.8107</td>
</tr>
<tr>
<td>SACCO has a selection criterion for selecting strategies that help to tackle problems faced by the firm.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0435</td>
<td>0.7538</td>
</tr>
<tr>
<td>Management selects the best alternative for decision making</td>
<td>115</td>
<td>3.00</td>
<td>5.00</td>
<td>4.3217</td>
<td>0.6148</td>
</tr>
<tr>
<td>Top management participates in the strategy planning process</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>4.3304</td>
<td>0.7577</td>
</tr>
<tr>
<td>Top managers consider a broad range of options before accepting strategic choices.</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.3217</td>
<td>0.7557</td>
</tr>
<tr>
<td>Top management clarify key objectives to be achieved following choice of strategy</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>4.2174</td>
<td>0.7699</td>
</tr>
</tbody>
</table>

**Average of means**: 4.1719 0.7322

Valid N (listwise): 115
The average of means (M=4.17; SD=0.73) imply that majority of participants firmly agreed that strategy selection affects SACCO performance in NCC. Specifically, results showed mean of three critical facts; that top management created an enabling environment for decision-making (M=4.04; SD=0.71); management found comprehensive alternatives to generate more information to select strategies (M=4.05; SD=0.72), and management engaged stakeholders’ ideas, proactively considering their needs and desires before making a decision (M=4.20; SD=0.69). These factors are beneficial to SACCOs since they help to empower employees, improve relationships, enhance productivity, and make effective decisions which to a great extent determine the adequacy and effectiveness of strategic choice.

The study established that SACCOs’ strategic plan decisions were communicated to all stakeholders in a timely manner as indicated (M=4.03; SD=0.81). Respondents indicated that information was shared in a purposeful and consistent way to both the internal and external stakeholders who were actively involved in strategic planning, for their vested interest on the organization success. Further results (M=4.04; SD=0.75) found that SACCOs had a selection criterion for selecting strategies that helped to tackle problems faced by the firm. This is an implication that the selection criteria were evaluated as favorable, and enabled SACCOs identify and evaluate risks, form innovative solutions, execute the strategy successfully, and measure the effectiveness of the strategy. In addition, statistics showed (M=4.32; SD=0.61) revealed that the management of SACCOs selected the best alternative for decision making and respondents were confident that the decision-making process was sound as it considered various aspects of alternatives before selecting the best alternative.
Research targeting the humanitarian Non-Governmental Organizations (NGOs) in NCC was by Nyambariga (2018) supported the study finding by concluding that a close association exists amid strategic choices and performance. The research proposes to the leadership of humanitarian NGOs to do additional financing in formulation and implementation of strategies, since they influence organizational performance positively and in a significant manner. Carraresi, Mamaqi, Albisu and Banterle (2011) found and discovered that a direct connection exists amid performance and strategic choice through chain relationship development, product positioning and innovation. Therefore, attention should be paid to developing strategy choice which is obtained from particular capabilities and resources in the food SMEs.

4.4.4 Organization Performance

The research pursued to understand if participants believed whether the current strategy planning practices helped improve the capability and SACCO performance. Findings were as presented in Figure 4.6 below, with majority of participants agreeing to the statement.

![Figure 4.6: Strategic Planning and SACCO Performance](image)

**Source:** Survey Data (2023)
In addition, the research endeavored to investigate the degree to which strategic planning improved the performance of SACCOS in Nairobi County. The results are as displayed in table 4.9.

### Table 4.9: Performance of SACCOs in Nairobi City County

<table>
<thead>
<tr>
<th>Year</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Profitability</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.7652</td>
</tr>
<tr>
<td></td>
<td>Quality Service delivery</td>
<td>115</td>
<td>3.00</td>
<td>5.00</td>
<td>4.1304</td>
</tr>
<tr>
<td></td>
<td>Customer satisfaction</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.9652</td>
</tr>
<tr>
<td>2018</td>
<td>Profitability</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.7130</td>
</tr>
<tr>
<td></td>
<td>Quality Service delivery</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>4.0522</td>
</tr>
<tr>
<td></td>
<td>Customer satisfaction</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8174</td>
</tr>
<tr>
<td>2019</td>
<td>Profitability</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8348</td>
</tr>
<tr>
<td></td>
<td>Quality Service delivery</td>
<td>115</td>
<td>3.00</td>
<td>5.00</td>
<td>4.1304</td>
</tr>
<tr>
<td></td>
<td>Customer satisfaction</td>
<td>115</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7130</td>
</tr>
<tr>
<td>2020</td>
<td>Profitability</td>
<td>115</td>
<td>3.00</td>
<td>5.00</td>
<td>3.9304</td>
</tr>
<tr>
<td></td>
<td>Quality Service delivery</td>
<td>115</td>
<td>3.00</td>
<td>5.00</td>
<td>3.8174</td>
</tr>
<tr>
<td></td>
<td>Customer satisfaction</td>
<td>115</td>
<td>4.00</td>
<td>5.00</td>
<td>4.2522</td>
</tr>
<tr>
<td>2021</td>
<td>Profitability</td>
<td>115</td>
<td>3.00</td>
<td>5.00</td>
<td>4.4435</td>
</tr>
<tr>
<td></td>
<td>Quality Service delivery</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8957</td>
</tr>
<tr>
<td></td>
<td>Customer satisfaction</td>
<td>115</td>
<td>2.00</td>
<td>5.00</td>
<td>3.7652</td>
</tr>
</tbody>
</table>

**Source:** Survey Data (2023)

As per the findings, majority of participants indicated that strategic planning practices impacts the performance of SACCOs. For instance, in 2017, 2018 respondent agreed that strategic planning practices has enhance profitability to good extent with a Mean score and SD of (M=3.7652; SD=0.7873) and (M=3.7130; SD=0.4687) respectively. In the year 2019, 2020 and 2021, respondent agreed that strategic planning practices has enhance profitability with a mean score and
SD of (M=3.8348; SD=0.6874), (M=3.9304; SD=0.6029) and (M=4.4435; SD=0.8397). The research reveals that strategic planning practices achieved a positive impact on profitability. The higher the mean score and SD indicated that respondents were in agreement that strategic planning practices have improved profitability. This indicated that strategic planning practices realized a considerable impact on financial performance and revenue generation. Furthermore, it implies that the execution of strategic planning practices has been beneficial to companies and has had a positive effect on their bottom line.

On quality services delivery, strategic planning practices have played a key role in ensuring that SACCOs deliver quality services to clients and customers. This is supported by the study findings which show that in 2017, 2018 there has been excellent quality services (M=4.1304; SD=0.4687) and (M=4.0522; SD=0.4362) respectively. Also in the year 2019, 2020 and 2021, the quality of services has improved to great extent as shown by results (M=4.1304; SD=3.8174) and (M=3.8957; SD=0.5193) respectively. This indicates that when comparing the two measures, there is a direct correlation amidst strategic planning practices and quality services delivery. The findings of this research suggest that by investing in strategic planning practices, SACCOs can ensure that their services are delivered in a timely, reliable, and effective manner to their customers. Through proper planning, SACCOs can gain a competitive edge over their competition and better serve their clientele base. Moreover, such practices can also lead to improved customer satisfaction and loyalty. Overall, strategic planning practices can be an essential tool for SACCOs in improving quality services delivery.

On customer satisfaction measure, the study findings show that strategic planning practices has contributed to good customer satisfaction. The findings indicate that the year 2017, 2018 and 2019
the rate customer satisfaction was good with results (M=3.9652; SD=0.6203), (M=3.8174; SD=0.6294) and (M=3.7130; SD=0.9510). The other following years 2020 and 2022 was also good customer satisfaction with findings of (M=4.2522; SD=0.4362) and (M=3.7652; SD=0.6666) respectively. This means the customer satisfaction level is relatively high, as the mean was close to 5 (the highest rating). This mean rating suggests that customers are generally satisfied with the services provided by the company. In terms of customer satisfaction scores in 2022, the study found (M=3.77; SD=0.67). This suggests that customer satisfaction is lower than 2020, with a lower mean score rate. However, the SD still suggests that customers are generally satisfied with the services provided, as the scores are spread out and not clustered around the lowest rating.

Overall, the study's findings suggest that embracing strategic planning practices can improve customer satisfaction in an organization. The research team found that SACCOs that engaged strategic planning practices had higher levels of customer satisfaction than those that did not, and that this effect was consistent over the study's test period. This suggests that companies who use strategic planning practices may benefit from better customer satisfaction. This study supports earlier research by Mahulo (2015) who established that implementation of strategic planning practices in SACCOs has impact on performance.

4.5 Inferential Analysis

The research endeavored to evaluate the effect of strategic planning on SACCO performance in NCC of Kenya. Inferential analysis was used to assess environment analysis, strategy formulation and strategy selection in relation to SACCOs performance as presented in Table 4.10 below. The effect of the combined variables on the SACCO performance was assessed using multiple linear regression.
Table 4.10 Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Performance</th>
<th>Environment Analysis</th>
<th>Strategy Formulation</th>
<th>Strategy Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance</strong></td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.616**</td>
<td>.656**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
</tr>
<tr>
<td><strong>Environment Analysis</strong></td>
<td>Pearson Correlation</td>
<td>.616**</td>
<td>1</td>
<td>.385**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
</tr>
<tr>
<td><strong>Strategy Formulation</strong></td>
<td>Pearson Correlation</td>
<td>.656**</td>
<td>.385**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
</tr>
<tr>
<td><strong>Strategy Selection</strong></td>
<td>Pearson Correlation</td>
<td>.675**</td>
<td>.236*</td>
<td>.695**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.013</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>115</td>
<td>115</td>
<td>115</td>
<td>115</td>
</tr>
</tbody>
</table>

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

**Source:** Survey Data (2023)

Table 4.10 shows the correlation analysis determining the link connecting the dependent and independent variables. The Pearson Correlation for environment analysis is 0.616 implying a strong direct connection. The Sig. (2-tailed) was 0.000< p-value (0.05), failed to accept null hypothesis and concluded that environment analysis has a statistically major impact on the SACCOs.

Strategy formulation on SACCOs performance has a direct connection as indicated by Pearson Correlation (0.656), since Sig. (2-tailed) is 0.000< P-value (0.05) null hypothesis is rejected, and concluded that the strategy formulation has a major impact on the SACCOs performance as shown
Table 4.10. The strategy selection has a direct impact on the SACCOs performance as revealed by the Pearson Correlation (0.675) with sig-value of 0.000. Null hypothesis is rejected, and concluded that the impact of strategy selection on SACCOs performance is significant.

4.5.1 Regression Analysis

The research endeavored to establish the impact of all variables on SACCOs performance in NCC of Kenya.

Table 4.11: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.905a</td>
<td>.820</td>
<td>.813</td>
<td>.16526</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), environment analysis, Strategy formulation and Strategy selection

Dependent Variable: SACCOs performance

Source: Survey Data (20223)

As per the model summary, a Correlation value of .905 denotes a strong linear dependency on predicted and explanatory variables. Owing to R-square values of 0.820, which was adjusted for errors to 0.16526, the model was found to be strong. This denotes that 90.5% of shifts in SACCO performance is determined by the independent variables. The R, value signifies the level of connection and where R = 0.905, this implies that there is a strong direct linkage between predicted and explanatory variables.
Table 4.1: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>12.907</td>
<td>4</td>
<td>3.227</td>
<td>118.155</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>2.840</td>
<td>110</td>
<td>.0258</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15.747</td>
<td>114</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: SACCOs performance
b. Predictors: (Constant), environment analysis, strategy formulation and strategy selection

Source: Survey Data (2023)

Table 4.12 above reveals that the model was significant owing to F-test value of 118.155 at significance value of 0.000 (p < .05) which attributed to the rejection of null hypothesis and a conclusion was made that there is a significant relationship between the combined variables and SACCOs performance. Thus, environment analysis, strategy formulation and strategy selection enhance SACCOs performance.

Table 4.13 Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.462</td>
<td>.367</td>
<td></td>
<td>3.981</td>
</tr>
<tr>
<td>Environmental Analysis</td>
<td>.343</td>
<td>.089</td>
<td>.200</td>
<td>3.852</td>
</tr>
<tr>
<td>Strategy formulation</td>
<td>.397</td>
<td>.092</td>
<td>.165</td>
<td>2.806</td>
</tr>
<tr>
<td>Strategy selection</td>
<td>.744</td>
<td>.078</td>
<td>.647</td>
<td>9.521</td>
</tr>
</tbody>
</table>

a. Dependent Variable: SACCOs performance

Source: Survey Data (2023)
As displayed in Table 4.13 above, the regression equation below was formed:

\[
\text{SACCOs performance} = 1.462 + 0.343 \text{ Environmental Analysis} + 0.397 \text{ Strategy formulation} + 0.744 \text{ Strategy selection}
\]

When other factors (environment analysis, strategy formulation and strategy selection) are at zero, the SACCOs performance will be -1.462. Holding (strategy formulation and strategy selection) constant, a unit increase in environmental analysis leads to a 0.343 increase in SACCOs performance. The research illustrates the significance of conducting a comprehensive environmental analysis when formulating and selecting strategies. Such an analysis can provide important insights into the external environment and can help SACCOs to develop and implement effective strategies that can lead to increased performance. Holding other factors (environment analysis, and strategy selection) constant, a unit increase in strategy formulation leads to a 0.398 increase in SACCOs performance. This indicates that an increase in strategy formulation can lead to an increase in SACCO performance. Holding (environment analysis, and strategy formulation) constant, a unit increase in strategy selection leads to a 0.745 increase in SACCOs performance. This suggests that a SACCO could potentially experience a large increase in performance by simply selecting the appropriate strategy for their organization. The results show that when all other factors are taken into consideration, if a SACCO chooses a strategy it believes will be successful and beneficial, it will result to a direct impact on SACCO performance.

The relationships between the strategic practices (environment analysis, strategy formulation and strategy selection) employed by various organization in NCC and performance, is strong at 95% and 5% level of confidence and significance respectively. Strategic selection contributed most to
the SACCOS performance in NCC, Kenya, followed by strategic formulation and lastly environment analysis.

The findings show that independent variables had statistically significant predictive capacity as indicated by p<0.05. Therefore, all factors notably environment analysis, strategy formulation and strategy selection influence the performance SACCOs in NCC, Kenya. The research therefore concluded that through effective strategic planning, performance of SACCOS can be improved. This further indicates that environment analysis, strategy formulation and strategy selection are critical factors to improvement performance of SACCOs.

4.6 Qualitative Analysis

Respondents were asked to suggest and recommend on better ways to improve the condition of SACCO’s performance. With regard to environment analysis, respondents suggested that a competitor analysis would help SACCOs better understand and anticipate competitor’s objectives, strategies, assumptions and capabilities. This would enable firms to make decision on best options for the success and growth of firms. Additionally, SACCOs can identify external factors such as competition, regulations, and market trends that need to be taken into consideration when developing strategies and making decisions. Further, environment analysis can help the SACCO to assess the strengths and weaknesses of its current strategies and adjust them accordingly. Respondents also suggested that there is need to improve and update the current legal and regulatory framework to enable SACCOs operate in an efficient and transparent manner.

For strategic formulation, respondents viewed assessing operations as important. This can be done by gathering data from employees through surveys or interviews when formulating strategies.
Feedback from employees would also help teams feel connected to the organization efforts and is essential in planning and improving strategies. Also, respondents viewed assessing operations as an important approach which can be done by gathering data from employees through surveys or interviews when formulating strategies. Respondents highlighted challenges faced by SACCOs when formulating strategies which include constant change of the macro-environment, and lack of adequate capital that affect developing effective strategies, funding operations and investing in new products and services.

It was indicated that strategy selection would be enhanced by using better techniques like risk analysis, cost-benefit analysis and impact analysis to spot the possible negative possibilities of each option, which can be overlooked easily. Also, respondents identified SACCO size, financial resources and competitive landscape as factors affecting the choice of strategies, and this determined how strategies were adopted and the level of risk taken. These factors influence strategies to be endorsed by a firm, that should be tailored to achieving goals and objectives set by the SACCO.

Other recommendations include developing a strong strategic plan that outlines the SACCO's goals and objectives. This plan should specify strategies for each goal and include a timeline when they should be completed. Respondents also indicated the need for SACCOs to increase access to technology and provide digital services to their members. This would require access to the right technology, such as mobile banking and digital payments. Lastly, there was a suggestion to implement a customer loyalty program to encourage members to continue using the SACCO's services by providing discounts, rewards, or other incentives for loyal customers. This leads to retention of consumers and consistency, thus contributing to the firm’s success.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter unveils the summary of findings for the study’s three objectives highlighted in the previous chapter. The well recorded conclusions and recommendations were in conformity with unique explorations and the propositions on sections requiring further research in gaps that were not bridged in this study.

5.2 Summary of the Findings

The major purpose of this research was to examine the effect of strategic planning on SACCO performance in NCC of Kenya. Based on the first objective of examining the influence of environment analysis to SACCO performance in NCC, the Pearson correlation for environment analysis indicate that the null hypothesis was rejected. This implies that environment analysis possesses a statistically significant effect and strong relationship on SACCO performance. The regression analysis depicted that an increase in environment analysis leads to an increase in SACCO performance thus, it has a significant effect on organization performance.

From a general point of view, the study findings established that SACCOs comply with legal and regulatory obligations. The top management makes informed decisions on a timely and effective manner. Also, agreed that SACCO periodically conducts a Strengths, Weaknesses, Opportunities and Threats analysis, and seizes its opportunities and strengths for benefit of the SACCO.

Further, the participants concurred and firmly agreed that top management selects attractive options that complement the SACCO resources and the external environment to achieve a
competitive advantage; conducts a value chain and competitor analysis to assist the management to establish the SACCOs competence; and environment analysis provides quality products and services that are priced competitively. The study findings indicated that environment analysis conducts consumer research for competitive positioning and to determine changes in consumer demand. The findings revealed that environment analysis is a key factor for enhancing better performance of the SACCO in NCC.

The second objective of this research envisioned to establish the impact of strategy formulation in SACCO performance in NCC. The regression analysis and Pearson correlation demonstrated that strategy formulation possesses a positive impact on SACCO performance. The findings show that SACCOs has a vision and mission statement, and SACCO mission and vision are pertinent to the firm’s goals and directive. The mission and vision are often reviewed as per the SACCOs’ needs. There is an organized and transparent resource allocation, the SACCO activities are well budgeted for to support firm’s activities and resources are managed effectively to support strategic goals.

Further, the study findings show that employees’ ideas are considered in strategy planning and decision-making process of the SACCO. This implies that all employees take part in the decision-making process. The findings additionally revealed that there exists a training policy in majority of the SACCOs and the training program are applicable for all employees and a performance evaluation for employees is measured on objective quantifiable results basis.

On last objective, the research endeavored to establish ways in which strategy selection affects SACCO performance in NCC. The Pearson correlation analysis displayed that strategy selection has a positive relationship with SACCO performance. Also, the regression analysis indicated that
a unit increase in strategy selection leads to an increase in SACCO performance. Therefore, the effect of strategy selection on SACCOs performance is significant.

The research findings revealed that majority of participants agreed that top management has created enabling environment for decision-making; management finds comprehensive alternatives to generate more information to select strategies from, and management engages stakeholders’ ideas, proactively considering their needs and desires before making a decision.

Further, the study findings showed that SACCOs’ strategic plan decisions are communicated to all stakeholders on a timely basis and SACCOs has a selection criterion for selecting strategies that help to tackle problems faced by the firm. Also, the management of SACCOs selects the best alternative for decision making. This implies that majority of SACCOs have its selection criteria which greatly influences performance of the SACCOs.

The research also discovered that top management participates in the strategy planning process and top managers consider a broad range of options before accepting strategic choices. Additionally, SACCOs’ top management clarify key objectives to be achieved following choice of strategy. This implies that SACCOs’ top management plays the biggest role on strategic planning management. Based on the research results, strategy selection a is a critical concept in the SACCO performance in NCC. Therefore, there is need to embrace it.

5.3 Conclusion of the Study

The study results found that environmental analysis was statistically significant hence played a vital role in performance of SACCOs in NCC. It has set up a structure that enables SACCOs to comply with legal and regulatory obligations, ensure top management makes informed decisions
in a timely and effective manner. Also periodically conducts Strengths, Weaknesses, Opportunities and Threats analysis, and seizes its opportunities and strengths for benefit of the SACCO.

Further, the management Selects attractive options that complement the SACCO resources and the external environment to attain a competitive advantage; Conducts a value chain and competitor analysis to assist the management to establish the SACCOs competence Environment analysis provides quality products and services that are priced competitively. The research conclude that environment analysis is a crucial factor in improving the performance of SACCOs in NCC.

The study further concludes that strategy formulation positively and significantly affects the performance of SACCOs. The study revealed that the SACCOs possess a vision and mission statement that is pertinent to the firm’s goals and directive. The mission and vision are often reviewed as per the SACCOs’ needs. There is an organized and transparent resource allocation, the SACCO activities are well budgeted for to support firm’s activities and resources are managed effectively to support strategic goals. The employees’ ideas are considered in strategy planning and decision-making process of the SACCO. This implies that all employees are involved in decision making process. Majority of the SACCOs and the training program are applicable for all employees and a performance evaluation for employees is measured on objective quantifiable results basis.

On Strategy selection, the study concludes that there is a positive and significant relationship with performance of SACCOs. The study findings showed that the top management has created enabling environment for decision-making; management finds comprehensive alternatives to generate more information to select strategies from, and management engages stakeholders’ ideas,
proactively considering their needs and desires before making a decision. The SACCOs’ Strategic plan decisions are communicated to all stakeholders on a timely basis and SACCOs has a selection criterion for selecting strategies that help to tackle problems faced by the firm.\The management of SACCOs selects the best alternative for decision making. This implies that majority of SACCOs have its selection criteria which greatly influences performance of the SACCOs. The top management participates in the strategy planning process and top managers consider a broad range of options before accepting strategic choices making conclusion that top management plays the biggest role on strategic planning management. Based on the research results, strategy selection a is a critical concept in the SACCO performance in NCC. Therefore, there is need to embrace it

With reference to the regression analysis conducted, the research finally concludes that strategy selection contributes most to the performance of SACCOs, followed by strategy formulation and lastly environmental analysis.

5.4 Recommendations of the Study

As per the study findings, it was established that SACCOs in Nairobi City had implemented strategic planning practices such as environmental analysis, strategy formulation and selection. There is need for the top management of SACCOs to incorporate the other strategic planning practices apart from the one discussed in this study into their system in order to improve their performance and competitiveness.

The study also recommends that for SACCOs to acquire a steady improvement in performance, they need to review its strategic plan every quarter of the year. This will enable SACCOs to develop a better strategy.
Based on the research results, top management has played the key role on ensuring the strategic plan process is success in SACCOs and it is a critical factor in the SACCO performance in NCC. Therefore, the research recommended that there is need to embrace good leadership structure to ensure improvement on strategic plan implementation.

5.6 Suggestions for Further Research

The main objective of this research was to determine how strategic planning affected the performance of SACCOs in NCC of Kenya. Despite the fact that the study's goals were met, it is advised that only SACCOs in NCC were included in the study. It is necessary to conduct additional research on businesses other than SACCOs, as well as a study of SACCOs throughout Kenya as a whole rather than only in Nairobi. This will allow comparison of the findings, hence making better understanding of influence of strategic planning on performance.

Use of quantifiable analytics in secondary data analysis would as well be conducted in future. Even though a few firms resist giving such information, this would generally provide a better understanding on strategic planning with regards to organizational earnings and comparative advantage. Further research needs to be undertaken to seek the moderating role of more variables on the relationship between performance and execution of strategic planning.
REFERENCES


Appendix I: Letter of Introduction

Elizabeth Karuoya
P.O Box 30577 – 00100
NAIROBI
Email: ekaruoya@gmail.com

January 3, 2023

Dear Respondent,

RE: Introduction Letter for Data Collection for a Study on Strategic Planning and Performance of SACCOs in Nairobi City County, Kenya

This is to confirm that I am a student at the Kenyatta University, pursuing a Master of Business Administration with a specialty in Strategic Management. As part of the research project, I have developed the attached questionnaire in order to obtain data on the subject study. I am therefore humbly requesting you to please spare some time and complete the form. Information will only be used for academic purposes and treated with utmost confidentiality. Your cooperation is highly appreciated.

Thank you in advance.

Yours sincerely,

Elizabeth Karuoya
+254 722454688
**Appendix II: Research Questionnaire**

This questionnaire seeks to assess the influence of strategy planning on SACCO performance in Nairobi City County and is designed to obtain information for purposes of educational research. Data attained from the accounting, operations and human resource department will be handled as private and used only for purposes of educational research.

**SECTION I: GENERAL INFORMATION**

**A: RESPONDENT'S PROFILE (Tick as applicable)**

1.1 Respondent’s Gender (Tick where applicable):
   - a) Female - F ( )
   - b) Male - M ( )

1.2 Respondent’s Age (Tick where applicable):
   - a) Below 29 years ( )
   - b) 30-45 years ( )
   - c) 46-60 years ( )
   - d) Above 60 years ( )

1.3 Indicate by ticking where applicable the achieved education level:
   - a) Certificate ( )
   - b) Diploma ( )
   - c) Undergraduate ( )
   - d) Postgraduate ( )

1.4 Specify your Department by ticking where applicable:
   - a) Accounting Department ( )
   - b) Operations Department ( )
c) Human Resource Department (  )

1.5 For how long have you been in the SACCO?
   a) Less than 1 year (  )
   b) 1-5 Years (  )
   c) 6-10 Years (  )
   d) Over 11 Years (  )

B: SACCO DETAILS

1.6 Name of the SACCO.

....................................................................................................................

1.7 Years of SACCO existence
   a) 0-4 (  )
   b) 5-9 (  )
   c) 10-15 (  )
   d) 16-25 (  )
   e) Over 25 (  )

1.8 Does the SACCO have a strategic plan?
   a) Yes (  )
   b) No (  )

1.9 If your answer in 1.8 is yes, how often does your firm review its strategic plan?
   a) Every Quarter of the year (  )
   b) Twice per year (  )
   c) Once per year (  )
   d) Every 5 years (  )
1.10 Is strategic planning important to the SACCO?

a) Not crucial ( )
b) Less crucial ( )
c) Crucial ( )
d) Very crucial ( )
e) Extremely crucial ( )

SECTION II: EFFECTS OF STRATEGIC PLANNING ON SACCO PERFORMANCE

A: ENVIRONMENT ANALYSIS

1.11 In efforts to increase the firm’s capabilities to adapt to rapidly changing environment ahead of the competitors, kindly indicate your measure of agreement by use of the scale 1-5 in the statements provided below, regarding indicators used to measure and optimize the performance of your SACCO.

(Key: 1=strongly disagree; 2=disagree; 3=not sure; 4=agree; 5=strongly agree)

<table>
<thead>
<tr>
<th>Environment analysis</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>SACCO complies with legal and regulatory obligations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top management makes informed decisions in a timely and effective manner.</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>SACCO periodically conducts a Strengths, Weaknesses, Opportunities and Threats analysis, and seizes its opportunities and strengths for benefit of the SACCO.</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Selects attractive options that complement the SACCO resources and the external environment to attain a competitive advantage.</td>
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</tbody>
</table>
Conducts a value chain and competitor analysis to assist the management to establish the SACCOs competences.

Provides quality products and services that are priced competitively.

Conducts consumer research for competitive positioning and to determine changes in consumer demand.

1.12 How does environment analysis as a part of strategic planning assist to improve the performance of your SACCO? (Please explain)

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B: STRATEGIC FORMULATION

1.13 In an attempt for the organization to choose the best applicable practice and attain its objectives, kindly indicate your measure of agreement by use of the scale 1-5 in the statements provided below, regarding indicators used to measure and optimize the performance of your SACCO.

(Key: 1=strongly disagree; 2=disagree; 3=not sure; 4=agree; 5=strongly agree)

<table>
<thead>
<tr>
<th>Strategic formulation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>SACCO has a vision and mission statement.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SACCO mission and vision are pertinent to the firm’s goals and directive.</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SACCO mission and vision are often reviewed as per the firm’s needs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is an organized and transparent resource allocation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SACCO activities are well budgeted for to support firm’s activities.

Resources are managed effectively to support strategic goals.

Employees’ ideas are considered in strategy planning and decision-making process of the SACCO.

There is a training policy or training program applicable for all employees.

A performance evaluation for employees is measured on objective quantifiable results basis.

1.14 What challenges does the SACCO face when formulating strategies, and what mechanisms are used to address these challenges? (use the space below to explain)

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C: STRATEGY SELECTION

1.15 With the purpose of choosing the best strategies that provide adequate flexibility of the firm resulting to a sustainable competitive advantage, kindly indicate your measure of agreement by use of the scale 1-5 in the statements provided below, regarding indicators used to measure and optimize the performance of your SACCO.

(Key: 1=strongly disagree; 2=disagree; 3=not sure; 4=agree; 5=strongly agree)

<table>
<thead>
<tr>
<th>Strategy selection</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enabling environment for decision-making by the top management.</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Management finds comprehensive alternatives to generate more information to select strategies from.

Management engages stakeholders’ ideas, proactively considering their needs and desires before making a decision.

Strategic plan decisions are communicated to all stakeholders on a timely basis.

SACCO has a selection criterion for selecting strategies that help to tackle problems faced by the firm.

Values the significance of choosing strategic solutions to solve the firm needs.

Management selects the best alternative for decision making.

Top management participates in the strategy planning process.

Top managers consider a broad range of options before accepting strategic choices.

Top management clarify key objectives to be achieved following choice of strategy.

1.16 What factors influence the choice of strategies adopted by the SACCO? (use the space below to highlight)

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SECTION III: ORGANIZATIONAL PERFORMANCE
1.17 Do you believe the current strategy planning practices have helped improve the capability and SACCO performance?
   a) Yes I believe  
   b) Not at all

1.18 To what degree do you attribute strategic planning practices success to the following performance measures? Indicate appropriately the scores using a scale of 1-5 as shown in the key below.

(Key: 1=very poor; 2=Poor; 3=Average; 4=Good; 5=Excellent)

<table>
<thead>
<tr>
<th>Organizational Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>2017</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2020</td>
</tr>
<tr>
<td>2021</td>
</tr>
</tbody>
</table>

1.19 What would you suggest and recommend on better ways to improve the condition of your SACCO’s performance? (use the space below to highlight)

...........................................................................................................................................................................................................................................
...........................................................................................................................................................................................................................................
...........................................................................................................................................................................................................................................

Thank you and grateful for your patience, time and cooperation.
Appendix III: Research Permit by Kenyatta University

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

Our Ref: DES/OL/CTY/26344/2019
DATE: 7th December 2022

F.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 8710001 Ext. 57530

Director General,
National Commission for Science, Technology
and Innovation
F.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

REF: RESEARCH AUTHORIZATION FOR KARUOYA WAIRIMU ELIZABETH—REG. NO.

I write to introduce Karuoya Wairimu Elizabeth who is a Postgraduate Student of this
University. The student is registered for MBA degree programme in the Department of Business
Administration.

Karuoya intends to conduct research for a MBA Project Proposal entitled, “Strategic Planning
and Performance of Savings and Credit Cooperative Societies in Nairobi City County, Kenya”.

Any assistance given will be highly appreciated.

Yours faithfully,

[Signature]

PROF. ELISHIBA KIMANI
EXECUTIVE DEAN, GRADUATE SCHOOL
Appendix IV: Research Permit by NACOSTI

This is to certify that Ms. Elizabeth Wairimu Karuoya of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Strategic Planning and Performance of Savings and Credit Cooperative Societies in Nairobi City County, Kenya for the period ending 23/December/2023.

License No: NACOSTI/22/22002

Application Identification Number

Ref No: 442027

Date of Issue: 23/December/2023

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, scan the QR Code using QRCode scanner application.

See overleaf for conditions
# Appendix V: Checklist for Licensed SACCOS in Nairobi City County, Kenya

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Airports</td>
<td>18. Kimisitu</td>
<td>34. Stima DT</td>
</tr>
<tr>
<td>8.</td>
<td>Elimu</td>
<td>24. Mwito</td>
<td>40. Ufanisi wa UKristo na Ufanisi wa</td>
</tr>
<tr>
<td>12.</td>
<td>Jamii</td>
<td>28. NSSF</td>
<td>44. Ushuru</td>
</tr>
<tr>
<td>15.</td>
<td>Kenversity</td>
<td>31. Sheria</td>
<td>47. Waumini</td>
</tr>
</tbody>
</table>

# Appendix VI: Trend for Profit Levels for all SACCOs in Kenya

<table>
<thead>
<tr>
<th>Performance Items</th>
<th>2017 (KES Billions)</th>
<th>% of Income</th>
<th>2018 (KES Billions)</th>
<th>% of Income</th>
<th>2019 (KES Billions)</th>
<th>% of Income</th>
<th>2020 (KES Billions)</th>
<th>% of Income</th>
<th>2021 (KES Billions)</th>
<th>% of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from Loans</td>
<td>52.65</td>
<td>83.51%</td>
<td>56.01</td>
<td>86.64%</td>
<td>68.15</td>
<td>85.32%</td>
<td>73.79</td>
<td>85.77%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from Investments</td>
<td>2.16</td>
<td>3.42%</td>
<td>2.66</td>
<td>4.12%</td>
<td>3.59</td>
<td>4.50%</td>
<td>4.29</td>
<td>4.98%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Incomes</td>
<td>8.24</td>
<td>13.06%</td>
<td>5.97</td>
<td>9.24%</td>
<td>8.13</td>
<td>10.18%</td>
<td>7.96</td>
<td>9.25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>63.04</strong></td>
<td><strong>64.64%</strong></td>
<td><strong>79.88</strong></td>
<td><strong>86.04%</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense on Deposits</td>
<td>20.91</td>
<td>33.16%</td>
<td>21.79</td>
<td>33.71%</td>
<td>28.97</td>
<td>36.27%</td>
<td>30.61</td>
<td>35.58%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of External Borrowings</td>
<td>2.97</td>
<td>4.070%</td>
<td>2.76</td>
<td>4.28%</td>
<td>2.33</td>
<td>2.92%</td>
<td>2.45</td>
<td>2.84%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Financial Expense</td>
<td>1.49</td>
<td>2.37%</td>
<td>1.14</td>
<td>1.77%</td>
<td>2.74</td>
<td>3.43%</td>
<td>3.16</td>
<td>3.67%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Financial Income</strong></td>
<td><strong>37.68</strong></td>
<td><strong>38.94%</strong></td>
<td><strong>60.24%</strong></td>
<td><strong>57.38%</strong></td>
<td><strong>45.83</strong></td>
<td><strong>57.38%</strong></td>
<td><strong>49.82</strong></td>
<td><strong>57.90%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td>2.28</td>
<td>3.62%</td>
<td>3.61</td>
<td>5.59%</td>
<td>4.54</td>
<td>5.68%</td>
<td>4.68</td>
<td>5.44%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>23.40</td>
<td>37.12%</td>
<td>23.17</td>
<td>35.84%</td>
<td>26.43</td>
<td>33.09%</td>
<td>28.25</td>
<td>32.84%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income before Tax</strong></td>
<td><strong>12.00</strong></td>
<td><strong>12.16%</strong></td>
<td><strong>18.81%</strong></td>
<td><strong>18.61%</strong></td>
<td><strong>14.86</strong></td>
<td><strong>18.61%</strong></td>
<td><strong>16.88</strong></td>
<td><strong>19.62%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes and Donations</td>
<td>0.77</td>
<td>1.22%</td>
<td>0.89</td>
<td>1.38%</td>
<td>1.18</td>
<td>1.47%</td>
<td>1.20</td>
<td>1.40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income after Tax</strong></td>
<td><strong>11.23</strong></td>
<td><strong>17.8%</strong></td>
<td><strong>11.27</strong></td>
<td><strong>17.43%</strong></td>
<td><strong>13.69</strong></td>
<td><strong>17.13%</strong></td>
<td><strong>15.68</strong></td>
<td><strong>18.22%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>