

**ENTERPRISE RISK MANAGEMENT AND ORGANIZATIONAL
PERFORMANCE OF SC JOHNSON AND SON KENYA LIMITED**

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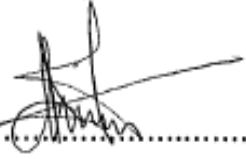
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DECLARATION

This research project is my original work and has not been presented for a degree or diploma in any other university.

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DEDICATION

This work is dedicated to my mother Mrs. Lucina Tallam, my dear wife Emmy and my children Kenan, Blessing, Khristian and Keegan for their endless support and encouragement.

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I acknowledge my supervisor Dr. Samuel Maina for his professional guidance throughout my research. I wish also to acknowledge all the respondents for participating in the study and the entire Kenyatta University fraternity. Special thanks go to all my colleagues.

God bless you all.

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ABBREVIATIONS AND ACRONYMS

AC	Audit Committee
ANOVA	Analysis of Variance
CAO	China Aviation Oil
CAPM:	Capital Asset Pricing Model
COSO:	Committee of Sponsoring Organizations of the Tread way Commission
CRO	Chief Risk Officer
DnB	Den norske Bank
ERC	Ethical Review Committee
ERM:	Enterprise Risk Management
NACOSTI	National Commission for Science, Technology and Innovation
RBV	Resource Based View
SAS	Statistical Analysis System
SWOT	Strength Weakness Opportunity Threats
TM	Top Management
U.S.A	United States of America

OPERATIONAL DEFINITION OF TERMS

Enterprise Risk Management	An integrated approach towards the identification of risk within an organization by providing a consistent and pragmatic framework to respond to the different risks that could have an impact on the attainment of firm goals.
Incident Management	They are activities in an organization to identify, analyze, and correct hazards to prevent a future re-occurrence
Organizational Performance	The measurement of effectiveness and efficiency of a firm in meeting the needs and demands of customers and maximizing firm resources to meet the client's demands
Risk Control	The identification of potential risks as well as the solutions for the risks.
Risk Identification	Determining the present levels of risk, control performance, hotspots and past trends

ABSTRACT

As a family business, SC Johnson Company faces stiff competition from other companies. For a period of 6 years from 2013 to 2019, the company recorded a 10.64% revenue reduction from 11.75 billion to 10.5 billion. The reduction in revenue is an indicator that the company needs to adopt better enterprise resource management strategies that can address all of the risks in the market. This study aimed at establishing enterprise risk management's effect on SC Johnson and Son Kenya Limited's organization performance. The specific study objectives were: to establish the effect of risk control self-assessment SC Johnson and Son Kenya Limited's organization performance; to establish the effect of identification of risk indicators on SC Johnson and Son Kenya Limited's organization performance; to examine the effect of incident management on organization performance of SC Johnson and Son Kenya Limited; and to determine effect of internal and external regulations compliance on organization performance of SC Johnson and Son Kenya Limited. The study was guided by three theories: agency theory, resource-based view theory and risk management theory. A descriptive cross-sectional research design was adopted for the study. The target population of the study was 327 staff members. The reliability of the study was tested using Cronbach's Alpha Coefficient and an alpha value of 0.799 was obtained which showed that the questionnaire was reliable. Face validity was established by conducting a pilot test and asking for guidance from the academic supervisors. A stratified random sampling technique was used in this study. Descriptive and inferential statistics was used for the analysis of the collected data. Inferential statistics included, regression modeling and t-test was included in the inferential statistics. The study findings were presented using tables and graphs. The study established that performance of SC Johnson and Son Kenya Limited was positively and significantly affected by the internal and external regulations compliance, incident management, risk indicators identification and risk control self-assessment. The study concluded that risk control self-assessment in the organization rely majorly on experience, judgement and perception, identifying risk helps in doing full risk analysis and addressing it, that the management of risk is critical to the success of the activities carried out within the organization and it is the risk management's task to handle a task exposure to risk and that compliance of internal and external regulations is an iterative process using deliverable status and progress status reports to keep track of progress. The study recommended that the management of the company should define the likelihood of risk occurrence, its effect to evaluate the risk response preparation urgency and determine levels of reporting, the organization aims at improving activities of risk management on every significant risk, it ought to increase the level of risk recognition; the response to a particular risk to reflect the risk type, assessment in terms of criticality, impact and Likelihood so on and the organization's attitude to risk; and, in order to comply with internal and external regulations, the management should manage the risk.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Performance of an organization is a key interest to entities (private, public, profit and non-profit). Practitioners and academicians have for long studied why the performance level are different in organizations and yet they belong to the same industry (Mkalama, 2014). Updating the estimation frameworks by organizations guarantees that mirror their present systems and condition hence appropriately gauging their performance. Most organization run in environments that are competitive and vibrant. Hence, if an organization wants to have an advantage over their competitors, its managers should develop the right strategies. In explaining performance, Enterprise Risk Management (ERM) practice and key variables are used (Machina, 2016). Value creation mechanisms is strengthened by ERM, it assists executives in considering future occasions and making moves that decrease result probability prompting decrease in performance (Wan Norhayate, Haron & Daing Nasir, 2011). Thus, ERM practices are anticipated to enhance organizational performance.

The growing association between trade and performance increases the risks experienced in the modern world. In response to the growing number of risks within the business environment, ERM is adopted. In Malaysia Khazanah Nasional Berhad, Telekom Malaysia Berhad and MMC Corporation Berhad (Wan Norhayate *et al.*, 2011) have effectively implemented ERM to enhance their value, profitability, growth and performance. In the United States Gordon, Loeb and Tseng (2009) found a positive and significant correlation between ERM and the performance of 112 organizations. McShane, Nair & Rustambekov (2013) revealed a significant correlation between the implementation of ERM and performance of organization. They found that ERM influenced shareholder value and offers a chance for the insurance firms to gain a competitive advantage enabling them to attain superior ratings and solvency regulations. It is evident that ERM directly correlates with organization performance across the globe; however, few researches have been done to show the relationship in developing nations such as Kenya.

In Kenya, ERM is still at its infancy stage dominated by international organizations and the financial sector (Deloitte, 2012). Despite the concept of risk management being evident in all business sectors, in Kenya, the concept is often addressed within the financial sector. This presents a gap in other organizations such as the SC Johnson and Son Kenya Limited, a global manufacturing company. However, since SC Johnson is a global company, its implementation of ERM has been fast with the family company facing major challenges from the environment and other non-family-oriented businesses. Hence, it is critical to assess how the implementation of ERM has influenced the performance of SC Johnson.

1.1.1 Organization Performance

According to Kaplan and Norton, (2008) firm performance is determined using three factors; organizational, environmental and human factors. The performance of a firm is anchored on all the stakeholders and their contribution to its daily operations. Kaplan and Norton (2008) stated that firm performance relies on the definition of firm performance adopted by the organization. Performance is the measurement of efficiency and effectiveness of specific activities (Wambua, 2017). The researchers explain that effectiveness incorporates meeting the needs and demands of customers while efficiency incorporates maximizing firm resources to meet the client's demands.

According to Wambua, (2017) balance scorecard is used to determine the level of organization performance. It pinpoints the relationship financial outcomes, stakeholder value, improved customer, efficient product development processes and creative capacity. Four strategic perspectives are used by balanced scorecard, complementing but distinct lenses to look at performance and organizational strategy. By using perspectives, organizations are allowed to come up with "intangible" factors model like (Collaborative interaction with customers, new ideas, talent and creativity) interrelate with the more "tangible" factors. Organization performance, internal process and stakeholders are considered by the balance scorecard approach to measure organization performance.

SC Johnson Company is in the manufacturing industry, a competitive sector. This is attributed to the high number of manufacturing companies offering substitute products. For this study, non-financial indicators of performance will be adopted to measure

performance. The non-financial measure of performance of SC Johnson and Son Kenya Limited revolves around its stakeholders and operations. This is because; the survival of any manufacturing relies on whether each stakeholder effectively contributes to the operations of the company. The non-financial indicators used in this study to measure performance include: service delivery, customer retention, and production efficiency.

1.1.2 Enterprise Risk Management (ERM)

Wambua (2017) described enterprise risk management as “a process influenced by an organization’s board of directors and management, used in setting strategy across all the aspects of the organization, designed to identify potential risks and opportunities that may have a critical impact on the path of the organization to meet its objectives”. ERM is an integrated approach towards the identification of risk within an organization by providing a consistent and pragmatic framework to respond to the different risks that could have an impact on the attainment of firm goals (Okech, 2018). An approach to ERM by a company ought to be associated with main processes of business e.g external annual reporting, project management and business planning. It should equally be aligned with other corporate governance elements that are relevant e.g audit systems and internal control, and compliance systems to ensure effectiveness. For effective ERM it’s essential to gear available risk information transparency.

Alviunessen and Jankensgard (2009) revealed that “ERM aims at ensuring a company-wide and holistic approach in the management of risks, and centralized the information according to the risk exposures.” Both scholars clarified that ERM should be tackled at corporate level, when they stated that it is a holistic and company-wide approach. According to them, managing risks in silos isn’t the best way to deal with risks in a company. According to Razali and Tahir (2011), ERM is a step-by-step discipline and integrated approach in risks management within an institution ensuring the firm achieves its objective (maximizing and creating value for the stakeholder). According to a study done by Wambua (2017), many firms are trying to implement ERM as a new comprehensive principle of organizing dealing with all the risks set from a dynamic risk environment with issues that are complex, e.g increased competition, outsourcing, the globalization explosion and rapid technological changes.

ERM is a combination of various components, working together to ensure business risk is managed efficiently and effectively (Machina, 2016). Industry players concede that such a concept is the most effective tool an organization may deploy to manage the various types of risks as well as natural and manmade disasters. The organization's success is predetermined upon having a clear appreciation of the ERM practices. Shareholder's value is maximized by risk management. Hence, it highly pays to implement ERM practices to mitigate plethora of risks facing the firm. The ERM framework contains the following key factors: risk and control evaluation, recognizable proof of chance markers, occurrence administration and compliance of inside and outside controls.

1.1.3 SC Johnson and Son Kenya Limited

Samuel Curtis Johnson founded SC Johnson in 1886, it is a family company. Over the years, the name of the company has been changed from SC Johnson & Son to the current name SC Johnson which was adopted in 1990. SC Johnson is head by a family from Racine, Wisconsin. Fisk Johnson is the current Chairman and Chief Executive Officer, the family's fifth generation. The family company leads globally in manufacturing professional products, shoe care and pest control, air care, home storage products and cleaning products. Some of the brands of SC Johnson Company include Kiwi, Baygon, glade, Mr. Muscle, Pledge, Raid and Ecover (SC Johnson website, 2020).

The company operates with the purpose of improving how cleaning is conducted within the household. The long-term goal of the SC Johnson company is to ensure sustainability which can only be attained through effective and appropriate implementation of ERM. Over the years, the performance of the company has improved. Its growth has been attributed to the many acquisitions made by the company. It expanded its shoe care business in 2011 by acquiring Sara Lee Corporation's Kiwi shoe care brand. In 2016 July, an agreement of acquiring wipe products, diapers, insect repellent, sun care, oral care, skin care baby products company and babyganics was signed (Burrow, 2016). The company acquired cleaning brands Method and Ecover in 2017. Moreover, in 2019, SC Johnson Kenya Limited made a 2.49 million sales. The revenue of SC Johnson in 2017 was estimated to be over \$10 billion. SC Johnson is a household name whose performance has continued to increase with every passing year.

With respect to financial performance, SC Johnson has been declining. This is attributed to the increment in competition in the industry with multinational companies such as Procter and Gamble improving their performance in the market. For a period of 6 years from 2013 to 2019, the company recorded a 10.64% revenue reduction from 11.75 billion to 10.5 billion (Forbes, 2020). However, the company improved in its non-financial performance. In 2018, SC Johnson announced that it had been ranked 18th as the best work places in the world (SC Johnson, 2018). The company has strived to improve its working conditions for all of its staff members and in 2018 it was acknowledged among the best 25 work places in the world. The mixed financial and non-financial results from SC Johnson calls for a need for the company to implement better strategies in order to remain sustainable in the future.

1.2 Statement of the Problem

As a family business, SC Johnson company faces stiff competition from private companies that are not family owned. The company faces the risk of competition where new companies produce substitute products at a cheaper price. Moreover, the economy of Kenya has not been performing well due to the increased level of corruption in the country. This is a risk that SC Johnson has to cover itself against. This is because, a poorly performing economy often translates to a poor performing manufacturing sector. SC Johnson is fully aware that risks in business are inevitable; hence, the company has a risk management department. Over the last 130 years SC Johnson has managed to address the risks it faces in the market and has emerged as one of the leading manufacturer in Kenya (SC Johnson website, 2020). However, with increased globalization, the revenue of the company has reduced over the years. In 2013, SC Johnson and Son limited recorded a revenue of 11.75 billion while at the fiscal year 2019, the company recorded a revenue of 10.5 billion (Forbes, 2020). This is a 10.64% revenue reduction in a span of 6 years. Hence, it is essential for the company to adopt appropriate ERM to cover itself and the company's legacy.

Several publications have demonstrated and proved how much impact ERM to date has on organizational performance. In China, Li and Nadeem (2010) found that compliance and internal and external regulations have a correlation with performance of firms.

Siayor, (2010) found the company's performance was fairly well, despite economy down turn due to the laid down credit strategies, internal control systems and strong risk management by DnB NOR ASA. According to Altanashat, Al Dubai and Alhety (2019) to improve a company's performance, risk management practices are important. These studies however were lacking in methodology and scope. The three studies adopted case study designs, limiting their findings to be generalized while targeting other sectors of the economy or companies in other countries. Moreover, the three studies measured performance using financial indicators. The studies did not employ non-financial indicators in measuring the studied company's performance.

In Kenya, Wambua (2010) revealed that ERM contributes positively to bank management in the areas of interest, credit, foreign exchange and liquidity risk. Wawera and Kisaka (2013) revealed that implementation of ERM and value of a firm correlates positively. These studies, however, were limited, since they did not target SC Johnson, a global manufacturing leader. SC Johnson is a family company, implying it faces stiff competition and environmental risks from other non-family oriented businesses and the market respectively. Moreover, in the age of globalization SC Johnson and Son Kenya Limited has embraced ERM in the place of traditional risk management. Since ERM is a new concept in the business world, SC Johnson and Son Kenya Limited is still working on integrating the concept in its daily operations. Hence, it was critical to assess how ERM has influenced the performance of SC Johnson and Son Kenya Limited for it to maintain its high performance in Kenya.

1.3 Research Objectives

1.3.1 General Objective

To investigate enterprise risk management effects on the organization performance of SC Johnson and Son Kenya Limited

1.3.1 Specific Objectives

- i. To establish the effect of risk control self-assessment on performance of SC Johnson and Son Kenya Limited.

- ii. To establish the effect of identification of risk indicators on SC Johnson and Son Kenya Limited' performance
- iii. To examine the effect of incident management on performance of SC Johnson and Son Kenya Limited
- iv. To determine effect of internal and external regulations compliance on performance of SC Johnson and Son Kenya Limited

1.4 Research Hypotheses

HO₁: There is no significance relationship between risk control self-assessment and organization performance of SC Johnson and Son Kenya Limited

HO₂: There is no significance relationship between identification of risk indicators and organization performance of SC Johnson and Son Kenya Limited

HO₃: There is no significance relationship between incident management and organization performance of SC Johnson and Son Kenya Limited

HO₄: There is no significance relationship between internal and external regulations compliance and organization performance of SC Johnson and Son Kenya Limited

1.5 Study Significance

First, this research would significantly supplement the existing body of literature, thus having an academic value. It is also meant to spark greater interest by researchers and scholars in Kenya as the existing body of work is inadequate. To scholars the study would be important in discovering the direct link between ERM and organization performance. For scholars, the study would be an eye-opener on the relationship that exists between ERM and organization performance. As such, it is expected to be used as a point of reference in the future as it would significantly explore the topic of interest.

The study findings would be used in articulating delicate & appropriate positive fiscal policies influencing organization performance in SC Johnson and Son Kenya Limited. It would also provide guidance in designing suitable ERM strategies that will affect the

country's economy by helping policy makers in getting SC Johnson and Son Kenya Limited information.

The findings would be instrumental for stakeholders involved in management of SC Johnson and Son Kenya Limited. It is expected that they would be a significant point of reference that would guide the decision making process in the institution as far as ERM is concerned. They would enhance strategy formulation and enable more effective management of risk that will align with growth of the organization thereby maintaining high quality of assets and realize a firm's maximization of wealth goals.

1.6 Scope of the Study

SC Johnson and Son Kenya Limited was the study location, focusing on 327 staffs at the company. The study used primary information from the form. The study administered questionnaires to several staffs or their equivalent. Inferential and descriptive statistics was used in information gathered analysis. By utilization of Yamane formula technique of sample size determination, a sample size was acquired. The study targeted on four independent variables; internal and external laws compliance, incident management, risk indicators identification and risk and management self-assessment. Data collection took only two months from 1st June to 30th July.

1.7 Study Limitations

Staff fear about management executives' incrimination made it difficult for the researcher to get the business' confidential information from the staff. In overcoming this problem, information confidentiality was assured to participants by the researcher and that in the final report, their identity would not be revealed. Access to developing world's adequate studies with suitable data suiting the scenario in Kenya may be difficult. The research addressed this problem by consulting and researching with SC Johnson and Son Kenya Limited relevant supervisors and stakeholders.

1.8 Study Organization

Chapter one discusses the study background and introduction, limitations, scope, objectives, problem statement research questions and significance. Chapter two covers the study guiding theories. It reviews the relevant literature on ERM. Chapter three consists of methods followed to respond to research questions precisely defining ways of analyzing data, tools for collecting the data, the study population, research design and sampling techniques used. Chapter four cover the research findings and discussion and the last one covers the summary, conclusions, recommendations and suggestions for further studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter present literature review relating to the impact of enterprise risk management on the organization performance. Theoretical framework, a review of empirical literature and the conceptual framework will also be presented.

2.2 Theoretical Framework

This section addresses theories that were used to anchor the study. The theories include; agency theory, resource based view theory and risk management theory.

2.2.1 Agency Theory

It emerged in 1970s from Stephen Ross and Barry Mitnick from economics and institutional theory disciplines. Agency theory was developed to explain the issues regarding risk sharing, agency problem and the association between agents and principals (Jensen & Meckling, 1976). However, Agency theory has a weakness since it supports simplistic contractual agreements between agent and principal. Issues related to political, social, cultural, and historical have been overlooked despite being key in making contractual agreements.

Agency theory covers the varied levels of risk between an agent and a principal. Even though the agent makes the decisions, little or no risk is incurred since the principal will have to carry the burden of incurring total loss (Pouryousefi & Frooman, 2017). This occurs when investors give in their financial support to a firm here the executives use it discretely. The agent may have a different risk tolerance level as compared to the principal due to the irregular risk distribution. In this case, the agents are the management while the principals are the investors. The risk by any firm is incurred by its principals. As such implementing appropriate ERM is crucial in lowering the risks that can be incurred by an enterprise.

The agency theory in this study is relevant since it holds that the success of any organization is grounded on all the stakeholders delivering on their hob responsibilities. Effective implementation of ERM requires that the CRO effectively take their

responsibilities to meet the overall goals of the firm and not personal objectives. When each and every stakeholder in the firm performs their job descriptions appropriately it increases the chances of effective implementation of ERM, which translates into improved performance. However, the opposite of the statement in regards to the agency theory is true. As such the effective implementation of ERM at SC Johnson and Son Kenya Limited to yield better performance, relies on the stakeholders' commitment to meet the objectives of the firm and not individual goals.

2.2.2 Resource Based View Theory

It had different proponents including Barney (1991) & Wernerfelt (1984). The theory posits that its resources guide a firm and performance with respect to the possessing and allocation of firm resources (Wernerfelt, 1984). Similarly, Barney (1991) observes that with respect to the RBV theory sustainability is attained if a firm possesses and allocated the right resources efficiently. Moreover, the characteristics of the firm resources determine the level of performance and competitive advantage by a firm. The RBV theory resources should be difficult to imitate, lack any substitutions, and valuable (O'cass & Eerawardena, 2010).

Durability, few substitutes, scarcity, and low tradability are important determinants of resources. In addition, intangible resources/assets such as risk management strategies helps a firm in gaining a competitive advantage, thus improved performance. According to O'Cass and Weerawardena (2010) strategic resources such as ERM are key in attaining good performance. This theory emphasizes on the need to possess and allocate resources appropriately, thus relevant to this research. The implementation of ERM is not a one-time operation but rather requires continuous changes. Moreover, ERM relies on the allocation of resources. The way the resources in a firm are allocated impact the performance of a firm.

The RBV theory is critical in this study since it acknowledges that the implementation of ERM takes time and resources. The most critical resource to SC Johnson is the staff, the machinery and its customers. As such, the performance of SC Johnson Limited revolves around its operations and stakeholders. Appropriate and effective implementation of resources is a key determinant to SC Johnson's failure/ success. Over the past 130 years,

SC Johnson has understood the importance of effectively allocating resources. However, due to the increased competition in the manufacturing sector, the company needs to be cautious in its resource allocation. Moreover, in implementing ERM, SC Johnson and Son Kenya Limited, needs to be keen on its resources, hence this study was anchored on the RBV theory.

2.2.3 Risk Management Theory

Nocco and Stulz (2006) posit that, this theory recommends that notable risk being faced by a certain entity be measured and managed. It aims at combining the risk management units in a company into a framework that is comprehensive and holistic. The risk management framework of managing risk puts an emphasis on involving both the employees and senior company executives in the analysis process of risk management and respond to a company's risks (Hallowell, Molenaar, & Fortunato, 2013). This theory encourages all the organizational members to be involved in the risks management and not only one or a few members.

The theory also emphasizes the need of having a clear risk management approach and procedures. According to Olson and Wu (2010), businesses can increase their risk management capacity of discovering, analysis and treatment of risks if they adopt written policies that specify risk appetite, strategic goals, tolerance, and systematic processes. The theory also emphasizes the risk management culture development in which all stakeholders are empowered and responsible for risk management. Despite the theory being developed for company risk management, it is widely known in strategic management techniques. It is wise to adopt the risk management theory in the manufacturing industry since its application has been to industries with very high failure rates and increased competition. The failures result from failure of identifying, mitigating and controlling risk throughout the whole business hence relevance of it to this study.

In business, risk is inevitable. Notably, risk is also inevitable for a well-established company such as SC Johnson Limited. Over the years, the company has experienced risks, but its effectiveness in mitigating the risks has made it one of the manufacturer leaders in Kenya and in the world as a whole. However, currently, SC Johnson and Son Kenya Limited is facing more risk ranging from still competition, change in customers'

preferences, an unpredictable economy and laws and regulations governing the manufacturing sector. This risk faced by SC Johnson demand mitigating strategies for the sustainability of the company. As such, the ERM is a new approach that ensures a company addresses all of the risks it faces. Hence the risk management theory guides this study in an attempt to understand how SC Johnson and Son Kenya Limited implements ERM and how its performance has been affected.

2.3 Empirical Review

Empirical review helps to gain knowledge through indirect and direct experience and observation. It's also the information gotten through the senses, specifically through observing and documenting behavior and patterns through experimenting (Goodwin, 2005). This study will discuss the empirical review guided by the variables of the study.

2.3.1 Risk and Control Self-Assessment and Organization Performance

At the initial step of assessing risk which is risk and control assessment, the firm identifies the risk across all the borders of the organization as well as the obtainable solutions, and therefore the level of gross and residual risk examined. According to Machina (2016) at this step the ERM account 3 basic elements of internal environment which includes an assessment of the mission statement, the board and the job responsibilities. Mensah and Gottwald (2015) conducted a study on factors related enterprise risk management's effective implementation. Non-experimental correlational approach was used in exploring how top management (TM) support, an audit committee (AC), and the availability of a chief risk officer (CRO) relate in implementing ERM. The study established that the ERM deployment level, TM support, AC presence related significantly. Further it was evident that AC, CRO and support level of management significantly correlate. Additionally, an AC and CRO presence positively correlate there. The study further revealed that risk and control self-assessment through job responsibilities of CRO, AC and TM had a significant association with firm performance. The research however, did not target the SC Johnson and Son Kenya Limited, thus presenting a research gap.

Pagach and Warr (2010) did research in the United States focusing on 106 firms assessing ERM's influence on the firms' financial performance by using a matched sample model and logit. CRO keywords as proxies were used to measure ERM while financial variables were used to measure performance of financial. Results revealed financial performance & ERM significantly correlate; a decrease in stock price volatility was established with the ERM introduction. Further, the study found that unlike that do not appoint CROs, CRO hiring firms exhibited a decrease in market to book ratio and an increase in asset opacity and decrease in earnings volatility compared. The study used financial measures of performance, whereas this research measured performance using non-financial indicators.

Florio and Leoni (2017) investigated whether there is Italian listed companies' performance and enterprise risk management (ERM) systems implementation extent had a relation. The results showed that in terms of market evaluation and performance of finances, organizations that have advanced ERM implementation levels perform well. The study further revealed that higher performance is as a result of effective ERM systems hence risk exposure is reduced. The study found that risk assessment is critical in determinization of performance of Italian listed companies. Moreover, it was evident that in an under-investigated context e.g Italy, firm performance and ERM implementation positively relate. Since, the study was a case study of Italian listed companies, its findings cannot be generalized in Kenya, hence the need to assess how risk and control assessment impact of performance in Kenya.

2.3.2 Identification of Risk Indicators and Organization Performance

Risk indicators identification involves determining the present levels of risk, control performance, hotspots and past trends. The goal is to determine the risk level that can be thought-about as harmful, as a part of routine business while not taking any action for risk identification requiring corrective action. According to Machina (2016) the goals of businesses entail a review of plans and strategies, management involvement, is a main anchor to analyze risk and therefore effective to identify risks related with the set goals. Gupta (2012) for instance posited that in Indian firms, risk is assessed on the basis of its budgetary influence subsequently on its circumstances. Although, operational modelling

is not a common approach in the identification of risk since chief financial officers, line managers and internal auditors often use previous experiences for analysis. The complex tools of risk identification such as the SWOT analysis are often used by firms when the board of senior management and directors is in charge of identifying the risks.

In the United States Gordon, Loeb and Tseng (2009) conducted a study focusing on 112 companies assessing the influence of ERM on performance. The study used a linear regression. The ERM index was used to measure ERM while excess stock market returns measured performance. The study argued firm performance and ERM relationship is contingent upon the correct match ERM and these 5 factors that affect the firm: industry competition, board of directors' monitoring, firm complexity, firm size, industry competition and environmental uncertainty and. The investigation revealed that risk indicators identification is critical in the effective implementation of ERM, hence affecting firm performance. The study further recommends firms should think of ERM system implementation together with contextual variables that surround the firm. This study was limited in the United States, thus a study targeting companies in Kenya needs to be conducted.

Machina (2016) assessed how Kenyan commercial banks' financial performance and Enterprise Risk Management relate. The mode of data gathering was primarily by using questionnaires and secondary means as well. Logit model was used in evaluating the regression equation. The study disclosed that proper identification of risk indicators influences banks performance. It only measured the performance financial aspects; it did not assess non-financial performance indicators.

Girangwa, Rono and Mose (2020) sought to understand how Kenyan state corporation's organizational performance is impacted by enterprise risk management. Explanatory cross-sectional survey design was utilized. Structured questionnaires were deployed in gathering data. The study found that facilitating improvement in overall performance of the corporation, risk structure practices area unit is vital in reducing state corporations' exposure to risk and value in operations. However, the study ascertained that state companies don't have persons who dedicated in acting as champions of identifying risks. The study suggested that companies ought to take advantage of personnel as

champions of identifying risk and make sure the staff area unit are trained on ERM. Additionally, state companies have to be compelled to get an approach that effectively help decide the basis reason for risk. Therefore, Since the onset, very risk is known right. The study was restricted to parastatals which the present survey will focus on a private owned company.

2.3.3 Incident Management and Organization Performance

The Incidents management procedure involves the management and actual risk incidents analysis. This make sure proper management of the incident by reducing negative incident consequences and measures placed to make sure the incidents don't recur. As stated by Hallikas (2016), incident management aims at enhancing organization transparency, providing objectives information of varied risk sorts, distinguishing risk downside areas and acts as employees' downside audio system.

Altanashat, Al Dubai and Alhety (2019) studied Jordanian public material possession corporations, institutional performance was impacted by enterprise risk management. This study was on ERM COSO Integration Practices (2014). Within the study used questionnaires to gather information. The collected information was analyzed using structural equation modeling tool (Smart-PLS). From the results, for Jordan mining company's performance improvement, risk management practices are very crucial. The analysis additionally highlights the continued implementation of world risk management practices to enhance Jordanian mining corporations' performance. The study was restricted to Jordan, consequently another study based mostly in Kenya is needed, thus the present study targets the SC Johnson company in Kenya as to how ERM impacts its performance.

Owolabi et al. (2017) studied how Nigeria based insurance firms' profit were impacted by risk management. A descriptive analysis set up was adopted. 60 respondents were used as the sample size. Statistical analysis system (SAS 9.2) was used to test the null hypothesis with the use of Pearson compact and simple linear regression coefficients. From the results, profit of insurance firms are affected by financial risk management practices. The study additionally disclosed that the insurance firms profit were positively impacted by operational risk management practices. Insurance firms profit and strategic

risk management practices had a link. It was suggested that managers of insurance ought to simply, develop sensible procedures, establish risks and mitigate and make sure that performance in finances isn't affected adversely. The study was limited to insurance companies in Nigeria. Moreover, the study only assessed not non-financial and financial performance. The study was restricted to insurance firms in Nigeria. Moreover, the study solely assessed financial performance and not non-financial performance.

In Kenya, Wambua (2010) assessed how performance of commercial banks is impacted by the different risk management practices they adopt. The research used a cross-sectional survey design. A total of 36 banks took part in the study. Annual statements were utilized in gathering secondary data and questionnaires for primary data. The questionnaires were administered to the risk management staff using drop and pick later method. Both descriptive statistics and inferential statistics (especially regression analysis) were used in the analysis of data. The findings of the research revealed that ERM contributes positively to bank management in the areas of interest, credit, foreign exchange and liquidity risk. The study did not focus on non-financial risks which include governance, strategic, legal, compliance, operational and reputational risks.

Further, Gachanja (2015) conducted a study on how 34 Kenyan commercial state corporations' performance were impacted by enterprise risk management practice. He noted that management of incidents makes sure the institution learns from mistakes of the past, high frequency monitoring, ensuring business units are learning from each other, items of low consequence as identifying and fixing controls that are aren't functioning. Company assessments should be responded and reacted to as they require better and more knowledge. Techniques of responding included risk acceptance, risk sharing, risk reduction and risk avoidance. He further established that, there exists 2 major risk response indicators with primary addressing having a process integrating the risks results and second examining strategies for mitigating risk and as organizations start assessing and quantifying risk, analyzing the cause basis, integrating risks, and developing strategies to mitigate, the process must have a bearing on capability of management in overseeing risks. The study was limited in scope since it targeted commercial state corporations while this study will concentrate on SC Johnson, a Private company.

2.3.4 External and Internal Regulations compliance and Organization Performance

Non-compliance to all or any applicable laws and regulations similarly as code of conduct and ethical practices, attracts associated sanctions and possible loss financially and reputational damage to the organization. According to Ojala and Hallikas (2016), the evaluation of how effective situ control mechanism is, should answer questions like; is there link to other risk management process like RCSA, does it link to legislation, is it simple, does control exist. For reaching organizational long run vision, diverse alternatives should be evaluated at this stage. The institution addresses resource constraints, examines alternative risk management techniques and description particular steps to be followed. To finish this segment, willingness and creativity in figuring through the assorted plans small print are required.

Siayor, (2010) analyzed Norwegian economy financial sector's internal control systems and risk management. DnB NOR ASA case study was adopted. Gathering primary data was done using Qualitative and quantitative approaches. Primary information from key informants was collected using questionnaire. The study revealed that the company's performance was fairly well, despite economy down turn due to the laid down credit strategies, internal control systems and strong risk management by DnB NOR ASA. Less negative effects on both profitability and performance were experienced by the bank. Generalization of the study findings in Kenya is not possible. Moreover, the research did not measure performance using non-financial indicators such as employee turnover.

In China, Li and Nadeem (2010) tried identifying internal control system's importance and role in good risk management practice particularly emphasizing on reporting system and management structure. The study focused on China Aviation Oil Corporation Limited. Source of data were Fortis Bank, Treadway Commission Sponsoring Organization committee and company related research literature. The study revealed that almost every organization had its own regulations and huge management system that include the CAO. The regulations had almost everything detailed, e.g. reimbursement, travel expenses and external investments. The study further revealed that the corporations that do not follow the compliance regulations collapse. This is an indication that

compliance and internal and external regulations have a correlation with performance of firms. The study was limited to China, hence the findings cannot be generalized in Kenya.

In addition, Chiggai (2016) analyzed how Kenyan Regulatory Bodies' organization performance is affected by internal audit practices. 265 regulatory Bodies' employees was the target population. To come up with 53 respondents sample size, stratified sampling was used, in every organization, 1 respondent was targeted. Primary data was gathered by use of questionnaire. The study found that organization's performance effectiveness was influenced by duty segregation, risks assessment, reconciliation verification system, environmental monitoring, supervisory activities, physical controls, exposure limits compliance checking and monitoring procedures. Organization performance and c correlated significantly. In organization performance prediction, control environment regression coefficient was significant. That meant that decrease in organization performance was as a result of increment in control activities leads. The research though targeting companies in Kenya, it was not specific to SC Johnson and Son Kenya Limited.

2.4 Summary of Empirical Gaps

The summary of empirical Gaps is presented in Table 2.1

Table 2.1: Summary of Empirical Gaps

Author	Objective	Methodology	Finding	Research Gap
Mensah and Gottwald (2015)	Factors related to Enterprise Risk Management effective implementation	non-experimental correlational approach was used	Risk and control self-assessment through job responsibilities of CRO, AC and TM had a significant relationship with firm performance.	The study did not assess the influence of compliance to internal and external regulations on performance of organizations
Pagach and Warr (2010)	Assessing the influence of ERM on 106 firms' financial performance	The study used matched sample model and logit.	Financial performance & ERM. significantly correlate	The study focused on 106 firms while the current study will narrow down its population to one company to gather comprehensive data
Florio and Leoni (2017)	To establish if Italian listed companies' performance and enterprise risk management (ERM) systems implementation had a relation.	The study adopted a case of Italian listed companies	Risk assessment is critical in determining the performance of Italian listed companies.	The study was a case study of Italian listed companies, its findings cannot be generalized in Kenya,
Gordon, Loeb and Tseng (2009)	Assessing ERM's influence on performance of 112 companies in U.S.A	The study used a linear regression.	The identification of risk indicators affects firm performance	The study was located in the U.S while the current study is located in Kenya focusing on one company the SC Johnson and Son

				Kenya Limited
Machina (2016)	How Kenyan commercial banks' financial performance and Enterprise Risk Management relate	The study employed a descriptive research	Proper identification of risk indicators influences performance of banks.	The study only measured the financial aspects of performance; it did not assess non-financial performance indicators.
Girangwa, Rono and Mose (2020)	How Kenyan state corporation's organizational performance is impacted by enterprise risk management	Primary data was collected from structured questionnaires	Facilitating improvement in overall performance of the corporation, risk structure practices area unit is vital in reducing state corporations' exposure to risk and value in operations	The study was limited to parastatals which the current study will focus on a private owned company.
Altanashat, Al Dubai and Alhety (2019)	How Jordanian public material possession corporations, institutional performance was impacted by enterprise risk management	313 questionnaires were employed in data collection	For Jordan mining company's performance improvement, risk management practices are very crucial	The study was limited to Jordan, thus there is a need for a similar study in Kenya
Owolabi et al. (2017)	How Nigeria based insurance firms' profit were impacted by risk management	Used a descriptive research plan.	Profit of insurance firms are positively impacted by financial risk management practices	The study was limited to insurance companies in Nigeria. Moreover, the study only assessed financial performance and not non-financial performance.

Wambua (2010)	the different risk management practices adopted by commercial banks and their impact on performance	Employed a cross-sectional survey design	ERM contributes positively to bank management in the areas of interest, credit, foreign exchange and liquidity risk	The study did not focus on non-financial risks which include governance, strategic, legal, compliance, operational and reputational risks.
Gachanja (2015),	How 34 Kenyan commercial state corporations' performance were impacted by enterprise risk management practice.	a descriptive study designs.	Management of incidents makes sure the institution learns from mistakes of the past, high frequency monitoring, ensuring business units are learning from each other, items of low consequence as identifying and fixing controls that are aren't functioning	The study was limited in scope since it targeted commercial state corporations while the current study will focus on SC Jonson, a private company.
Siayor, (2010)	Norwegian economy financial sector's internal control systems and risk management	DnB NOR ASA case study	Internal control systems and credit strategies positively impact performance of DnB NOR ASA.	The findings of the study however, cannot be generalized in Kenya. Moreover, the study did not measure performance using non-financial indicators such as employee turnover.

Li and Nadeem (2010)	Identifying internal control system's importance and role in good risk management practice	a single case study of China Aviation Oil Corporation Ltd	The corporations that did not follow the compliance regulations collapsed	The study was limited to China, hence cannot be generalized in Kenya.
Chiggai (2016)	How Kenyan Regulatory Bodies' organization performance is affected by internal audit practices	Focused on Kenyan Regulatory Bodies.	There is a negative correlation between compliance and organization performance effectiveness.	The study though targeting companies in Kenya, it was not specific to SC Johnson and Son Kenya Limited.

Source: Researcher 2020

2.5 Conceptual Framework

Smith (2019) defines it as a research tool envisioned to support a scholar development of understanding and awareness of a state under investigation in communicating it. When clearly expressed, it has a wide range of functionality as a tool for helping a scholar in making subsequent findings meaning. A conceptual framework establishes an ideal platform for negotiating and testing the agenda. Also, it forms the basis for examining, reforming, and reviewing a hypothesis while it explains the probable linkage among the variables. The dependent and independent variables and how they relate is demonstrated in this conceptual framework. Internal and external regulations compliance, incident management, risk indicators and control self-assessment identification are this study's independent variables whereas the organizational performance is the dependent variable.

Independent Variables

Dependent Variable

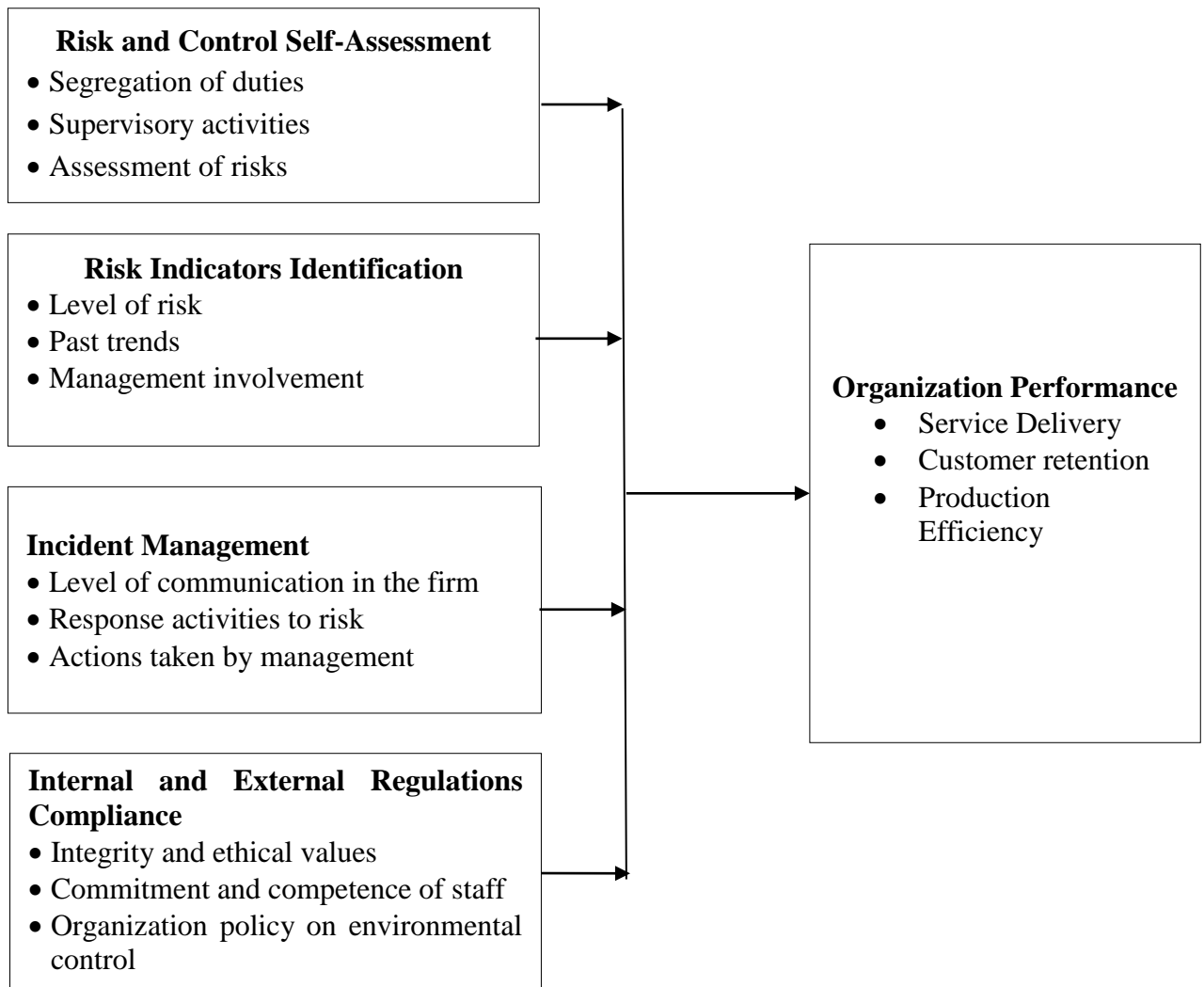


Figure 2.1: Conceptual Framework

Source: Researcher (2020)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Chapter three covers design, method and measurement survey, validity and reliability and data analysis techniques.

3.2 Research Design

The research adopted descriptive design which was cross-sectional in nature. This is because it seeks to show the relationship of different variables namely, internal and external laws compliance, incident management, risk indicators identification and risk and management self-assessment and organization performance. A descriptive cross-sectional design is appropriate in conducting as it allowed data collection from a specific sample and facilitate the description of the phenomenon being studied. Moreover, this research design allowed for conclusions to be made from the research findings.

The design is fit for studies that aim to show the description of particular phenomenon, problem or a situation (Mugenda & Mugenda, 2003). Hence the research design was appropriate in revealing the study variables (independent and dependent study variables) relationship.

3.3 Target Population

The staff members of SC Johnson and Son Kenya Limited made up the study population. The researcher considered the target population as appropriate since the staff members are fully aware of the risks facing company and the ERM strategies adopted to mitigate the risks. The target population of the study was 327 staff members.

3.5 Sample size and Sampling Technique

This study used stratified random sampling technique. It was appropriate given that each respondent is given an equal chance for selection in the research. To select the 161 respondents who constituted the sample units, a probability sampling method, that is disproportionate stratified random sampling method was used to ensure the sample is representative of the 3 categories of employees from SC Johnson and Son Kenya Limited, to enhance generalizability of the results. Disproportionate stratified sampling

method is preferred when some stratum or strata are too small or too large (Mugenda & Mugenda, 2003), and thus ensures the inclusion into the sample the small strata in the population which otherwise by using other sampling methods will be omitted. To select sample units from each of the categories of employees' strata, systematic sampling method was used. The sampling frame was constructed from categories of employees at SC Johnson and Son Kenya Limited.

If the target population is finite or known, a sample size is determined using Krejcie and Morgan formula (Krejcie & Morgan, 1970)

$$n = \frac{\chi^2 * N * P * (1 - P)}{d^2 * (N - 1) + \chi^2 * P * (1 - P)}$$

Where:

n = required sample size.

χ^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum Sample size).

d = the degree of accuracy (the margin of error) expressed as a proportion (.05).

Using the Krejcie and Morgan formula the sample size will be 161 respondents.

According to Gilbert and Churchill (2001), the Central limit theorem suggests that a normal distribution curve is followed for a sample size greater than 30 (N > 30).

The population and sample size are shown in Table 3.1.

Table 3.1: Sample size

Category of Employee	Target Population	Sample Size
Top Management	12	7
Middle management	31	19
Assistant staff members	284	135
Total	327	161

3.6 Data Collection Instruments

The research made use of both the secondary and primary data. Semi-structured questionnaires were employed in collecting primary data; the questionnaire comprised close-ended questions. The questionnaires were drafted using the study variables in answering research question. There were 2 sections in the questionnaire. First section asked demographic questions about the respondents (age, education level, gender and occupation). The second part of the questionnaire collected data related to the study variables. The questions in the second part was drafted with respect to the study's objectives.

The questionnaires were issued to one member in each tour firm. This increased reliability as opined by O'casset *al.* (2004). The managing directors/owner/marketing manager/sales manager of the tour firms was used as the key informants of the study. The researcher together with trained assistants personally distributed them. The pick and drop technique was utilized. Together with the questionnaire an introductory letter was issued to the participants explain the aim of collecting data and assuring the participants that confidentiality was maintained. Participants were reminded using telephone calls to respond to the research instrument. The secondary data was gathered through desk review. The researcher collected data from websites, newspapers, magazines and other sources available to the public.

3.7 Pilot Testing

It helps the researcher in determining if the required results will be obtained by a questionnaire. Mugenda and Mugenda (2003) posit that, for a pilot study a population of 10 to 30 persons is considered appropriate. A pilot study was done research instruments validity and reliability pre-testing before the researcher conducts the actual study. 10 staff members from a manufacturing firm were randomly picked to take part in the pilot testing.

3.7.1 Reliability Test

The internal consistency of each variable of the study was assessed by conducting a reliability test. Moreover, the test was used to test whether every question used in

developing a variable will measure similar aspect. The research adopted different measures from previous studies that were found reliable after conducting a reliability test. Small adjustments were made on the measurement instruments to ensure they are aligned with the study objectives of.

Alpha Coefficient (α) by Cronbach ranging from 0-1 was used to assess the relationship of the variables being studied. Nunnally and Bernstein (1994) posit that research instruments internal consistency is greater when the α is closer to 1. In case the correlation is not there the α was zero and the subindices will be independent. A high α means that the items under study mirror the variable. According to Cronbach (2004), reliability test which indicates reliability value of 0.70 and above will an acceptable level of instrument reliability.

Table 3.2: Reliability Test results

Research Variable	Cronbach's Alpha Index	Items	Comment
Risk and control assessment	0.802	6	Reliable
Risk indicators identification	0.754	4	Reliable
Incident management	0.697	7	Reliable
Internal and external regulations compliance	0.874	6	Reliable
Organizational performance	0.869	5	Reliable
Aggregate Reliability	0.799	28	Reliable

Source: Pilot Study (2021)

Table 3.2 indicates that all the variables studied had an alpha correlation coefficient greater than 0.7. Orodho (2005) observes that an alpha coefficient of 0.7 makes the devices accurate. The findings of the reliability check of the pilot study were therefore 0.799, suggesting excellent reliability.

3.7.2 Validity Test

Is the extent to which the gathered data is able to capture what it was intended to measure (Mugenda & Mugenda, 2003). A pilot test was undertaken to measure content validity. The pilot test assessed any weaknesses that may be present in the research instruments. The researcher corrected the weaknesses of the questionnaires and construct the final questionnaire guide. Face validity was established by conducting a pilot test and asking for guidance from the academic supervisors.

The participants who gave their feedback during the pre-test were not involved in the final collection of data. The researcher corrected the questionnaires with respect to the corrections from the academic supervisors. Construct validity was determined by using factor analysis of internal and external laws compliance, incident management, risk indicators identification and risk and management self-assessment and organization performance.

3.8 Data Analysis

Descriptive and inferential statistics was used for the collected data analysis. ANOVA, regression modeling and t-test was included in the inferential statistics. To determine the relationship between internal and external laws compliance, incident management, risk indicators identification and risk and management self-assessment and organization performance, a simple regression analysis was used.

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Y= Organization Performance

X₁= Risk and Control Self-Assessment

X₂= Risk Indicators Identification

X₃= Incident Management

X₄= Internal and External Regulations Compliance

e=error term

($\beta_1 - \beta_3$) = Regression Coefficient

3.9 Diagnostic Tests

Regression diagnostic test was applied in evaluating the made assumptions. These included normality and multicollinearity tests.

3.9.1 Normality Tests

This test assesses if there is a normal distribution of the random error between independent and dependent variables in the regression model selected. Value computation which are key when a small sample size is utilized is affected by the normality rule violation. Shapiro-Wilk and Kolmogorov Smirnov normality test will be used. The significance level is at 0.05. If the significance level is more than the value gotten from the model, it indicates that the distribution is normal while the converse is also true

3.9.2 Multicollinearity

When the correlation of independent variables in a regression model is high or moderate, there exists multicollinearity. Skewing the results gotten in a multiple regression model is the multicollinearity impact. Variance inflation factor is used to determine the multicollinearity severity measuring the variance extent. The value of the variance inflation factor is 1 when there is no multicollinearity form. 5-10 value implies severe multicollinearity whereas 1-5 value indicates moderate collinearity. For data analysis, high multicollinearity is problematic.

3.10 Ethical Considerations

A letter from the Ethical Review Committee (ERC) licensed by NACOSTI will be obtained prior to the actual collection of research data. The research participants also explained to that all the information which was obtained was strictly used for purposes of the research and was confidential. The participants also did not write their personal identification marks on the questionnaires. Before collecting the data, the researcher educated the respondents on the objective of the research to the participants. Furthermore, the participation in the research study will be fully voluntary. The research findings were presented without having manipulated any data.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The section presents the study findings. It covers the response rate, respondents' background information, descriptive statistics and regression analysis.

4.2 Response Rate

The top management, middle management and assistant staff members of SC Johnson and Son Kenya Limited were given 161 questionnaires. Table 4.1 demonstrates the response distribution.

Table 4.1: Response Rate

Category	Administered	Responded	Percentage
Top management	7	6	85.7
Middle management	19	15	78.9
Assistant staff members	139	128	92.1
Total	161	149	92.5

Source: Research Data (2021)

The results in table 4.1 shows that most (92.1%) of the respondents who had a higher response rate were assistant staff members, followed by those from top management at 85.7% and those from middle level management accounted for 78.9%. The overall response rate was at 92.5%. Based on Baruch (2012) recommendation "for data evaluation, an above 80% response rate is sufficient." Therefore, 92.5% rate of response was deemed fit for analysis of data. This implied that the study findings were credible and acceptable because of the high rate of response.

4.3 Demographic Data

4.3.1 Respondents' Gender

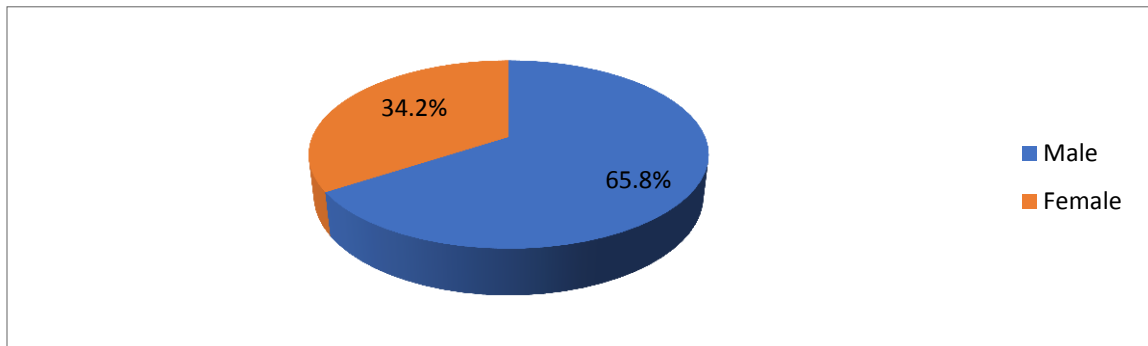


Figure 4.1: Respondents' Gender

Source: Field Data (2021)

Of the respondents, majority were male (65.8%) whereas 34.2% was accounted for by females. This information was crucial in showing how both genders were represented to ensure equal chance of each gender.

4.3.2 Participants' Age Bracket

Table 4.2: Participants' Age Bracket

Years	Frequency	Percentage
>25	11	7.4
25 to 35	25	16.8
36 to 45	47	31.5
46 to 55	30	20.1
55 to 65	33	22.1
Above 65	3	2.0
Total	149	100

Source: Research Data (2021)

The findings indicate that most (31.5%) of the participants were 36 to 45 years old, 22.1% were 55 to 65 years old, 20.1% aged between 46 to 55 years, 16.8% were 25 to 35 years old, 7.4% were below 25 years and 2.0% were 65 years and above. This shows that the participants cut across various age gaps. Age diversity in the workplace brings about

different experiences and a diverse decision making towards enterprise resource management.

4.3.3 Education of the Respondents

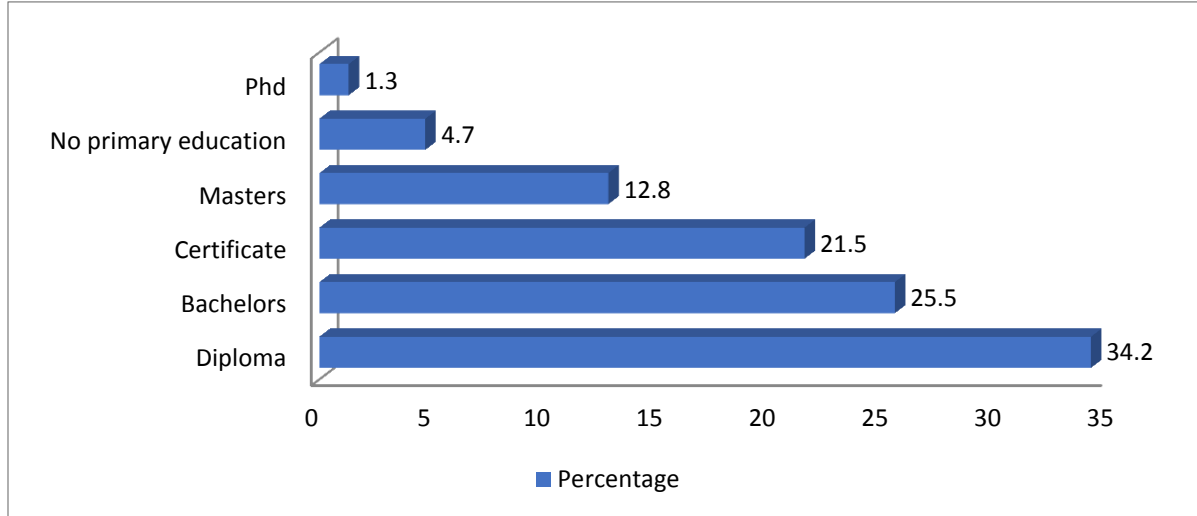


Figure 4.2: Respondents' Education

Source: Research Data (2021)

Figure 4.2 results indicate that most (34.2%) had attained a Diploma certificate, 25.5% had bachelors, 21.5% certificate, 12.8% masters, 4.7% no primary education and 1.3% had a PhD. This shows the participants had attained a higher education level. Higher education level of a staff is beneficial in the success of an institution since one has the skills and knowledge on enterprise risk management implementation.

4.3.4 Length of Service at SC Johnson Limited

Table 4.3: Length of Service at SC Johnson Limited

Years	Frequency	Percentage
2 to 5	11	7.4
6 to 10	17	11.4
11 to 15	31	20.8
16 to 20	40	26.8
Above 20	50	33.6
Total	149	100

Source: Field Data (2021)

Table 4.3 results indicate that most (33.6%) participants had served at SC Johnson Limited for above 20 years, 26.8% of the respondents between 16 to 20 years, 11.4% between 6 to 10 years, 20.8% between 11 to 15 years, 2 to 5 years (7.4%). This implies that most participants had been in the institution for a considerable duration hence could help the investigator obtain credible information. Relating to the research.

4.4 Results of Descriptive Statistics Analysis

Standard Deviation (SD) and Mean (M) were used in the presentation based on the specific research variables:

4.4.1 Risk Control Assessment

The study aimed at establishing how the performance of SC Johnson and Son Kenya Limited is affected by the risk control self-assessment. Findings are given in Table 4.3.

Table 4.3: Risk Control Self-Assessment

Statement	M	SD
In mapping risks, survey techniques/ self-assessment is used by the business unit	4.05	0.95
Risk management process and organizational mission have a link	4.29	0.71
The organization indirectly and directly offers guidance on identifying risk	4.11	0.89
When executive management team or board of directors are identifying risk, risk identification tools like analysis of the situation, threats, opportunities, weakness and strengths analysis are mostly utilized	4.52	0.48
Line managers mostly these techniques: brainstorm and examine oversees/local experience	4.61	0.39
A comprehensive inventory of business risk has been established by the organization and managers are expected to manage	3.34	1.57
In identifying risk executive management team/ board of directors/ come after line managers	3.42	1.58
Aggregate M and SD	4.32	0.68

Source: Research Data (2021)

As shown in Table 4.3, participants strongly agreed that line managers mostly these techniques: brainstorm and examine oversees/local experience (M=4.61, SD=0.39) and

that When executive management team or board of directors are identifying risk, risk identification tools like analysis of the situation, threats, opportunities, weakness and strengths analysis are mostly utilized (SD=0.48, M=4.52). The findings concur with Pagach and Warr (2010) in the United States focusing on 106 firms assessing ERM's influence on the firms' monetary performance and the results revealed financial performance & ERM significantly correlate; when ERM was introduced, a decrease in stock price volatility was established.

The respondents agreed on the statements that risk management process and organizational mission have a link (M=4.29, SD=0.71), the organization indirectly and directly offers guidance on identifying risk (M=4.11, SD=0.89) and that in mapping risks, survey techniques/ self-assessment is used by the business unit (M=4.05, SD=0.95). The agree with Florio and Leoni (2017) who investigated whether there is Italian listed companies' performance and enterprise risk management (ERM) systems implementation extent had a relation. The results showed that in terms of market evaluation and performance of finances, organizations that have advanced ERM implementation levels perform well.

The respondents indicated to a moderate extent that in identifying risk executive management team/ board of directors/ come after line managers (M=3.42, SD=1.58) and that a comprehensive inventory of business risk has been established by the organization and managers are expected to manage (M=3.34, SD=1.57). This is in disagreement with the findings of Mensah and Gottwald (2015) study that focused on factors related enterprise risk management's effective implementation and established that the ERM deployment level, TM support, AC presence related significantly. Further it was evident that AC, CRO and support level of management significantly correlate.

The results in Table 4.3 also show that participants agreed that SC Johnson and Son Kenya Limited's performance is affected by the risk control self-assessment as demonstrated by the 0.68 SD and 4.32 Mean. These findings agree with Mensah and Gottwald (2015) on factors related enterprise risk management's effective implementation and established that the ERM deployment level, TM support, AC

presence related significantly. Further it was evident that AC, CRO and support level of management significantly correlate.

4.4.2 Identification of Risk Indicators

The study aimed at establishing how the performance of SC Johnson and Son Kenya Limited is affected by the identification of risk indicators. Table 4.4. displays the findings

Table 4.4: Identification of Risk Indicators

Statement	M	SD
In determining vulnerability, financial resources of the company are assessed and then plans are developed for minimizing the impact	3.70	1.30
To capitalize on opportunity development, underutilized capacity is identified from the practice	4.48	0.52
The organization engages its staff in the identification of risk indicators	3.84	1.16
The organization's techniques of responding included risk acceptance, risk sharing, risk reduction and risk avoidance	3.93	1.07
Aggregate M and SD	3.99	1.01

Source: Research Data (2021)

As shown in Table 4.4, the respondents strongly agreed that to capitalize on opportunity development, underutilized capacity is identified from the practice (M=4.78, SD=0.52). These findings support Machina (2016) who assessed how Kenyan commercial banks' financial performance and Enterprise Risk Management relate and revealed that proper identification of risk indicators influences banks performance. It only measured the performance financial aspects; it did not assess non-financial performance indicators.

Participants agreed that the organization's techniques of responding included risk acceptance, risk sharing, risk reduction and risk avoidance (M=3.93, SD=1.07), the organization engages its staff in the identification of risk indicators (M=3.84, SD=1.16) and that in determining vulnerability, financial resources of the company are assessed and then plans are developed for minimizing the impact (M=3.70, SD=1.30). These findings agree with Girangwa, Rono and Mose (2020) who sought to understand how Kenyan state corporation's organizational performance is impacted by enterprise risk management and found that facilitating improvement in overall performance of the

corporation, risk structure practices area unit is vital in reducing state corporations' exposure to risk and value in operations.

The results in Table 4.4 demonstrate that participants agreed that SC Johnson and Son Kenya Limited's performance is affected by the identification of risk indicators as illustrated by the 1.01 SD and 3.99 aggregate mean. The findings agree with a research done in the United States by Gordon, Loeb and Tseng (2009) focusing on 112 companies assessing the influence of ERM on performance and revealed that the identification of risk indicators is critical in the effective implementation of ERM, hence affecting firm performance.

4.4.3 Incident Management

The study aimed at examining how the performance of SC Johnson and Son Kenya Limited is affected by the incident management. The outcomes are given in Table 4.5.

Table 4.5: Incident Management

Statement	M	SD
Brand, competence, systems, culture, operations and strategy are some of the issues for identifying both characteristics and risk	4.08	0.92
Risk mitigation strategies are determined and developed by the company's business units	4.27	0.73
Linking of strategies of the organization to its objectives is done by the existing risk management implementation team	3.64	1.36
Major risk types (legal, hazard, financial, operational, and strategic) impact is integrated using the company's given process	4.72	0.28
Key risks are quantified by the organization to the best possible degree	4.53	0.47
The company addresses resource constraints, outlines a way to be followed in risk management, considers other risk management methods	3.39	1.61
Aggregate Mean Score and Standard Deviation	4.11	0.89

Source: Research Data (2021)

As shown in Table 4.5, the respondents strongly agreed on the statements that key risks are quantified by the organization to the best possible degree (M=4.72. SD=0.28) and that major risk types (legal, hazard, financial, operational, and strategic) impact is integrated

using the company's given process ($M=4.53$, $SD=0.47$). This finding agrees with Owolabi *et al.* (2017) who studied how Nigeria based insurance firms' profit were impacted by risk management and the study additionally disclosed that the insurance firms' profit was positively impacted by operational risk management practices. Insurance firms profit and strategic risk management practices had a link.

The respondents agreed that risk mitigation strategies are determined and developed by the company's business units ($M=4.27$, $SD=0.73$), d Brand, competence, systems, culture, operations and strategy are some of the issues for identifying both characteristics and risk ($M=4.08$, $SD=0.92$) and that linking of strategies of the organization to its objectives is done by the existing risk management implementation team ($M=3.64$, $SD=1.36$). This agrees with Wambua (2010) study that assessed how commercial banks' performance is impacted by the different risk management practices they adopt and revealed that ERM contributes positively to bank management in the areas of interest, credit, foreign exchange and liquidity risk.

The respondents indicated to a moderate extent the company addresses resource constraints, outlines a way to be followed in risk management, considers other risk management methods ($M=3.39$, $SD=1.61$). This is contrary with the finding of a study by Gachanja (2015) that focused on how 34 Kenyan commercial state corporations' performance were impacted by enterprise risk management practice and revealed that management of incidents makes sure the institution learns from mistakes of the past, high frequency monitoring, ensuring business units are learning from each other, items of low consequence as identifying and fixing controls that are aren't functioning.

Table 4.5 results also show that participants agreed that the performance of SC Johnson and Son Kenya Limited is affected by the incident management as indicated by the 0.89 SD and 4.11 aggregate mean. The findings are consistent with Altanashat, Al Dubai and Alhety (2019) who studied Jordanian public material possession corporations, institutional performance was impacted by enterprise risk management and from the results, for Jordan mining company's performance improvement, risk management practices are very crucial.

4.4.4 Internal and External Regulations Compliance

The study aimed at determining how the performance of SC Johnson and Son Kenya Limited is affected by the compliance of internal and external regulations. The results are given below

Table 4.6: Compliance of Internal and External Regulations

Statement	M	SD
Supposed ERM benefits in increasing ability to meet strategic goals	3.30	1.70
Supposed ERM benefits in measuring business units' risk - adjusted performance	4.48	0.52
In the risk management process, the board of directors is involved actively	3.34	1.66
All managers' positions in the organization have risk management responsibility incorporated	3.93	1.07
Risk management benefit statement, value proposition, mission statement has been communicated to the senior managers by the organization	4.78	0.22
Executive committee and the board are regularly briefed on issues of risk management	4.12	0.88
There is a common language that is corporate- wide used to communicate risk monitoring efforts, control happenings and exposure	3.96	1.04
Aggregate Mean and SD	3.99	1.01

Source: Research Data (2021)

As shown in Table 4.6, the respondents strongly agreed on the statements that the company's management and marketing managers will use communication strategy to build a strategic vision for maximizing different marketing opportunities (M=4.78, SD=0.879). The findings get the support of Li and Nadeem (2010) who tried identifying internal control system's importance and role in good risk management practice particularly emphasizing on reporting system and management structure and the study revealed that almost every organization had its own regulations and huge management system that include the CAO.

The respondents agreed on the statements that supposed ERM benefits in measuring business units' risk -adjusted performance (M=4.48, SD=0.52), executive committee and

the board are regularly briefed on issues of risk management (M=4.12, SD=0.88), is a common language that is corporate- wide used to communicate risk monitoring efforts, control happenings and exposure (M=3.96, SD=1.04) and that all managers positions in the organization have risk management responsibility incorporated (M=3.93, SD=1.07). The results are consistent with Chiggai (2016) who analyzed how Kenyan Regulatory Bodies' organization performance is affected by internal audit practices and found that organization's performance effectiveness was influenced by duty segregation, risks assessment, reconciliation verification system, environmental monitoring, supervisory activities, physical controls, exposure limits compliance checking and monitoring procedures.

Participants indicated to a moderate extent that in the risk management process, the board of directors is involved actively (M=3.34, SD=1.66) and that supposed ERM benefits in increasing ability to meet strategic goals (M=3.30, SD=1.70). This contrasts with Li and Nadeem (2010) who tried identifying internal control system's importance and role in good risk management practice particularly emphasizing on reporting system and management structure and the study revealed that almost every organization had its own regulations and huge management system that include the CAO.

Table 4.6 results also shows that participants agreed SC Johnson and Son Kenya Limited's performance is affected by the compliance of internal and external regulations as indicated by the 1.01 SD and 3.99 aggregate mean. These findings agree with Siayor, (2010) who analyzed Norwegian economy financial sector's internal control systems and risk management and the study revealed that the company's performance was fairly well, despite economy down turn due to the laid down credit strategies, internal control systems and strong risk management by DnB NOR ASA.

4.4.5 Organizational Performance

The study aimed at determining how SC Johnson and Son Kenya Limited's performance is affected by the enterprise risk management. The results are given in below:

Table 4.7: Organizational Performance

Statement	M	SD
In performance of its mandate, the firm is efficient	4.48	0.52
In-service delivery, the organization is effective	4.61	0.39
For years customers have been retained by the firm	4.78	0.22
The company clientele is good	4.01	0.99
New products are developed for the customers by the company and it has been innovative	3.99	1.01
Aggregate Mean and SD	4.62	0.38

Source: Research Data (2021)

As shown in Table 4.7, participants strongly agreed that for years customers have been retained by the firm (M=4.78, SD=0.22) and that in-service delivery, the organization is effective (M=4.61, SD=0.39). This concurs with Wambua, 2017) who observe that performance is the measurement of specific activities' efficiency and effectiveness. The researchers explain that effectiveness incorporates meeting the needs and demands of customers while efficiency incorporates maximizing firm resources to meet the client's demands.

The respondents agreed that in performance of its mandate, the firm is efficient (SD=0.52, M=4.48), the company clientele is good (SD=0.99, M=4.01) and that new products are developed for the customers by the company and it has been innovative (M=3.99, SD=1.01). According to Wambua, (2017) balance scorecard is utilized in determining the level of organization performance. It pinpoints the relationship financial outcomes, stakeholder value, improved customer, efficient product development processes and creative capacity.

Findings in Table 4.7 also show that participants strongly agreed that SC Johnson and Son Kenya Limited's performance is affected by the enterprise risk management as indicated by the 0.38 SD and 4.62 aggregate mean. This agrees with Kaplan and Norton

(2008) who stated that the performance of a firm relies on the definition of firm performance adopted by the organization.

4.5 Results of Diagnostics Tests

4.5.1 Multicollinearity

Collinearity test was crucial in identifying if the predictor variables correlated. The test was carried out using tolerance and variance inflation factors and Table 4.12 displays the findings

Table 4.8: Multicollinearity Test Results

Variable	Collinearity		
	Statistics	Tolerance	VIF
Risk and control assessment	Segregation of duties	0.54	1.86
	Supervisory activities	0.36	2.78
Risk indicators identification	Level of risks	0.93	1.08
	Past trends	0.65	1.53
Incident management	Actions taken by the management	0.60	1.66
Internal and external regulations compliance	Integrity and ethical values	0.87	1.16
	Commitment and Competence of staff	0.87	1.14

Source: Research Data (2021)

From the results above, the two indicators of the risk and control assessment, that is segregation of duties and supervisory activities, had respective 1.86 and 2.78 VIF values which demonstrated that among the two variables, multicollinearity was not evident. The indicators further had respective tolerance values of 0.54 and 0.36, these were within the acceptable limits (not > 1.0). Hence, the two variables were utilized in computing the composite value for the risk and control assessment.

Under risk indicators identification, level of risks and past trends on the organizational performance had 1.08 and 1.53 respective VIF values and 0.93 and 0.65 respective tolerance values, this indicated that multicollinearity was not a problem.

Incident management correlated highly and thus was not included in the logit model and eventually the analysis. Actions taken by the management had 0.60 tolerance and 1.66 VIF thus, multicollinearity with other variables was ruled out. Actions taken by the management was therefore used as indicator of incident management variable.

Under internal and external regulations compliance, Integrity and ethical values and commitment and competence of staff did not correlate. Project goals and mission had a respective 1.16 and 1.14 VIF and both had 0.87 tolerance values. Hence multicollinearity was not detected, the two variables were utilized in computing the composite variable for the internal and external regulations compliance variable.

4.7 Correlation Analysis

Table 4.9: Correlation Analysis

	Risk control assignment	Identifying risk indicators	Incident management	Compliance of internal and external regulations	Performance
Risk control assignment	1 149				
Incident management	.398 .354 149	.634 .000 149	1 149		
Identifying risk indicators	.250 .114 149	1 149			
Compliance of internal and external regulations	.457 .011 149	.527 .000 149	.703 .227 149		
Performance	.709 .062 149	.796 .007 149	.806 .000 149	.697 .000 149	1 149

Source: Researcher Data (2021)

As shown in Table 4.8, all the variables studied that included Risk control assignment, compliance of internal and external regulations, incident management and identification of risk indicators strongly related with the organizational performance with a Pearson's r value of 0.709, 0.796, 0.806 and 0.697 respectively. McShane, Nair & Rustambekov (2013) revealed a significant correlation between the implementation of ERM and performance of organization. They found that ERM influenced shareholder value and offers a chance for the insurance firms to gain a competitive advantage enabling them to attain superior ratings and solvency regulations. It is evident that ERM directly correlates

with organization performance across the globe; however, few studies have been conducted to show the relationship in developing nations such as Kenya.

4.8 Results of Regression Analysis

Table 4.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.945 ^a	.893	.886	.179	.893	117.047	4	145	.000

Source: Field Data (2021)

The results indicate that “the adjusted R^2 , is the percent of the variance in the dependent explained uniquely or jointly by the independent variables.” The findings on adjusted R^2 indicates that risk control assignment, compliance of internal and external regulations, incident management and identification of risk variables explain the 0.886 factor of the changes in SC Johnson and Son Kenya Limited’s performance. This implies that other variables not investigated contribute to a factor of 0.114 of the organizational performance.

Table 4.11: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.964	4	3.741	117.047	.000 ^a
	Residual	1.790	145	.032		
	Total	16.754	149			

Source: Research Data (2021)

The value 0.000^a indicate the level of significance is < 0.05 indicating the model’s statistical significance on how internal and external regulations compliance, incident management, risk indicators identification and risk control self-assessment variables studied influenced the performance of SC Johnson and Son Kenya Limited. The results further indicate that, “F calculated value is greater than the value of F tabulated ($117.047 > 3.741$) at 5% significance level confirming the significance of the model.”

Table 4.12: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.646	.223		5.579	.000
	“Risk control self-assessment	0.784	.042	4.208	4.361	.000
	Identification of risk indicators	0.686	.032	1.134	2.666	.001
	Incident management	0.728	.053	2.820	3.849	.000
	Compliance of internal and external regulations”	0.569	.049	1.317	5.431	.000

Source: Research Data (2021)

Table 4.12 findings disclosed that holding independent variables constant (internal and external regulations compliance, incident management, risk indicators identification and risk control self-assessment) to a constant zero, performance of SC Johnson and Son Kenya Limited would be at 0.646 factor, a unit increment in risk control self-assessment would increase performance of SC Johnson and Son Kenya Limited by a factor of 0.784, a unit raise in risk indicators identification would raise SC Johnson and Son Kenya Limited’s performance by a factor of 0.686, a unit increment in incident management would raise SC Johnson and Son Kenya Limited performance by a factor of 0.728 and SC Johnson and Son Kenya Limited performance would be increased by a factor of 0.569 as a result of a unit increment in internal and external regulations compliance.

The results of regression equation resulted to:

$$Y = 0.646 + 0.784X_1 + 0.686X_2 + 0.728X_3 + 0.569X_4$$

Where Y = Organizational performance

X₁ = Risk control self-assessment

X₂ = Identification of risk indicators

X₃ = Incident management

X₄ = Compliance of internal and external regulations

4.9 Hypotheses Tests

HO₁: There is no significance relationship between risk control self-assessment and organization performance of SC Johnson and Son Kenya Limited

The hypothesis was rejected because the study disclosed that risk control self-assessment positively and significantly related on the performance of SC Johnson and Son Kenya Limited as demonstrated by t values ($t=4.361$, <0.005). These findings agree with Mensah and Gottwald (2015) who studied factors related enterprise risk management's effective implementation and established that the ERM deployment level, TM support, AC presence related significantly.

HO₂: There is no significance relationship between identification of risk indicator and organization performance of SC Johnson and Son Kenya Limited

This hypothesis was rejected since the study ascertained that identification of risk indicators had a positive and significant relationship on the performance of SC Johnson and Son Kenya Limited as shown by t values ($t=2.666$, <0.005). These findings had support from Machina (2016) who assessed how Kenyan commercial banks' financial performance and Enterprise Risk Management relate and revealed that proper identification of risk indicators influences banks performance.

HO₃: There is no significance relationship between incident management and organization performance of SC Johnson and Son Kenya Limited

The hypothesis was rejected as the study identified that Incident management significantly and positively associated on the performance of SC Johnson and Son Kenya Limited as demonstrated by t values ($t=3.849$, <0.005). This finding is consistent with Owolabi et al. (2017) who studied how Nigeria based insurance firms' profit were impacted by risk management and the study additionally disclosed that the insurance firms profit were positively impacted by operational risk management practices.

HO₄: There is no significance relationship between internal and external regulations compliance and organization performance of SC Johnson and Son Kenya Limited

The hypothesis was therefore rejected since the study found that compliance of internal and external regulations had a positive and significant association on SC Johnson and Son Kenya Limited's performance as shown by t values ($t=5.431, <0.005$). The findings agree with Li and Nadeem (2010) who tried identifying internal control system's importance and role in good risk management practice particularly emphasizing on reporting system and management structure and the study revealed that almost every organization had its own regulations and huge management system that include the CAO.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Summary of the findings, conclusions, recommendations for policy and practice and suggestion for further studies are presented in this section.

5.2 Summary

The study aimed at investigating how the organization performance of SC Johnson and Son Kenya Limited is affected by the enterprise risk management. Specifically, the study focused on establishing how the performance of SC Johnson and Son Kenya Limited is affected by internal and external regulations compliance, incident management, risk indicators identification and risk control self-assessment. The research adopted descriptive design which was cross-sectional in nature. The staff members of SC Johnson and Son Kenya Limited made up the study population. Stratified random sampling technique was deployed. In selecting sample units from each of the categories of employees' strata, systematic sampling method was used. Semi-structured questionnaires were employed in collecting primary data. Data analysis was through the use of descriptive statistics and regression analysis. Presentation of the findings is as below:

The study aimed at establishing how the performance of SC Johnson and Son Kenya Limited is affected by the risk control self-assessment and established that performance of SC Johnson and Son Kenya Limited was positively and significantly affected by the risk control self-assessment. Line managers mostly these techniques: brainstorm and examine oversees/local experience and that When executive management team or board of directors are identifying risk, risk identification tools like analysis of the situation, threats, opportunities, weakness and strengths analysis are mostly utilized.

The study aimed at establishing how the performance of SC Johnson and Son Kenya Limited is affected by the identification of risk indicators and established that performance of SC Johnson and Son Kenya Limited was positively and significantly affected by the identification of risk indicators. To capitalize on opportunity development, underutilized capacity is identified from the practice, the organization's techniques of responding included risk acceptance, risk sharing, risk reduction and risk

avoidance and that in determining vulnerability, financial resources of the company are assessed and then plans are developed for minimizing the impact.

The study aimed at examining how the performance of SC Johnson and Son Kenya Limited is affected by the incident management and found that performance of SC Johnson and Son Kenya Limited was positively and significantly affected by the incident management. Key risks are quantified by the organization to the best possible degree and that major risk types (legal, hazard, financial, operational, and strategic) impact is integrated using the company's given process.

The study aimed at determining how the performance of SC Johnson and Son Kenya Limited is affected by internal and external regulations compliance and revealed that performance of SC Johnson and Son Kenya Limited was positively and significantly affected by the compliance of internal and external regulations. The firm's management and marketing managers will use communication strategy to build a strategic vision for maximizing different marketing opportunities, supposed ERM benefits in measuring business units' risk -adjusted performance and that executive committee and the board are regularly briefed on issues of risk management.

5.3 Conclusions

The project concluded that risk control self-assessment in the organization depend mainly on experience, judgement and perception. Control of risks within the organization entails examination of how objectives and outcomes of activities may change because of the risk event impact. When the management identifies the risk, they analyze it to ascertain both the risk's quantitative and qualitative impact for appropriate steps to be taken in mitigating them.

That identifying risk helps in doing full risk analysis and addressing it. The management of the organisation qualifies risk based on impact and likelihood. The ones considered significant are quantified in form of time or cost in determining effective ways of addressing them.

That the management of risk is critical to the success of the activities carried out within the organization and it is the risk management's task to handle a task exposure to risk. Workers are given the task of taking responsibility for every risk response. The process

makes sure every risk that requires a response has someone to monitor the responses though the response implementation may be delegated by the owner to another person.

The study concluded that compliance of internal and external regulations is an iterative process using deliverable status and progress status reports in monitoring and controlling risks. This is made able by different status reports like follow-up reports, progress reports and quality reports.

5.4 Recommendations

The study recommended that the company's management should define the likelihood of occurrence of risk in the project, its effect to evaluate the risk response preparation urgency and ascertain the levels of reporting. The incidence timeline of the risk in explaining the effect on expense, quality, scope and schedule in as much detail as possible depending on the risk nature.

The study recommended that as the organization aims at improving activities of risk management on every significant risk, it ought to increase the level of risk recognition. Risk detection must be detailed so that it is not confused with other risks that must be addressed. Each risk should be assigned a unique number. As more knowledge about the risk is collected over the course of the organization's operations, regarding the specific risk, all of this data can be consolidated.

That the response to a particular risk to reflect the risk type, assessment in terms of criticality, impact and Likelihood so on and the organization's attitude to risk. The risk can be avoided by the organization's management by changing the process of the activity in a way to transfer risk to third party or bypass the risk, take a step of reducing the impact or probability of occurrence of the risk or have a plan of responding to risk if realized or accept it if the impact is low.

The study recommended that in order to comply to the internal and external regulations management the management of the organization ought to identify new risks and plan for them. A track of the current risks should be kept in checking whether the risks reassessment in needed, any of the conditions of risk have been triggered and monitoring any risk which may be critical over a duration and tackling the other risks requiring a managed, planned and longer-term approach with risk action plans.

5.5 Suggestions for Further Studies

The study aimed at investigating how the organization performance of SC Johnson and Son Kenya Limited is affected by the enterprise risk management which was conceptualized in terms of the of internal and external regulations compliance, incident management, risk indicators identification and risk control self-assessment. Therefore, the study suggests that further researches be done to focus on different conceptualization of enterprise risk management towards improving the organization's performance. Additionally, other studies should be done that focus on the performance of other organization apart from SC Johnson and Son Kenya Limited.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

David Kemboi,
Kenyatta University,
P.O. Box 43844-00100
Nairobi.
Tel. No. +31629410345

Dear Sir/madam,

RE: REQUEST FOR DATA COLLECTION

I am David Kemboi, a student at Kenyatta University studying MBA (Strategic Management) Kenyatta University. My study topic is: enterprise risk management and organizational performance of Sc Johnson, Kenya. The study findings will be utilized in recommending the best enterprise risk management strategies to be employed in attaining better performance.

Confidentiality of the obtained data will be assured and will be solely for academic work.

Thank you for

Yours sincerely,
David Kemboi

APPENDIX II: QUESTIONNAIRE TO STAFF MEMBERS

Section A: Demographic Data

1. Kindly indicate your gender?
 - a. Male
 - b. Female

2. Kindly indicate your age bracket
 - Below 25 years ()
 - 25-35 years ()
 - 35- 45 years ()
 - 45 – 55 years ()
 - 55 -65 years ()
 - Above 65 years ()

3. What is your highest level of education?
 - a. No primary education
 - b. Certificate
 - c. Diploma
 - d. Bachelors
 - e. Masters
 - f. PhD

4. Kindly indicate how long you have served in SC Johnson Limited
 - a. 2 – 5 Years
 - b. 6 – 10 years
 - c. 11 – 15 years
 - d. 16 – 20 years
 - e. Above 21 years

Section B: Enterprise Risk Management

5. To what extent do these statements relate to ERM? Where: 1= strongly disagree; 2- Disagree; 3=moderately agree; 4=Agree; and 5; strongly Agree.

Enterprise Risk Management					
Risk and Control Self-Assessment	1	2	3	4	5
i. In mapping risks, survey techniques/ self-assessment is used by the business unit					
ii. Risk management process and organizational mission have a link					
iii. The organization indirectly and directly offers guidance on identifying risk					
iv. When executive management team or board of directors are identifying risk, risk identification tools like analysis of the situation, threats, opportunities, weakness and strengths analysis are mostly utilized					
v. Line managers mostly these techniques: brainstorm and examine oversees/local experience					
vi. A comprehensive inventory of business risk has been established by the organization and managers are expected to manage					
vii. In identifying risk executive management team/ board of directors/ come after line managers					
Risk Indicators Identification					
i. In determining vulnerability, financial resources of the company are assessed and then plans are developed for minimizing the impact					
ii. To capitalize on opportunity development, underutilized capacity is identified from the practice					
iii. The organization engages its staff in the identification of risk indicators					
iv. The organization's techniques of responding included risk acceptance, risk sharing, risk reduction and risk avoidance					

Incident Management					
i.	Brand, competence, systems, culture, operations and strategy are some of the issues for identifying both characteristics and risk				
ii.	Risk mitigation strategies are determined and developed by the company's business units				
iii.	Linking of strategies of the organization to its objectives is done by the existing risk management implementation team				
iv.	Major risk types (legal, hazard, financial, operational and strategic) impact is integrated using the company's given process				
v.	Key risks are quantified by the organization to the best possible degree				
vi.	The company addresses resource constraints, outlines a way to be followed in risk management, considers other risk management methods				
Internal and External Regulations Compliance					
i.	Supposed ERM benefits in increasing ability to meet strategic goals				
ii.	Supposed ERM benefits in measuring business units' risk -adjusted performance				
iii.	In the risk management process, the board of directors is involved actively				
iv.	All managers positions in the organization have risk management responsibility incorporated				
v.	Risk management benefit statement, value proposition, mission statement has been communicated to the senior managers by the organization				
vi.	executive committee and the board are regularly briefed on issues of risk management				

vii. There is a common language that is corporate- wide used to communicate risk monitoring efforts, control happenings and exposure					
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6. With regards to the parameters listed, how do you rate SC Johnson performance?

1= to a very large extent 2= Large extent 3= moderate extent 4= small extent 5= very small extent

Organizational Performance	1	2	3	4	5
In performance of its mandate, the firm is efficient					
In-service delivery, the organization is effective					
For years customers have been retained by the firm					
The company clientele is good					
New products are developed for the customers by the company and it has been innovative					

“THE END”

APPENDIX III: APPROVAL OF RESEARCH PROPOSAL



KENYATTA UNIVERSITY
GRADUATE SCHOOL

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

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 1st April, 2021

TO: David Kemboi Kipkorir
C/o Business Administration Dept.

REF: D53/OL/25403/2013

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 31st March, 2021 approved your Research Project Proposal for the MBA Degree Entitled, "Enterprise Risk Management and Organizational Performance of SC Johnson and Son Kenya Limited".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.


JACKSON LUVUSI
FOR: DEAN, GRADUATE SCHOOL



c.c. Chairman, Business Administration Department.

Supervisors:

1. Dr. Samuel Maina
C/o Department of Business Administration
Kenyatta University

JL/mn

**APPENDIX IV: RESEARCH AUTHORIZATION FROM KENYATTA
UNIVERSITY GRADUATE SCHOOL**



**KENYATTA UNIVERSITY
GRADUATE SCHOOL**

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

P.O. Box 43844, 00100
NAIROBI, KENYA

Website: www.ku.ac.ke

Tel. 8710901 Ext. 57530

Our Ref: D53/OL/25403/2013

DATE: 1st April, 2021

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

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR DAVID KEMBOI KIPKORIR –
REG. NO. D53/OL/25403/2013

I write to introduce Mr. David Kemboi Kipkorir who is a Postgraduate Student of this University. He is registered for MBA degree programme in the Department of Business Administration.

Mr. Kipkorir intends to conduct research for a MBA Project Proposal entitled, “Enterprise Risk management and Organizational Performance of SC Johnson and Son Kenya Limited”.

Any assistance given will be highly appreciated.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'E. Kimani', written over a circular official stamp.

**PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL**



EK/nn