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**INFLUENCE OF COMBINATION STRATEGIES ON ORGANIZATIONAL  
PERFORMANCE OF DEPOSIT TAKING SACCOS IN KENYA**

**MARK FANDE MJAMBILI**

**149564**

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENT FOR THE DEGREE OF MASTER OF COMMERCE**



**NAIROBI, KENYA**

**MAY 2024**

## DECLARATION

I affirm that the work in question has not been earlier submitted and authorized for the conferral of a degree by this or any other institution of higher education. As far as I know and believe, the research project does not include any content that has been previously published or authored by someone else, unless proper citation is provided within the thesis.

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Mark Fande Mjambili

149564

Signature:



Date: 6<sup>th</sup> May 2024

**APPROVAL**

This thesis of Mark Fande Mjambili has been submitted for examination with due approval of the following:

**Supervisor:**

Dr. Geoffrey Injeni

Lecturer

Strathmore Business School

Signature:



Date: 6<sup>th</sup> May 2024

## ACKNOWLEDGEMENT

I express my gratitude to the divine being for providing me with direction and excellent physical well-being, which has allowed me to successfully navigate this voyage. I would like to express my heartfelt appreciation to Dr. Geoffrey Injeni, my supervisor, for his comprehensive analysis, advice, and support. Finally, I would want to extend my appreciation to my fellow students at SBS for your responsibility and support.



## DEDICATION

I dedicate my thesis work to my wife Lynette, children Ivan and Jasmine whose love, support and encouragement have enriched my soul and inspired me to pursue this research.



## ABSTRACT

Deposit taking Saccos have an essential role in the financial sector in Kenya's economy. Generally, deposit taking Saccos have registered increased performance. However, several Saccos have not been performing well forcing SASRA to take drastic action to protect member deposits. The study sought to determine the influence of combination strategies on organizational performance of deposit taking Saccos in Kenya. The study was guided by the following objectives: to determine effect of financing strategy on organizational performance of deposit taking Saccos in Kenya, to determine effect of relationship marketing strategy on organizational performance of deposit taking Saccos in Kenya, to determine effect of innovation strategy on organizational performance of deposit taking Saccos in Kenya, to determine effect of human resource focus strategy on organizational performance of deposit taking Saccos in Kenya. Resource-based view and diffusion of innovation theories anchored this research. The study adopted a descriptive cross-sectional design. The study comprised of 176 deposit taking SACCOs in Kenya that formed the unit of analysis with operations managers forming the unit of inquiry. After selecting 132 operations managers at random using a simple random selection approach, the research's sample size was determined using the Yamane formula. A structured questionnaire was used to gather primary data. Content and construct validity, together with reliability as measured by Cronbach's alpha, were investigated throughout the piloting phase to establish validity. Statistical methods for both descriptive and inferential analysis were used to examine numerical data. Mean, percentage, standard deviation, and frequency were all part of the descriptive analysis, whilst correlation, linear and multiple regression were part of the inferential analysis. Visual representations of the data included tables, charts, figures, and models. The strategies account for 66.4% significant variance in organizational performance of DTSs ( $R^2 = .664$ ,  $P=0.000$ ) implying that 33.6% of the variance in organizational performance of DTSs is accounted for by other variables not captured in this model. The study recommended that implementing robust monitoring and evaluation frameworks is crucial for assessing the effectiveness of combination strategies. Sacco managers should establish key performance indicators aligned with strategic objectives and regularly evaluate the impact of implemented strategies. This iterative process allows for adjustments and refinements based on real-time feedback and evolving market conditions. Further studies should focus on other combination strategies such as growth and expansion strategies.

## DEFINITION OF TERMS

**Combination Strategies** refers to combination of tactics used in various businesses at different periods or all at once including strategies for stability, growth, functionality and expansion.

**Innovation strategy** are customized applications of better solutions, including effective organizational products, processes, services, technologies, readily available to markets and Sacco customers.

**Financing strategy** is a capital raising approach used by organizations to ensure they operate at core capital levels so as to cost effectively run their operations, meet shareholder value and realize a return on investment.

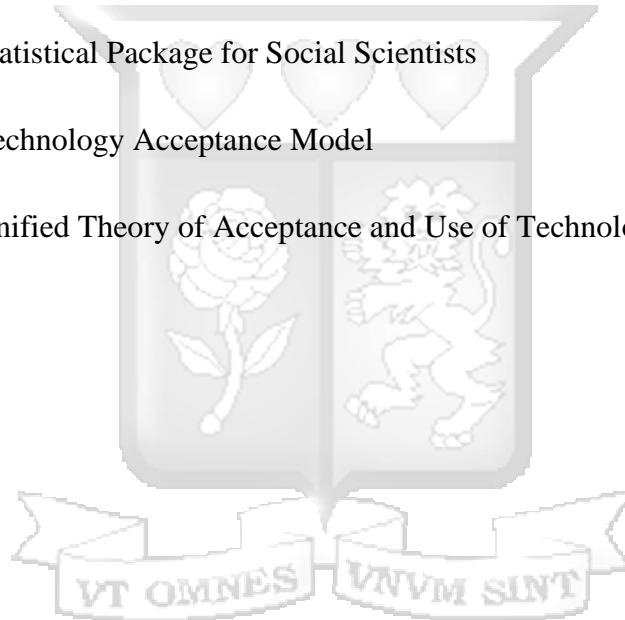
**Human resource focus strategy** entails key human resource development approaches that organizations use to attract and retain high skilled/talented workforce.

**Relationship marketing strategy** includes developing lasting connections with clients; instead of promoting a one-time purchase, relationship marketing seeks to cultivate client loyalty via the delivery of exceptional goods and satisfactory services.

**Organizational performance** refers to the ability of an organization to achieve its goals and objectives in an effective and efficient manner. It's a multi-dimensional concept that encompasses various aspects of how well an organization functions in respect to the profit level, customer loyalty and share of market of an organization.

## ABBREVIATION AND ACRONYMS

<b>ATM</b>	Automated Teller Machine
<b>DTS</b>	Deposit Taking Saccos
<b>POS</b>	Point of Sales
<b>ROA</b>	Return on Assets
<b>ROI</b>	Return on Investment
<b>SACCOS</b>	Savings and Credit Co-operative Societies
<b>SPSS</b>	Statistical Package for Social Scientists
<b>TAM</b>	Technology Acceptance Model
<b>UTAUT</b>	Unified Theory of Acceptance and Use of Technology

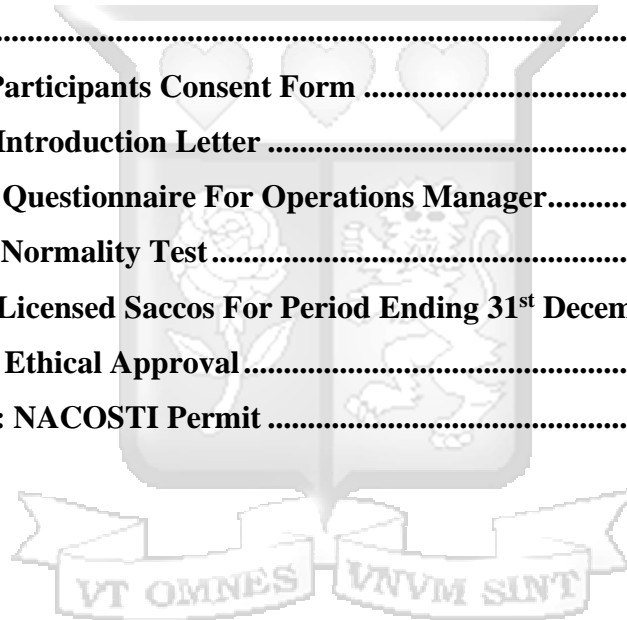


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## CHAPTER 1: INTRODUCTION OF THE STUDY

### 1.1 Background of the Study

The success of enterprises relies on organizational performance, which refers to their capacity to effectively execute plans in order to accomplish institutional objectives (Afrianda, Siswanti, & Nawangsari, 2023). Ngii and Wambua (2019) argue that the key factor in achieving organizational performance via organizational development is to focus on enhancing organizational learning, with the aim of positively influencing organizational performance. Effective coordination of responsibilities is crucial for enhancing organizational performance, leading to increased effectiveness and utility of the organization's operations (Theodosiou, Kehagias & Katsikea, 2022). Efforts should be made to enhance organizational performance in order to optimize the effectiveness of organizational programs (Meroño-Cerdán, López-Nicolás & Molina-Castillo, 2018). Conversely, Maher and Andersson (2017) contend that the performance outcomes of an organization are influenced by its achievements in the market and the fundamental changes that occur over a specific time period.

Deposit-taking Savings and Credit Cooperative Organizations (SACCOs) play a crucial role in fostering financial inclusion and promoting economic empowerment, both globally and within Kenya. Globally, SACCOs have witnessed significant growth over the past decade, with millions of members benefiting from their services (Colak & Oztekin, 2021). According to recent statistics from the World Council of Credit Unions (WOCCU), there are over 85,000 credit unions and SACCOs worldwide, serving more than 274 million members and holding approximately \$2.1 trillion in assets. Estimates indicate over USD 1 trillion in annual loan disbursements globally (WOCCU, 2023). Credit unions hold a substantial market share in several Latin American countries, ranging from 10% to 40%. They play a crucial role in financial inclusion, especially for unbanked populations. Overall, the region boasts over 80 million members and USD 200 billion in assets distributed across credit unions (WOCCU, 2023).

Deposit-taking Savings and Credit Cooperative Organizations (SACCOs) play a crucial role in fostering financial inclusion and promoting economic empowerment across Africa. Regionally, SACCOs have emerged as key drivers of financial inclusion, with countries like Uganda, Tanzania, and Rwanda experiencing notable growth in their SACCO sectors.

In Uganda, for example, SACCOs, also known as credit unions, have expanded rapidly, serving millions of members and contributing significantly to the country's financial sector. As of December 2022, there were 1,771 registered SACCOs in Uganda, according to the Uganda Cooperative Savings and Credit Societies (UCSCU). The total membership of SACCOs reached 10.6 million in 2022, reflecting a 3.8% increase from 2021 (UCSCU, 2023). SACCOs' total assets reached UGX 13.7 trillion (approximately USD 3.86 billion) in 2022, reflecting a 12.5% increase from 2021 (UCSCU, 2023). Total deposits mobilized grew by 14.1% to UGX 9.3 trillion (approximately USD 2.61 billion) in 2022 compared to 2021 (UCSCU, 2023). SACCOs issued loans and other credit advances amounting to UGX 8.2 trillion (approximately USD 2.3 billion) in 2022, an 11.4% increase from 2021 (UCSCU, 2023). In Tanzania, SACCOs have evolved into important financial intermediaries, providing essential services to individuals, small businesses, and rural communities. Similarly, Rwanda has witnessed the proliferation of SACCOs, particularly in rural areas, where they play a vital role in mobilizing savings and providing credit to underserved populations.

Deposit-taking Savings and Credit Cooperative Organizations (SACCOs) are integral to Kenya's financial landscape, playing a significant role in promoting financial inclusion and economic empowerment. Over the years, SACCOs in Kenya have experienced remarkable growth, with millions of members and substantial assets under management. They serve diverse segments of the population, including individuals, small businesses, and informal sector workers, providing them with a pathway to savings, credit, and other financial services. As at December 2022, there were 18,109 registered SACCOs in Kenya, according to the Sacco Societies Regulatory Authority (SASRA). The total membership of SACCOs reached 6.42 million in 2022, reflecting a 7.02% increase from 2021 (SASRA, 2023). SACCOs' total assets reached Kshs 890.31 billion in 2022, reflecting a 10.31% increase from 2021 (SASRA, 2023). Total deposits mobilized grew by 9.84% to Kshs 620.45 billion in 2022 compared to 2021 (SASRA, 2023). SACCOs issued loans and other credit advances amounting to Kshs 680.35 billion in 2022, an 11.76% increase from 2021 (SASRA, 2023).

#### 1.1.1 Combination Strategies

A Combination strategy involves the simultaneous implementation of other core strategies, such as stability, growth, or retrenchment (Balioukas, Llopis, Gasco &

Gonzalez, 2023). A corporation may use a variety of significant strategies in conjunction with another company, whether in the same industry or a different one, at certain intervals to enhance operational effectiveness. Corporate strategy may benefit from mergers and acquisitions (Wairimu & Osieko, 2021). In most cases, they correspond to decisions taken at the business level and reflect a collection of choices made in different operational areas of a company. A company's objectives and strategy may be advanced via these decisions by making the most of its resources (Michira & Anyieni, 2018).

Many businesses, particularly large ones operating in complex environments, don't rely solely on a single grand strategy (growth, stability, retrenchment). A combination strategy allows them to tailor their approach to different business units or market segments (Rakesh, Ravishankar & Singh, 2022). Combining elements of different grand strategies can create synergies. For instance, a company might use stability for its core business while pursuing growth opportunities in new markets (combination of stability and expansion). The business landscape is often dynamic and multifaceted (Hunger, 2020). A single grand strategy might be too rigid to capture the nuances of real-world situations. Combination strategies allow for a more flexible response to changing circumstances (Popescu, 2018).

Operationalizing combination strategies varies considerably among scholars, although five prevalent approaches dominate extant literature: sequential, parallel, hybrid, modular, and nested implementations (Teece, 2018). Sequential adoption unfolds chronologically, transitioning from initial baseline methods to subsequent additive ones, exemplified by stage-gate product development processes. Simultaneous execution occurs independently, wherein separate teams tackle discrete tasks concurrently, typified by matrix reporting lines or portfolio diversification. Hybrid modes integrate opposing styles seamlessly, melding components harmoniously, illustrated by open source software ecosystems assimilating proprietary code snippets. Modular architectures decouple subsystems, allowing flexibility, customizability, and interoperability, manifested in platform-based business models. Lastly, nested deployments embed rudimentary routines within sophisticated frameworks, showcased by incremental innovation embedded in disruptive innovation pipelines.

When firms connect their internal environment strategies with the external environment, both globally and locally, there is a higher probability of achieving success with

combination strategies (Liu, 2021). The marketing managers are responsible for determining product awareness, devising advertising tactics, and overseeing consumer engagement with available goods and services. The human resources managers are responsible for overseeing all decisions pertaining to employee management, rewards, policies, and other personnel matters inside the firm. Finance managers are responsible for making choices related to the acquisition of financial resources and the deployment of those resources throughout the firm, along with other accounting procedures (Avigoke, 2018).

Sacco innovations, also known as core banking solutions (4 switch), include mobile banking, branchless banking, agency banking, and Point of Sales services. Electronic payment innovation emerged as a solution to address issues of trust and security in financial transactions between buyers and sellers. Therefore, it may efficiently enhance the ease and suitability of conventional cash payments, money transfers, and bank card payments by using cutting-edge technology for payment facilitated by the internet, therefore reducing the need for manual transactions (Tam et al., 2020). Soetan, Mogaji, and Nguyen (2021) argue that in several countries, banks and other commercial financial service providers are increasingly exploring alternative methods to generate revenue by providing financial services to those who lack access to traditional banking via the use of an agent banking system. Certain commercial banks provide banking and payment services via retail establishments, such as grocery shops, pharmacies, and petrol stations, among others.

Firms have placed significant emphasis on marketing strategy as a tool to achieve overall organizational success. In their study, Bomiegha and Kalu (2018) defined marketing strategies as including promotion, price, distribution, and product standardization and adaptability. In contrast, Mulaa, Kilika, and Namusonge (2021) used product, pricing, and physical evidence tactics as their marketing approaches, whilst Njogu and Kipkorir (2022) expanded their research on flower business performance to include price, network distribution, quality, and promotion. Cheng et al. (2017) stated that pricing, promotion, and distribution have a substantial impact on marketing strategy. This notion was explored in the present study.

Finance strategy is a crucial aspect of each organization's performance and it was operationalized as budgeting, creditworthiness, risk management, review and evaluation

by Omopariola and Windapo (2019). Further, decisions on capital structure, dividend policy, techniques of investment appraisal, management of working capital were the financial strategies used by Hasan (2018). Njogu and Kipkorir (2022) evaluated financial strategies as dividends, working capital and investment. The current study operationalized finance strategy as dividends, capital structure and working capital as Yakubu et al (2019) who suggested that they are significant indicators of finance strategy.

Human resource management strategy is a special function of management tasked to ensure that all decisions that relates to employee's management and rewards of the organization are undertaken. In their study, Njogu and Kipkorir (2022) assessed the HRM approach by examining its components, which include resourcing, training, development, reward, and assessment methodologies. Muha (2022) employs HRM practices such as absorption and employment, development, performance management, service pay, and workers' relations. The present research views HRM strategy as including recruiting, training, and incentives, as proposed by Wamiti (2021), who asserts that these factors serve as important indicators of HRM strategy.

#### 1.1.2 Organizational Performance of Deposit Taking Saccos

Organizational performance refers to the tangible results achieved in comparison to the desired outcomes (Kenny, 2019). According to Duong, Phan, Hoang, and Vo (2020), organizational performance refers to the data on the accomplishment of both financial and non-financial goals of the business. According to Ole Kulet, Wanyoike and Koima (2019), organizational performance consists of the output of the organization compared to its objectives and goals. Organizations are very significant and thus, effective organizations characterize a key factor for the developing countries. The primary focus of most businesses is consistently on performance, since organizational development and progress can only be achieved via effective performance (Hammond, 2018). Hsiao and Kelly (2018) said that in order to achieve optimal organizational performance in Pakistan, it is essential for firms to adapt to the evolving business environment. Moreover, Augustine, Inyang, and Ekpe (2021) said that in the current turbulent business environment, characterized by uncertainty and a lack of global foresight, achieving organizational performance is very difficult and necessitates the implementation of strategies to assure long-term viability.

Ranasinghe and Mallika (2018) argue that in order to enhance organizational performance, it is crucial for firms in Nigeria to take strategic positions that would effectively enable them to maintain market share. Managers should prioritize constructing their organizational strategies to be client-focused and realistic in order to achieve customer retention and higher sales volumes. Factors that assess organizational success include the quality of services and goods, customer satisfaction, market performance, staff performance, and service innovations. The organization's success is evaluated based on return on investment, sales margins, customer satisfaction, and product quality. Organizational success may be assessed by evaluating the return on investment, sales growth, market share, and profitability (Japheth & Wanjira, 2021).

Škerlavaj, Štemberger, and Dimovski (2017) defined organizational performance by measuring the quality of services, productivity levels, and innovation rate. They discovered a positive correlation between these factors and greater organizational performance. Croteau and Bergeron (2021) conducted a study on organizational performance, examining the financial perspectives of top managers, organizational growth, productivity, employee turnover, and retention in relation to direct competitors. Ugoani and Ugoani (2017) assessed organizational performance by specifically analyzing return on investment and sales growth, finding a significant and positive correlation between these variables. In the present research, organizational performance was defined as the measurable outcomes of profitability, sales volume, customer retention, efficiency, and market share. These indicators were identified by Njogu (2022) as key factors in assessing organizational performance.

Organizational performance measures like profits, sales volumes and customer retention are of great interest to senior management and investors in any organization. They should be objective and coupled with meaningful references like the past performance of the organization. Profits and sales volumes are usually articulated, highlighted and emphasized in the annual reports to the stakeholders (Nkechi, 2018). Customer retention is a measure that provides an insight on how customers see the organization (Derbew, 2019). Organizations use various strategies to retain customers like rewarding regular customers.

The choice of performance measures in the study, including customer loyalty, market share, and profitability, is justified based on established literature emphasizing the

strategic importance of these metrics for assessing organizational performance, competitiveness, and long-term sustainability in various industries, including deposit-taking SACCOs in Kenya.

Customer loyalty refers to the extent to which customers consistently choose a particular brand or organization over others, often leading to repeat purchases and positive word-of-mouth referrals. In the literature, customer loyalty is widely recognized as a crucial indicator of business success and long-term sustainability. Studies have shown that loyal customers tend to be more profitable, as they often spend more, are less price-sensitive, and are more likely to recommend the brand to others (Méndez-Suárez, 2021; Mbogo, 2020). Therefore, measuring customer loyalty through metrics such as customer retention rates, repeat purchase frequency, and Net Promoter Score (NPS) aligns with established literature on the importance of retaining satisfied customers for sustained profitability and growth (Kamande & Maina, 2019).

Market share refers to the percentage of total sales within a specific market that a company captures. It is a key indicator of a firm's competitive position and its ability to attract and retain customers relative to competitors. Research in the literature consistently emphasizes the importance of market share as a driver of profitability and long-term success (Chirwa & Boikanyo, 2022; Mukira, Kariuki & Muturi, 2022). Higher market share can lead to economies of scale, greater bargaining power with suppliers, and increased brand recognition. Therefore, measuring market share through metrics such as revenue share, unit sales share, or customer share aligns with the literature's emphasis on the strategic significance of market dominance for sustainable profitability and growth (Bomieghe & Kalu, 2018).

Profitability measures the financial performance of a company by assessing its ability to generate profit relative to its expenses and investments. It is a fundamental metric for evaluating business performance and viability. In the literature, profitability is considered the ultimate goal of business operations, as it directly impacts shareholder value and organizational sustainability. Studies consistently highlight the relationship between profitability and other performance indicators such as customer loyalty and market share, emphasizing the importance of achieving a balance between revenue growth and cost management (Afrianda, Siswanti & Nawangsari, 2023; Ryńca & Ziaieian, 2021). Therefore, measuring profitability through metrics such as return on assets (ROA), return

on equity (ROE), and net profit margin aligns with the literature's recognition of profitability as a critical determinant of overall business success and competitiveness (Abbas, Balsalobre-Lorente, Al-Sulaiti & Aldereai, 2024).

### 1.1.3 Deposit Taking SACCOs in Kenya

Savings and Credit Cooperative societies (SACCOs) are prominent and significant societies in Kenya (Kiyieka & Muturi, 2018). They possess different characteristics and exhibit distinctive qualities in contrast to other cooperatives. Its primary objective is to facilitate the accumulation of savings and provide lending services to its members. Financial services include the provision of savings and credit facilities. SACCOs are categorized alongside financial intermediating cooperatives, such as housing cooperatives and investments (SASRA, 2018). The SACCO subsector in Kenya is recognized and authorized by law. In Kenya, there are a total of 176 deposit-taking SACCOs, according to SASRA's report in 2022.

A growing number of Kenyan Savings and Credit Cooperative Organizations (Saccos) are experiencing the negative consequences of mismanagement, fraud, and non-performing loans. These issues have caused the Sh1 trillion industry to become unstable, and if not addressed, may have a detrimental impact on the overall economy (Ahmed & Rugami, 2019). At danger are significant amounts of money, amounting to hundreds of billions of shillings, belonging to members who have either lost their savings or face the possibility of losing them. This situation arises when an increasing number of financially distressed Savings and Credit Co-operative Societies (Saccos) become apparent. In response to the escalating situation, the State Department for Co-operatives has enlisted the assistance of the Ethics and Anti-Corruption Commission (EACC) to conduct an inquiry and bring legal action against corrupt individuals. The objective is to safeguard the savings of approximately 14 million Kenyan citizens who are members of Saccos (Odhiambo, 2019).

As per the SASRA report of 2019, it was found that three Saccos together suffered a loss of almost Sh3.6 billion due to mismanagement or deliberate fraud committed by its officers and board members (SASRA, 2019). During the same year, seven saccos were deregistered because of severe cash issues and other corporate governance difficulties that necessitated decisive measures. Furthermore, it seems that four Saccos, who were granted a complete license in 2019, have regressed and are now operating on a temporary permit as a result of mismanagement. In 2020, the licenses of three Saccos were cancelled by the

Sacco Societies Regulatory Authority. Consequently, these three financial co-operatives have stopped providing Front Office Service Activity (FOSA) and have instead turned to Back Office Service Activity (BOSA). In addition, the industry regulator has now placed 12 more Deposit-Taking Savings and Credit Co-operative Societies on a watchlist. Four Saccos were deregistered in 2021. The termination of the licenses signifies that the four unions were facing significant cash issues and other corporate governance difficulties that necessitated decisive measures (SASRA, 2021).

## **1.2 Problem Statement**

Deposits taking Saccos are prominent entities in the financial industry that significantly contribute to the growth of Kenya's economy. While several deposit taking Saccos have shown improved overall performance, a number of Saccos have had poor performance. In 2018, the proportion of non-performing loans (NPL) to the total amount of loans rose from 9.6 percent that was for the previous year 2017 to 12.6 percent. Additionally, pre-tax earnings saw a fall of 8.4 percent in 2018. SASRA (2021) suggests that the underperformance of SACCOs in Kenya might be attributed to mismanagement, inadequate strategy, and intense competition from other financial institutions. This is evident by the profits which have reduced by 8.4 percent in the year 2018 and further by 1.3% in 2022 (SASRA, 2023). As a result, other measures were implemented, such as the withdrawal of licenses, the removal of Saccos from official registration, and the placement of others on a monitoring list, all of which had an impact on the financial assets of the members.

Rose (2017) examined the funding practices of around 730 commercial banks in the United States that were supposedly facing a financial crisis. Nevertheless, the research failed to describe the specific basic methods used to raise funds, a deficiency that will be rectified by this study. Tam et al. (2020) investigated the impact of financing techniques on the overall financial performance of commercial banks in Vietnam. However, the previous research just examined the financing strategy in the context of corporate banking. This study aims to fill this gap by specifically investigating dividend policy, investment partnerships, and other methods of generating money.

In their study, Bomiegha and Kalu (2018) discovered a favourable and statistically significant correlation between relationship marketing and sales success in Nigeria. In addition, it was discovered that there was a contextual gap in understanding the notion of

relationship marketing. This research aimed to contribute to the existing knowledge by providing definitive data on the link between relationship marketing and performance. Mulaa et al. (2021) conducted a study in Nairobi, Kenya to investigate the impact of strategic innovation capabilities on the performance of medium and large supermarkets managed by vendors. The investigation was done inside a supermarket setting, resulting in a notable contextual void. This study focused on innovation capabilities which is relative in regards to organizational factors.

Therefore, this study sought to fill these gaps by examining the influence of combination strategies on organizational performance of deposit taking saccos in Kenya.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The study sought to determine the influence of combination strategies on organizational performance of deposit taking saccos in Kenya.

#### **1.3.2 Specific Objectives**

The study was guided by the following objectives:

- i. To determine effect of financing strategy on organizational performance of deposit taking Saccos in Kenya
- ii. To determine effect of relationship marketing strategy on organizational performance of deposit taking Saccos in Kenya
- iii. To determine effect of innovation strategy on organizational performance of deposit taking Saccos in Kenya
- iv. To determine effect of human resource focus strategy on organizational performance of deposit taking Saccos in Kenya

### **1.4 Research Questions**

The study sought to answer the following research questions:

- i. What is the effect of financing strategy on organizational performance of deposit taking Saccos in Kenya?
- ii. What is the effect of relationship marketing strategy on organizational performance of deposit taking Saccos in Kenya?

- iii. What is the effect of innovation strategy on organizational performance of deposit taking Saccos in Kenya?
- iv. What is effect of human resource focus strategy on organizational performance of deposit taking Saccos in Kenya?

### **1.5 Significance of the Study**

The study will have theoretical, policy and practical implications. The findings from this research can contribute to the theoretical understanding of strategic management in cooperative organizations, as well as guide policymakers and SACCO managers in their strategic decisions. From a theoretical perspective, this study adds to the body of knowledge in strategic management by exploring how various combination strategies impact the organizational performance of SACCOs. The cooperative sector has unique characteristics, and the insights gained could reveal new patterns of strategic behaviour. This research also provides a deeper understanding of cooperative structures and how they adapt in the face of evolving financial landscapes and increased competition. Furthermore, it sheds light on the concept of strategic synergy and how it correlates with organizational performance, potentially guiding future studies on similar topics.

In terms of policy significance, this study can offer valuable guidance to regulators and policymakers in Kenya. By analyzing the impact of combination strategies on SACCO performance, the study might inform regulatory frameworks that encourage effective strategies while maintaining financial stability and consumer protection. This guidance can help policymakers design supportive programs that foster the growth and sustainability of SACCOs. Moreover, the study's findings could lead to informed policy recommendations, which would support the evolution and resilience of the cooperative sector in Kenya, ultimately benefiting the country's broader economy.

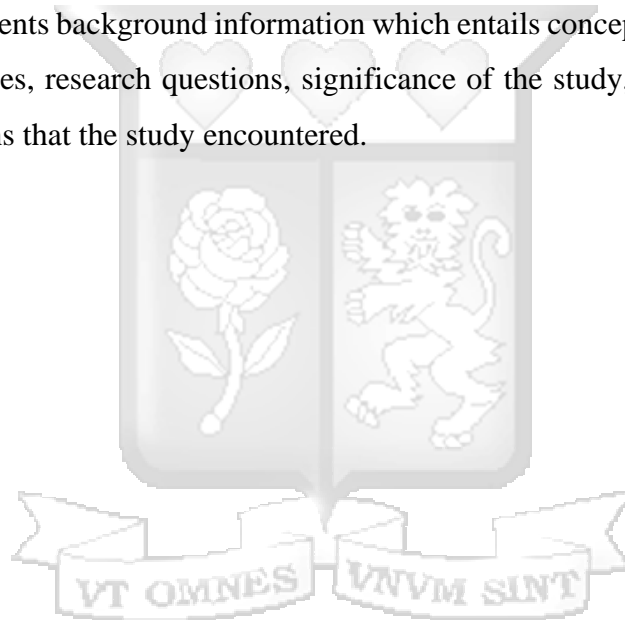
On the practical side, this research provides tangible benefits for SACCO management. The insights from the study can serve as strategic guidance for SACCO leaders, illustrating which combination strategies yield better performance. This information can drive their decision-making processes and help them develop competitive advantages in a rapidly changing market. Additionally, if the study demonstrates that certain combination strategies lead to positive outcomes, it can boost confidence among stakeholders—such as members, investors, and regulators—contributing to a more stable and robust cooperative environment.

## **1.6 Scope of the Study**

The study sought to determine the influence of combination strategies on organizational performance of deposit taking saccos in Kenya. Conceptually, the combination strategies will include financing strategy, relationship marketing strategy, innovations strategy and human resource focus strategy. Resource-based view and diffusion for innovation theories anchored this research. Contextually, the study was limited to 176 deposit taking Saccos in Kenya as shown in Appendix II. The study methodological scope focussed on descriptive research design with quantitative techniques being utilized in the study. The study was conducted between December 2023 and January 2024.

## **1.7 Chapter Summary**

This chapter presents background information which entails concepts, problem statement, research objectives, research questions, significance of the study, scope of the study as well as limitations that the study encountered.



## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

This chapter contains theoretical literature, empirical literature, conceptual framework and operationalization of variables.

### 2.2 Theoretical Review

The main theory of the study was resource-based theory. It was further supported by diffusion of innovation theory as discussed here.

#### 2.2.1 Resource Based View Theory

In 1984, Wernerfelt came up with this notion. The author posited that in an organizational context, resources are those things that the organization has on hand that may be put to use in order to achieve its goals. According to the notion, in order to align internal capabilities with the market context, it is necessary to realign and align the external environment as well (Lockett, Thompson & Morgenstern, 2019). It's possible, according to RBV's postulates, that organizations' Sacco innovations will change over time (Taher, 2022). What this implies is that a company may gain a competitive edge by capitalizing on the distinctiveness of its resources. Arend and Lévesque (2020) argue that if all organizations' resources were identical, then no one organization would have a competitive advantage.

For the resource-based view, it's more important to look inward at an organization, taking into consideration the market conditions it must face and looking for potential reasons to maintain a competitive advantage even after controlling for all external environmental factors (Freeman, Dmytryev & Phillips, 2021). Companies rely on this technique when they plan their plans to increase productivity (Kraaijenbrink, Spender & Groen, 2020). Since the theory is related to the study's overarching goal—to ascertain the impact of combination techniques on the performance of deposit-taking saccos in Kenya—it will be relevant to the present investigation. Combination strategies are conceptualized with an emphasis on human resources, SACCO innovation, relationship marketing, and financing.

The Resource-Based View (RBV) theory emphasizes the role of internal resources and capabilities in achieving competitive advantage and superior performance. In the context of the influence of combination strategies on the performance of Deposit Taking SACCOs (DTSS) in Kenya, RBV suggests that the effective utilization and integration of

organizational resources such as financial innovation, relationship marketing, and human resource strategies contribute significantly to performance outcomes. By combining these diverse strategies, SACCOs can leverage their unique resource configurations to create value, differentiate themselves from competitors, and ultimately enhance their overall performance. Thus, RBV provides a theoretical framework to understand how the combination of various strategies can lead to improved performance outcomes in the SACCO sector.

### 2.2.2 Diffusion of Innovation Theory

According to Rogers's (1983) theory, many factors impact the spread of innovations. These include the technology's relative advantage, compatibility, complexity, trialability, and observability (Kaminski, 2021). Relative advantage refers to how much better the technology is compared to existing tools. Compatibility refers to how well the technology fits in. Due to their lack of mutual exclusivity, these factors cannot be used to forecast the pace or magnitude of innovation dissemination.

In their 2018 publication, Dearing and Cox added to the list of innovation traits. Three of the seven features of innovation—relative advantage, compatibility, and trialability—are taken straight from Rogers. According to Sartipi (2020), complexity is closely related to the other attribute, ease of use. Due to the fact that each person has their own unique perspective, relative advantage and simplicity of use are inherently subjective qualities.

Here, the innovation diffusion theory explains how organizations make decisions about new innovations. It's applicable to this study because it sheds light on how features of banking innovations, such as mobile banking, agency banking, and point-of-sale systems, interact to influence their adoption in the industry and, ultimately, the performance of deposit-taking Saccos.

The Innovation Diffusion Theory (IDT) can be linked to the influence of combination strategies on the performance of Deposit Taking SACCOs (DTSs) in Kenya by highlighting how the adoption and integration of multiple innovative strategies spread across the SACCO sector. IDT posits that the adoption of innovations follows a predictable pattern, influenced by various factors such as communication channels, social networks, and perceived relative advantage. In the context of combination strategies in SACCOs, IDT suggests that the diffusion of innovative practices, such as financial

innovation, relationship marketing, and human resource strategies, among others, can positively influence performance outcomes. As SACCOs observe the successful implementation of these strategies by others in the industry, they are more likely to adopt and integrate similar approaches into their operations, leading to improved performance. Therefore, IDT provides insights into how the diffusion of innovative combination strategies can drive performance improvements within the SACCO sector in Kenya.

### **2.3 Empirical Literature**

This section presents literature of previous studies in regards to combination strategies and performance.

#### **2.3.1 Financing strategy and Organizational Performance**

Financing strategy refers to the approach an organization takes to manage its capital, raise funds, and allocate resources to meet its operational and strategic goals (Ahmed & Siddiqui, 2019). In the context of deposit-taking SACCOs in Kenya, financing strategy plays a crucial role in ensuring financial stability, supporting growth, and facilitating member services. A sound financing strategy involves a mix of internal and external funding sources, with a focus on maintaining liquidity and managing risk. SACCOs often rely on member deposits as a primary funding source, but they may also explore external financing options like bank loans or partnerships to meet capital needs (Enos et al., 2023). Effective financing strategies enable SACCOs to expand their services, invest in technology, and support members' financial goals. By balancing cost, risk, and flexibility, SACCOs can optimize their capital structure and drive sustainable growth. Ultimately, a well-planned financing strategy contributes to the overall performance and success of SACCOs, ensuring their ability to meet members' needs while maintaining financial stability (Agani, 2022).

A study conducted by Karuntimi (2022) looked at the connection between the financial success of Kenyan real estate enterprises and their financing strategies. Using secondary data collected from 55 real estate businesses over a six-year period (2015–2020), the research drew its conclusions. Panel estimating approaches were carried out in the data analysis. Financial performance of real estate companies is significantly impacted by financing techniques, according to the study's empirical data. Financial performance was positively affected by private equity, joint venture, and mortgage financing. However, this

effect was not statistically significant. The impact of retained profits on financial performance was favourable and statistically significant although the study only used retained earnings.

In their 2019 study, Raude, Wesonga, and Wawire aimed to determine the reason for this failure by examining the relationship between SMEs' performance and their financing strategy in Kakamega Municipality, Kenya. This study used a descriptive survey research design to get the data it needed from interviews with company executives and a questionnaire with yes/no questions to gauge participant interest and understanding. A better understanding for designing lending policies, a mechanism for regulating and controlling the volume of credit to SMEs, a complement to existing studies and knowledge on optimization of performance, and a boost to further research in this area are all reasons why this study was important to stakeholders in the financial sector, investors, the business community, the government, and the general public. There was a robust relationship between SMEs' performance and their equity financing strategy, according to the research. The study also revealed that small and medium-sized enterprises (SMEs) in Kakamega Municipality, Kenya were severely lacking in funding although the study only used equity financing.

Using statistical models in 125 SMEs in the State of Aguascalientes, Mexico, such as linear regression and ANOVA, Florido, Adame, and Tagle (2019) found a strong positive relationship between financial management aspects like liquidity and leverage and increased performance of SMEs. Yator and Gitagia (2023) evaluated the effect of retained earnings on SMEs, while Florido, Adame, and Tagle (2019) sought to identify strategies to improve the performance and development of SMEs. The study's goals were investigated using a descriptive research approach. Enterprises participating in the Nairobi Securities Exchange's manufacturing sector were the units of analysis. Seven (7) manufacturing enterprises registered in the Nairobi Securities Exchange made up the study's sample frame. Based on a census, the research included all seven (7) manufacturing enterprises registered in the Nairobi Securities Exchange, even though the target population is tiny. Manufacturing companies registered on the Nairobi Securities Exchange had their short-term and long-term debt, retained profits, and return on equity (ROE) measured using secondary data. Equity funding does, in fact, affect the financial

performance of manufacturing businesses listed on the Nairobi Securities Exchange, according to the study's conclusions.

The impact of financing strategies on the long-term viability of manufacturing enterprises in Nakuru, Kenya was studied by Korir and Kibati (2019). The researchers in this study used a descriptive survey approach. Manufacturing company general managers and finance managers in Nakuru town, Kenya, were the intended subjects of the research. Trenton, New Jersey, has 33 general managers and 33 financial managers as its target demographic. The data was gathered by means of surveys that were designed on a 5-point Likert scale. The research found that manufacturing enterprises in Nakuru town that had access to equity funding were more likely to be financially sustainable. It follows those industrial enterprises in Nakuru town, Kenya, were significantly impacted by equity financing in terms of their financial sustainability, according to the research.

The impact of various financing strategies on the financial performance of listed enterprises in Kenya, as measured by return on assets and return on equity, is investigated by Omollo, Muturi and Wanjare (2018). Forty non-financial companies traded on the Nairobi Securities Exchange from 2009 to 2015 were examined. In both OLS and RE, the empirical data reveal that overall debt, as well as short-term and long-term debt, significantly reduces returns on assets. In spite of this, returns on equity are unaffected by the debt measures using any of the available estimating techniques. These contradictory empirical findings partly corroborate the hypotheses of Modigliani and Miller and partly adhere to the trade-off. Therefore, in order to function at their best, financial managers should tweak their debt levels. To counteract the default risks linked to overleveraging, financial institutions should limit company financing to the point of maximum profitability.

The purpose of the study by Enos, Nderitu, and Muthoni (2023) was to examine how small and SMEs in Bungoma County, Kenya, fared after receiving equity funding. Using a simple random selection approach, 368 of the 4,721 licensed SMEs retail businesses in the county were chosen for the study. In order to gather data, managers and owners of SMEs were asked to fill out standardized Likert scale questionnaires. After that, the validity and reliability of the data gathering tools were tested in a pilot study. Subsequently, inferential and descriptive statistics were used. According to the descriptive data, equity financing is the capital structure choice for most SMEs. Equally encouraging

was the finding that return on equity, return on assets, and return on capital employed had all been on the rise for SMEs. The correlation results for inferential statistics demonstrated a positive association between equity financing and performance. Additionally, the statistical significance of the regression model indicates that equity funding is a key determinant of the variations in SMEs' performance. Researchers found that small and medium-sized enterprises (SMEs) benefited significantly from equity funding.

The purpose of Agani's (2022) research was to analyze how different types of financing strategies affected the bottom lines of Kenyan car dealerships that sold brand-new vehicles. The study used a correlational research approach and relied on secondary data collected from nine different Kenyan new car dealers between 2011 and 2021. Descriptive and inferential statistics were used in the investigation. A regression model with fixed effects was used. The research found that new car sellers in Kenya benefited financially from several forms of financing, including equity, lease, purchase order, and cheque discounting. The results may indicate that a combination of funding options should be considered. Because it allows for more flexibility and efficiency, leasing finance solutions are well-received by businesses.

Using panel data of 70 Pakistani textile firms from 2010 to 2015, Ahmed and Siddiqui (2019) sought to identify the effect of capital structure, particularly loan financing, on company performance. Researchers used the State Bank of Pakistan's Balance Sheet Analysis for their findings. The results show that financial leverage is the key tool used by enterprises to boost their performance. Return on assets grows in proportion to the debt-to-asset ratio. Debt, either short-term (39.2%) or long-term (23.8%), finances about 64.4% of the firm's assets. Even though there is a negative correlation between short-term debt and ROA, more companies are taking out loans for shorter periods of time due to the lower interest rates. Return on assets and long-term debt to assets were also shown to be positively related.

Tam et al., (2020) examined influence of financing strategies on overall financial performance of commercial banks in Vietnam. The results showed that corporate banking significantly improved commercial banks' profitability. A conceptual knowledge gap exists since the study only focussed on financing strategies ignoring other combination strategies. Further, the study was conducted outside Kenya focusing on commercial banks leaving a significant contextual gap in regards to deposit taking Saccos.

### 2.3.2 Relationship Marketing Strategy and Organizational Performance

Relationship marketing strategy emphasizes building long-term relationships with customers rather than focusing solely on individual transactions (Bansal & Surya, 2019). In the context of deposit-taking SACCOs in Kenya, relationship marketing is crucial for fostering member loyalty, enhancing customer satisfaction, and promoting retention. A successful relationship marketing strategy involves personalized communication, understanding customer needs, and delivering consistent value over time. SACCOs that prioritize relationship marketing tend to engage members through various touchpoints, like personalized emails, newsletters, and customer appreciation events. This strategy helps in creating a sense of community and belonging among SACCO members, which, in turn, encourages them to remain loyal customers (Kamande & Maina, 2019). By investing in relationship marketing, SACCOs can increase customer lifetime value, reduce churn, and improve overall satisfaction. This approach also allows SACCOs to gather valuable feedback from members, enabling them to refine their services and better meet member expectations. Ultimately, relationship marketing can drive sustainable growth by fostering deeper connections with members and building a loyal customer base (Yalcinkaya & Bilal, 2022).

The purpose of the study by Zakaria, Rashid, and Abdul (2021) is to assess the nature and direction of the relationship between PESAKA Terengganu Berhad's (a state-owned sawmill company in Terengganu) performance and the three (3) relationship marketing dimensions of communication, commitment, and customer satisfaction. This study used a purposive, systematic sampling technique to choose respondents from a pool of business clients that had done business with PESAKA Berhad for a minimum of one year. The research tool for this study is a questionnaire, which was filled out and returned by seventy-three participants. The descriptive study showed that most people thought relationship marketing had a favourable and substantial impact on PESAKA's success. All of the relationship marketing components were determined to have a somewhat positive association with PESAKA's success, according to the correlation study. Every one of the independent and dependent variables has a positive and statistically significant

association, according to the regression findings. These analyses show that in order for PESAKA to get positive customer perception, the company's leadership should prioritise customer satisfaction and trust. This impression matters because it fosters trust, which in turn increases the likelihood that PESAKA will meet its customers' demands and preferences, which is good for business in the long run.

The correlation between commercial banks in Tanzania's performance and customer relationship management practices was investigated by Kessy (2019). One hundred randomly chosen bank executives from ten different commercial banks filled out the survey that served as the study's main data source. Both descriptive statistics and regression analysis were used to examine the data. Customization, partnerships, employee happiness, interactive management, key account management, and recruiting and retaining the appropriate people are some of the customer relationship management tactics that commercial banks are using, according to the results. The findings also reveal that a lack of appropriate information systems, insufficient funds, unqualified employees, insufficient management commitments, and infrequent information upgrades were the obstacles that hindered the complete implementation of customer relationship management strategies. It has been shown that customer relationship management methods have a good correlation with bank performance. This is an example of how customer relationship management tactics help banks do better. To reap the benefits of customer relationship management techniques, however, commercial banks must first overcome the obstacles that have been outlined.

The purpose of Yalcinkaya and Bilal's (2022) research was to analyze the effect of marketing tactics on the productivity of Pakistani telecom companies. The study used a descriptive research strategy. Nayatel network (NTL) and Pakistan Telecommunication Company Limited (PTC) were the two main telecommunications providers in Pakistan that made up the 584-person target demographic. To gather information for the research, questionnaires were used. The Statistical Package for the Social Sciences (SPSS) was used for the analysis of the data that was obtained. Marketing tactics are favourably and strongly correlated with performance ( $r=.510$ ,  $p=.000$ ), according to the findings of the correlation analysis. A quarter of the variance in performance among Pakistani telecom companies may be attributed to marketing methods. According to the research, there is a strong and positive correlation between marketing tactics and performance ( $\beta=.138$ ,  $p=$

0.007). According to the findings, a well-planned marketing strategy may boost a company's productivity. If all other variables remain the same, the findings demonstrated that a one-unit improvement in marketing strategy will lead to a 0.138-unit improvement in organizational performance. No business, whether it deals in services or products, can succeed without effective marketing.

The purpose of the study by Mazikana (2019) was to examine how relationship marketing tactics helped businesses in Zimbabwe to retain their competitive edge. A cross-sectional survey research methodology was used for the study as part of the mixed research approach. This design allowed for the collection of data from respondents at a certain moment in time and revealed significant connections among the variables. Fifty people working at commercial banks were the intended subjects. Using a convenience sample technique, questionnaires were sent to 30 workers of Chegutu's commercial banks. Findings from these surveys show that the term "relationship marketing" has many connotations for commercial banks in Chegutu, Zimbabwe. Creating lasting connections with clients is what most Chegutu bank executives mean when they talk about relationship marketing. In addition, for commercial banks, relationship marketing is just another initiative that adds extra costs to their operations. The financial institution views relationship marketing as an activity without measurable rewards. Furthermore, the results demonstrated that the commercial bank staff was customer focused, competent in dealing with consumers, and delivered on their promises of timely service. According to the research, customer relationship management is crucial for banks to have a competitive edge.

Deposit taking Savings and Credit Co-operative Societies in Nairobi City County were the focus of Kamande and Maina's (2019) investigation of the impact of direct marketing tactics on market performance. This study set out to do one thing in particular: determine how several forms of marketing—including social media, mobile phone marketing, direct sales, and email marketing—impacted the financial success of credit and savings co-ops in Nairobi City County. Using a census-based approach, the study analyzed data from all forty listed financial deposit-taking savings and credit co-operative societies in Nairobi City County, using an explanatory research methodology. Marketing managers and other senior managers from the selected deposit-taking savings and credit cooperative societies filled out closed-ended questionnaires to provide the data. In SPSS version 22, descriptive

and inferential statistics were used to examine the data. In Nairobi City County, deposit-taking Savings and Credit Cooperative Societies, the results showed that there was a significant relationship between social media marketing, direct selling, email marketing, and market performance ( $p = 0.00, 0.00, 0.035, \text{ and } 0.001$  respectively), but there was no significant relationship between mobile phone marketing and market performance ( $p = 0.035$ ) at the 95% confidence interval. Furthermore, the study's R squared value of 0.691 suggests that direct sales, email marketing, social media marketing, and mobile phone marketing all had a 69.1% impact on market performance. The research found that direct sales, email, social media, and mobile phone marketing all had a beneficial effect on marketing success.

Bansal and Surya (2019) studied how Marketing Strategies, such as Production strategy, price strategy, promotion strategy, and location strategy, impact the performance of Nigeria Bottling Company Kaduna. Organizations have prioritized marketing strategy as a means to achieve overall company success. Our research adds to the current body of knowledge on marketing strategy by confirming a correlation between marketing strategy elements and the overall success of a company. Analysis of previous literature allowed for the development of a theoretical framework that elucidates the total performance of a company. Marketing strategies such as promotion, price, distribution, and product standardization and adaptability influence the sales, customer satisfaction, and financial success of companies. The research indicates that the effect is influenced by the successful execution of marketing strategies.

Bomiegha and Kalu, (2018) investigated the association between marketing and performance of sales in Nigeria. The study established a significant and positive relationship between the variables. Conceptually, this research discovered that brand trust was not included in previous research. Therefore, the inclusion of brand trust in this study provides clear evidence on the link between marketing and performance. Moreover, performance was measured using sales performance only unlike current study which will use profitability and customer loyalty.

### 2.3.3 Human resource focus strategy and Organizational Performance

Human resource focus is the strategic approach organizations take to manage and develop their workforce, emphasizing employee well-being, satisfaction, and productivity. This focus encompasses various aspects, such as recruitment, training, employee engagement, compensation, and career development (Bullah, 2017). An organization with a strong human resource focus prioritizes its employees as key assets, recognizing that a motivated and skilled workforce contributes to overall performance and success. Effective human resource strategies aim to attract, retain, and nurture talent, creating a positive work environment that fosters collaboration, innovation, and high morale (Kareem, 2022).

For deposit-taking SACCOs in Kenya, a human resource focus is crucial for several reasons. It ensures that employees are equipped with the necessary skills and knowledge to serve members effectively (Ngui, 2020). It also promotes a culture of continuous learning and adaptability, which is essential in a rapidly changing financial landscape. By investing in employee development and well-being, SACCOs can enhance customer service, improve operational efficiency, and increase job satisfaction. Furthermore, a strong human resource focus can lead to reduced employee turnover, lowering recruitment costs and retaining institutional knowledge. It also helps build a positive organizational culture that attracts top talent, ultimately contributing to the SACCO's long-term success and stability (Fadavi & Baqi, 2019).

The purpose of the study by Agustian, Pohan, Zen, Wiwin, and Malik (2023) was to investigate the role of human resource management tactics in gaining a competitive edge in the corporate world. In order to go further into the subject, this study employs a descriptive analysis, which is a qualitative approach. Using this strategy, researchers may go into great depth on the topic's background, variables, and qualities. Here, we used data collected from Google Scholar covering the years 1996–2023. The study's findings highlight the importance of efficient HR management practices for gaining and keeping a competitive edge in the corporate world. Companies may improve their outcomes in highly competitive markets by focusing on things like high-quality recruiting, staff development, motivation, efficient performance management, progressive corporate culture, change receptivity, and technology use.

Opoku (2020) looked into the impact of strategic HR initiatives on the competitiveness of central region hotels in Ghana. Additionally, we looked at how employees' skills mediated

the relationship between strategic HR strategies and their performance. A research design that was explanatory and rigorously incorporated quantitative methods were used in the research. This survey included all hotel managers in the Central Region of Ghana. The data was collected via a self-administered questionnaire. In order to evaluate the given data, Structural Equation Modelling was used. Research shows that strategic HRM methods have a good influence on employees' talents, which boosts their performance significantly. As a result, it was determined that the traits and capabilities of the organization itself are the main sources of continuous success in the Ghanaian hospitality market. On the other hand, studies showed that strategic HR practices didn't help businesses gain an advantage in the market. The study shows that human resources professionals in the hotel industry should regularly provide their workers with training and development opportunities, performance-based incentives, a salary-flexible compensation plan, and the promotion of skill-based remuneration.

The goal of Ngui's (2020) research was to examine how different approaches to HRM impacted the efficiency and productivity of commercial banks. This research used a mixed-methods strategy. In particular, 2,738 people from 46 different banks were surveyed for the research. A representative sample was taken from each bank's headquarters in Nairobi. Using stratified random selection, 349 workers were chosen for the sample. Information was gathered via interviews and self-administered surveys. The research concluded that commercial banks in Kenya may greatly improve their performance via the implementation of methods related to training and development, recruiting and selection, relations, reward and pay. It was also shown that banks may boost staff motivation, commitment, and performance by offering both monetary and non-monetary benefits. The research found that among Kenyan commercial banks, strategic human resource management was positively associated with employee performance. The right kind of motivation—from training programs and participatory work environments to recruiting and reward arrangements—can boost a company's performance, which in turn increases its market share and profits.

The purpose of the research by Fadavi and Baqi (2019) was to examine how Barij Essence's HR initiatives affected the company's success. Pharmaceutical Business of Kashan. The current study employed a descriptive-correlative approach to its aims and relied on a survey methodology to get its data. For this study, questionnaires have served

as the primary data collectors, and researchers have ensured their reliability and validity by conducting tests on them. Managers, directors, and specialists from Barij Essence Kashan Pharmaceutical Company in the winter of 2013–2014 make up the statistical population. The study used a simple random sample procedure, with 48 individuals making up the statistical population. Research data has been gathered using a combination of library resources and field (questionnaire) techniques. In support of the tested hypothesis, the study's results show that HR strategies—including those for absorption and employment, HR development, performance management, service compensation, and employees' relations—have a significant impact on organizational performance.

The purpose of Kareem's (2022) research was to determine whether the following HRM variables—selection and recruitment, motivation, training and development, and organizational performance—are significantly related. The study employed a descriptive analytical approach to test hypotheses. Its participants were managers, assistants, and department heads from Dr. Reddy's Laboratories Ltd. Data was gathered through questionnaires, field visits, interviews, and official documents. The following are some of the study's findings and suggestions: Employee performance noticeably improves after assessment, according to the research. Prove that the studied businesses use three approaches to HR management: "the strategy of selecting and motivation strategy and training and development strategy." The study's authors also advised that upper management be cautious when dealing with disgruntled workers, since they can cause chaos elsewhere. In addition, the company should use performance management system (PMS) and other contemporary approaches to performance evaluation.

Bullah (2017) aimed to increase productivity by evaluating the effect of human resources methods on staff performance at the KRA offices in Nakuru. The study's aims to examine the relationship between employee performance and initiatives for quality training, bonus payout, and work-life balance. Three theoretical frameworks—contingency, universalism, and configurationalism — were used in the research. Researchers used a descriptive research strategy for this investigation. In order to choose the sample, a simple random sampling procedure was used. The researcher visited the KRA offices in Nakuru to distribute questionnaires and gather data. There is a very high positive connection between the predictor factors and the response factors, as shown by coefficient of

correlation, which is 0.792. The independent factors explain 62.7% of the variance in employee performance at KRA, according to the R-squared value of 0.627.

Attia and Essam Eldin (2018) focused on the effect of human capital focus on performance of commercial banks in Egypt. The study revealed that, focus on training and career development for employees had more benefits as it resulted to improved performance of the banks. This study only focused on one aspect of human resource strategies, capital-career development, an area that will be addressed by this research that also encompass work environment, employee compensation/benefits, employee retention.

#### 2.3.4 Innovation strategy and Organizational Performance

An innovation strategy outlines an organization's approach to fostering creativity, adopting new ideas, and driving transformation (Malit, Nelson & Scholastica, 2023). It plays a crucial role in helping organizations remain competitive and relevant in rapidly changing environments (Soysa & Piyananda, 2020). This strategy encompasses a range of activities, from encouraging creative thinking within the workforce to implementing new technologies and reimagining business processes. In the context of deposit-taking SACCOs in Kenya, an innovation strategy is vital for several reasons. It allows SACCOs to respond to evolving customer needs and emerging market trends. By integrating technology, such as mobile banking, digital payments, and automated services, SACCOs can improve customer experiences and streamline operations. This technological innovation enhances accessibility and convenience, attracting new members and retaining existing ones (Akani & Tony-Obiosa, 2020).

An effective innovation strategy also involves rethinking traditional business models and exploring new revenue streams. SACCOs can use innovation to develop new financial products and services that cater to different segments of the population, thereby expanding their market reach. Additionally, by adopting a culture of continuous improvement, SACCOs can refine their internal processes, leading to greater efficiency and cost-effectiveness. Moreover, innovation strategies promote organizational learning and adaptability. SACCOs that encourage employees to propose new ideas and solutions create an environment that fosters creativity and collaboration. This, in turn, can lead to increased employee engagement and job satisfaction. Overall, an innovation strategy allows SACCOs to stay ahead of competitors, respond effectively to market changes, and deliver greater value to their members. It is a key driver of growth and sustainability in

the cooperative sector, ensuring that SACCOs can meet the challenges of the future while maintaining their core mission of serving their members' financial needs.

The goal of the study by Mukira, Kariuki, and Muturi (2022) was to determine how commercial banks' performance was affected by financial innovation tactics. The research surveyed all 41 of Kenya's commercial banks using a census-style methodology. The intended audience consisted of senior operations and finance managers employed by commercial bank headquarters. So, in all, 82 people filled out the survey. A cross-sectional survey was used for the investigation. Secondary data was supplemented with primary data throughout the research. The audited financial accounts of the commercial banks served as a secondary source of information, while questionnaires were used to gather primary data. It was necessary to prepare the quantitative data collected from surveys for analysis before entering it into the statistical package for the social sciences (SPSS) software (version 22). The performance of commercial banks was positively and significantly impacted by financial innovation methods, according to results from primary and secondary data.

To determine how financial innovation impacts the bottom lines of Kenya's commercial banks, Mwawasaa and Ali (2020) conducted research. The objectives were to find out how financial process innovation affected the financial performance of Kenyan commercial banks, how financial market innovation affected their financial performance, how financial product innovation affected their financial performance, and how financial institution innovation affected their financial performance. In order to gather primary data, a questionnaire was used, and a descriptive survey was also administered. To ensure the practical and communicative validity of the main data, secondary sources were consulted. In this study, 126 senior management staff members of commercial banks were chosen at random to serve as the study units. The study results showed that commercial banks in Mombasa County financial performance was much improved by innovative financial institutions. Furthermore, commercial banks in Mombasa County saw a significant improvement in their financial performance after implementing innovative financial products. The results showed that commercial banks in Mombasa County's financial performance was significantly impacted by innovations in financial processes and financial markets.

Research by Moki, Kanini, and Kinyua (2019) in Nairobi City County aimed to find out how a savings and credit co-operative society's performance was affected by their financial innovation approach. The theories of financial intermediation, the life cycle of savings, and open systems theory served as the theoretical framework for the research. A combination of descriptive and causal research methods were used in this study. Forty registered deposit-taking SACCOs in Nairobi County made up the research population, and descriptive inferential analysis was employed to gather data. Researchers found that SACCOs' financial performance improved significantly after using innovative financial practices. Businesses that haven't embraced financial innovation may soon go down or be swallowed up by more techno savvy SACCOs, according to the research.

Financial innovation, innovation strategy, and organizational innovation are the three dimensions through which Sonmez Cakir and Adiguzel (2023) assess the efficiency of energy firms. Using the pre-existing latent variables and their expressions, the study model was evaluated in the Mplus 7 package software, which was used for the analysis of this research. An analysis was conducted on data collected from 298 white-collar employees working for energy-related businesses. Sustainability performance is strongly impacted by financial innovation and innovation strategy, both independently and via mediation. Financial innovation, innovation strategy, and organizational innovation activities should be prioritized for good sustainability performance.

Financial innovation may have an impact on the bottom lines of Sri Lanka's licenced commercial banks, according to Soysa and Piyananda's (2020) research. Financial innovation, which includes mobile and online banking as well as the number of ATMs and credit cards, is a variable that this research used to measure bank performance. Using a purposive selection strategy, this research compiles secondary data from ten commercial banks that had a license between 2011 and 2019. Mobile banking has a positive impact on commercial banks' financial performance, while internet banking and the number of ATMs have a negative impact. All dependent variables exhibit stationarity and the model residuals are normally distributed. The analysis was conducted using a fixed effect model. Researchers found a correlation between financial innovation and the performance of commercial banks; therefore, various forms of financial innovation have varying impacts on this performance. The results show that the model as a whole is statistically significant.

The impact of technological advancements on the bottom lines of Nigerian deposit money institutions was studied by Akani and Tony-Obiosa (2020). This study set out to do two things: first, to look at how financial innovation affects profitability; and second, to look at how ATMs, EFTs, online banking, mobile banking, and investments in ICT affect the return on equity of deposit money in banks. The research examined secondary data culled from fourteen companies' 2009–2017 annual reports and financial statements using panel data regression and four hypotheses. The dependent variable was return on equity, whereas the independent variables were ATM machines, e-fund transfers, online banking, mobile banking, and investments in ICT. The research found that return on equity is positively correlated with online banking, mobile banking, and investment in information communication technology, and negatively correlated with automated teller machines and electronic money transfers. The research concludes that deposit money banks would benefit from investing in technical improvements, embracing financial innovations, and reshaping their banking services to include mobile banking and agency banking. This would lead to job creation and increased market share.

Researchers Malit, Nelson, and Scholastica (2023) set out to learn how new financial technologies had affected the loan portfolios of Kenya's commercial banks. This research embraced the positivist worldview. A correlational study strategy formed the basis of it. The research aimed to survey all 42 commercial banks in Kenya that have a license from the Central Bank of Kenya to provide various banking services, including financial ones. Twelve banks listed on the CMA/NSE were chosen using a purposeful sampling approach. We used secondary data. The research found a favourable and statistically significant relationship between financial innovation and commercial banks' lending portfolios. Commercial banks have enhanced their loan portfolios via technical developments such as electronic funds transfers (EFT), branch networking, and mobile banking, according to the study's results.

Mulaa et al. (2021) examined the influence of strategic innovations capability on Performance of Vendor Managed Retail Medium and Large Supermarkets in Nairobi City County in Kenya. The study found positive significant relationship between relationship marketing and performance. However, the study was conducted among supermarket, leaving a significant contextual gap in regards to deposit taking Saccos. Besides, the study focused on innovation capabilities which is relative in regards to organizational factors.

## 2.4 Research Gaps

Even though previous studies have been done on the banking, micro and small enterprises, construction and industrial lubricants firms, few studies have looked at how combination strategies affect organizational performance of deposit taking saccoes in Kenya. Without knowing which combination strategies to use, DTS managers will not be able to come up with competitive products and services that attract and retain more clients.

The study has identified four streams of gaps; contextual, conceptual, methodological and empirical gaps. Contextually, Tam et al. (2020) examined the influence of financing strategies on overall financial performance of banks in Vietnam. However, the study was conducted among banks while the current will focus on deposit taking Saccos which are regulated by SASRA. Similar gaps were also identified in studies conducted by Hsiao et al. (2017); Bumin (2016); Ugoani and Ugoani (2017).

Conceptually, Tam et al. (2020) only focused on corporate banking aspect of financing strategy, an area that this study will address by focusing on dividend policy, investment partnership and any capital raising approaches. Ozlem and Bumin (2016) focused on relationship between human resource focus and financial performance of Turkish banks. However, the study only focused on downsizing as a measure of human resource focus.

Methodologically, Hsiao et al. (2017) examined the Influence of financing strategy on the financial performance of banks in Taiwan. However, the study did not include inferential statistics to examine influence of financing strategy. Ugoani and Ugoani (2017) used exploratory research design implying the conclusion of the study was based on qualitative data while the current study will use quantitative data.

In terms of empirical evidence, from Evidence from the study by Warnier et al. (2013) indicates that combination tactics might provide better or worse results. The connection between combination tactics and performance has been the subject of heated discussion as a result of this. Adopting a singular technique yielded better results, according to Jalil et al. (2019). The majority of research supporting the single strategy view has classified strategies into distinct categories, with each category having its own correlation to performance. The combination tactics are seen by researchers as sustainable in the long

term and, in several instances, as leading to better performance (Awade, 2014; Wang et al., 2021).

There is still a huge chasm, even if it seems like both sides have made some progress toward common ground. For example, there is little evidence from studies conducted within the last few years to support the claims that different types of strategies cannot work together or that different businesses may benefit from different combinations of approaches. Still, no one-sided opinion has surfaced just yet.

**Table 2. 1: Summary of Literature and Research Gap**

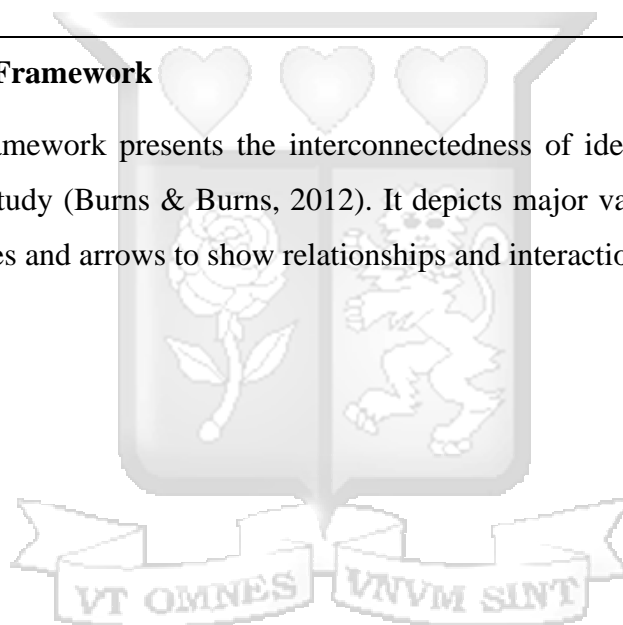
<b>Author</b>	<b>Topic of Study</b>	<b>Key Findings</b>	<b>Knowledge Gap</b>
Tam et al., (2020)	influence of financing strategies on overall financial performance of commercial banks in Vietnam	The results showed that corporate banking significantly improved commercial banks' profitability.	<p>A conceptual knowledge gap exists since the study only focus on financing strategies ignoring other combination strategies</p> <p>The study was conducted outside Kenya focusing of commercial banks leaving a significant contextual gap in regards to deposit taking Saccos.</p>
Hsiao et al. (2017)	Influence of financing strategy on the financial performance of commercial banks in Taiwan	Study showed that even though banks performed not quite well in the period before adoption of financing strategy (2012-2013), they all improved in the period post-financing (2014-2015).	<p>A conceptual knowledge gap exists since the study only focus on financing strategies ignoring other combination strategies</p> <p>The study was conducted outside Kenya focusing of commercial banks leaving a significant contextual gap in regards to deposit taking Saccos.</p>

Bomiegha and Kalu, (2018)	Relationship between relationship marketing and sales performance in Nigeria	The study found a positive and significance relationship between the variable	Conceptually, this study discovered that brand trust was not included in previous research. Therefore, the inclusion of brand trust in this study provides clear evidence on the link between marketing and performance.  Performance was measured using sales performance only
Mulaa et al. (2021).	influence of strategic innovations capability on Performance of Vendor Managed Retail Medium and Large Supermarkets in Nairobi City County in Kenya.	The study found positive significant relationship between marketing and performance	The study was conducted among supermarket, leaving a significant contextual gap.  The study focus on innovation capabilities which is relative in regards to organizational factors
Onay and Ozsoz (2018)	Relationship between downsizing of employees to minimize operational cost and enhance financial performance of Turkish banks	The study results showed that there was no significant difference between the profitability of Turkish banks before and after downsizing-that is, no significant relationship between downsizing- as operational cost cutting measure and bank profitability	There was a significant conceptual gap since the study focused on one factor of human resource strategy, down sizing  This investigation will fill a vacuum in the literature by determining which staff should be downsized and by providing other metrics for evaluating the bank's achievement beyond profitability.
Rose (2017)	Effects of financing strategy on performance of	The results showed that the commercial banks that swiftly	The study did not specify core capital raising strategies used

	commercial banks in the U.S.	adopted core capital raising tactics had consistently recorded higher profits	in the study, a gap that will be addressed by this study conceptually
Attia and Essam Eldin (2018)	Effect of human capital focus on performance of commercial banks in Egypt	Banks' focus on training and career development of its employees has many benefits as a result of improved performance of the bank	The study only focuses on one aspect of human capital- career development, a gap that will be addressed by this study that also encompass work environment, employee compensation/benefits, employee retention.

## 2.5 Conceptual Framework

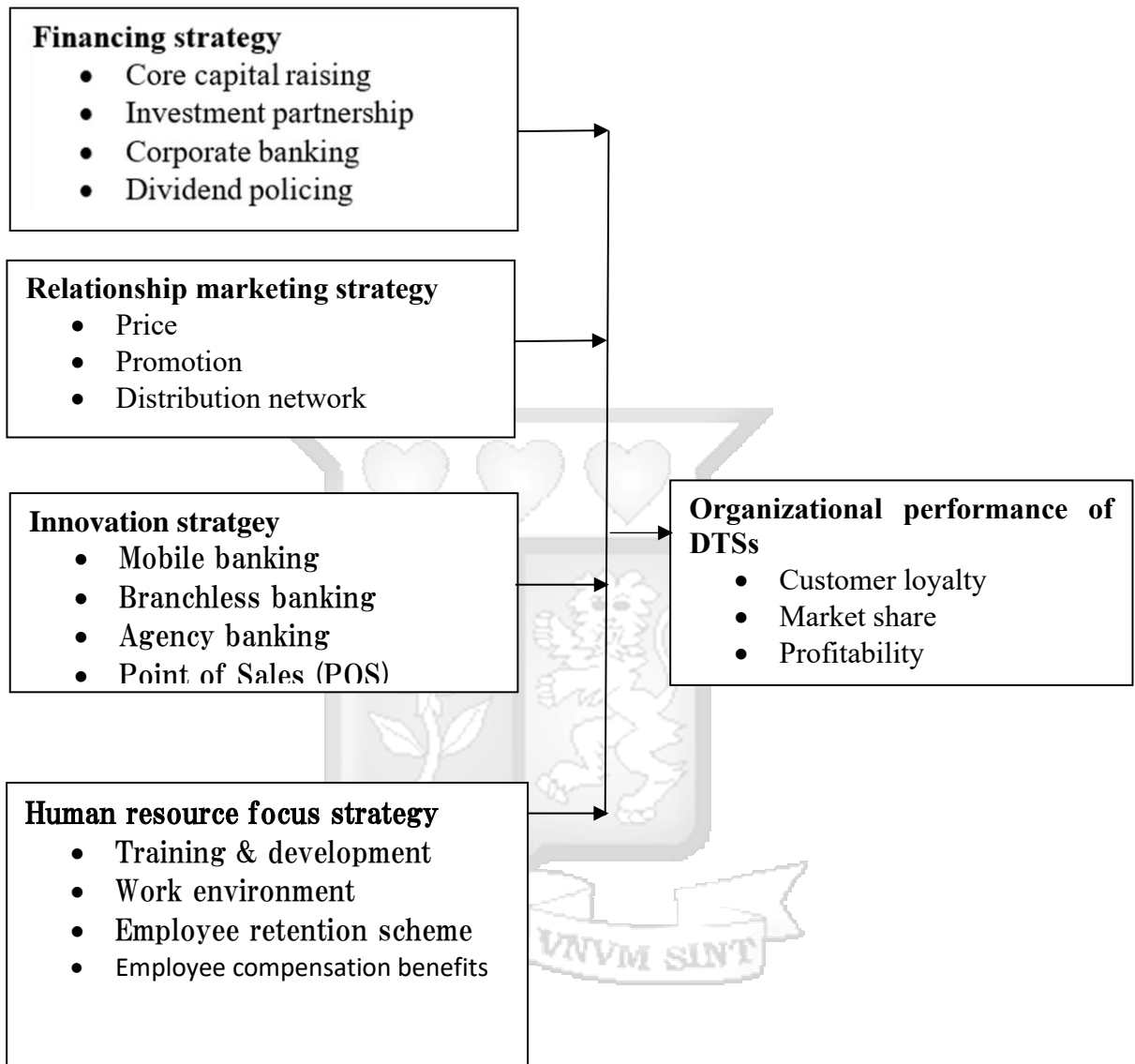
A conceptual framework presents the interconnectedness of ideas that a researcher is examining in a study (Burns & Burns, 2012). It depicts major variables and categories, connected by lines and arrows to show relationships and interactions.



**Figure 2. 1: Conceptual Framework**

**Independent Variables**

**Dependent Variable**



**Source: Researcher (2024)**

## 2.6 Operationalization of variables

Dependent Variable	Level of Measurement	Method of Analysis	Reference
<b>Organizational Performance of DTSS</b> Profitability; Customer loyalty and Market share	Ordinal	Descriptive Inferential	Duong et al. (2020) Ole Kulet et al. (2019),
<b>Independent variables</b>	<b>Level of Measurement</b>	<b>Method of Analysis</b>	
<b>Financing strategy</b> Core capital raising Investment partnership Corporate banking Dividend policing	Ordinal	Descriptive Inferential	Rose (2017); Tam et al., (2020) Hsiao et al. (2017)
<b>Relationship marketing strategy</b> Price Promotion Distribution network	Ordinal	Descriptive Inferential	Bomiegha and Kalu, (2018);
<b>Innovation strategy</b> Mobile banking Branchless banking Agency banking Point of Sales (POS)	Ordinal	Descriptive Inferential	Mulaa et al. 2021); Cheng et al. (2017); DeYoung et al (2017)
<b>Human resource focus strategy</b> Training & development Work environment Employee retention schemes Employee compensation/benefits	Ordinal	Descriptive Inferential	Onay and Ozsoz (2018); Attia et al. (2018)

## 2.7 Chapter summary

This chapter reviewed the results of previous studies that examined the influence of the four combination strategies on performance. The theoretical foundations of the investigation were first presented in this chapter. Resource-based view and diffusion of innovation theories anchored this research and guided the study. The chapter also reviewed literature on extent of use of combination strategies on performance, as well as saccos management perspective on combination strategies performance. The study identified the gaps in existing research using a literature survey. These gaps were then provided, together with a conceptual structure and the operationalization of the variables being studied.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The research design, population of interest, sample size and sampling procedures, data collecting tools, data analysis, and assumptions made by the regression model are all covered in this chapter.

### **3.2 Research Philosophy**

The concept of research philosophy pertains to the body of knowledge that is used by academics and researchers in the execution of their investigations (Saunders, Lewis & Thornhill, 2019). There are two contrasting research philosophies, namely positivism and interpretivism. The Pragmatism philosophy occupies the intermediate position. The foundation of this research was rooted in the philosophical framework of positivism. The philosophical framework of positivism provides a robust foundation for this study by promoting an empirical, objective, and quantitative approach to research. The focus on measurable data allows the researchers to draw reliable conclusions about the influence of combination strategies on organizational performance of DTSs in Kenya. This methodology ensures that the study's findings are not only replicable but also generalizable, offering insights that can guide both practitioners and policymakers in the cooperative sector (Tashakkori & Teddlie, 2019).

### **3.2 Research Design**

The choice of a suitable research design depends on factors such as the research questions and hypotheses, the variables being studied, the sample of participants, the study settings, and the techniques used for data collection and analysis (Mohajan, 2020). The study used a descriptive cross-sectional research approach. A descriptive cross-sectional research design is a type of observational study that collects data on the prevalence of one or more variables in a population at a specific point in time. The design is relevant in this study since it was useful for establishing preliminary evidence for a causal relationship in this case influence of combination strategies on organizational performance of deposit taking saccoes in Kenya.

### **3.3 Target Population**

A population is defined by Mukherjee, Sinha, and Chattopadhyay (2019) as all the things or people that share some kind of observable trait. Population, according to Crespo-

Herrera, Crossa, and Singh (2021), includes all things in any domain or "universe.". The study comprised of 176 deposits taking SACCOs in Kenya from SASRA records as indicated in Appendix 2 (SASRA, 2023). The sampling frame consisted of 176 operation managers.

### 3.4 Sampling Design and Sample Size

The sample design may be categorized into two primary classifications: probability sampling and non-probability sampling. Likelihood sampling ensures that each individual in the target population, whether chosen randomly or as a representative sample, has an equivalent likelihood of being selected for addition in the sample. As stated by Mukherjee, Sinha, and Chattopadhyay (2019), a population is defined as all the things or people that share some kind of observable trait. All things in any domain or "universe" constitute a population, according to Crespo-Herrera, Crossa, and Singh (2021). Therefore from 176 Deposit taking Sacco's in Kenya were randomly selected from 132 Deposit taking Saccos. A lottery technique will be applied. After consulting Yamane's technique for estimating sample size (Yamane, 1967), the researchers arrived at the following sample size for the main data.

$$\text{Sample; } n = N / (1 + (e)^2)$$

Where n = Sample size

N = population under study

E = margin error (0.05)

I = constant

Therefore;

$$n = 176 / (1 + 176 (0.05)^2)$$

$$n = 176 / (1 + 176(0.0025))$$

$$n = 176 / (1 + 0.555)$$

$$n = 176 / 1.555$$

$$n = 122.22222 \text{ rounded off to } 122$$

From the selected 122 deposit taking Saccos in Kenya, data was collected from operation managers. Operation managers were selected because they are responsible for overseeing the day-to-day operations of a business. Operation managers also play a key role in improving efficiency and productivity, and in developing and implementing new processes and technologies. The studies calculated sample size is 122 respondents, 10 respondents were added on the sample size to make it 132 so as to take care of the non-respondents.

### **3.5 Data Collection**

#### **3.5.1 Data Collection Instrument**

The study utilized primary data collected using semi-questionnaire. According to Aithal et al. (2020) questionnaires is a measuring instrument which asks an individual to answer a set of questions, it consists of a number of questions in a definite order.

The questionnaire was chosen as the preferable method in this research due to the assumption that the respondents possess literacy skills and are capable of providing appropriate answers to the topics posed. The questionnaire was broken into four sections. Part 1 involved obtaining general information from the respondents. Part 2 included both closed and open-ended statements about the extent of using combination strategies. In Part 3, a five-point Likert-type scale ranging from 1 (Strongly Agree) to 5 (Strongly Disagree) was used to measure the constructs. The scale was interpreted as follows: 5 - Strongly agree, 4 - Agree, 3 - Undecided, 2 - Disagree, and 1 - Strongly disagree. Part 4 focused on the perspective of saccos management regarding the performance of combination strategies.

#### **3.5.2 Data Collection Procedure**

Data was gathered in this research via the use of a self-administered semi-structured questionnaire. The researcher explicitly communicated to the participants that what was being administered was only intended for research reasons, and the replies provided by the participants were treated with utmost privacy and confidentiality. The researcher acquired a preliminary letter from the Strathmore University Business School for purposes of gathering data from the selected participants. The primary means of access to the SACCOs was mostly via the Chief Executive Officer. Operation managers were surveyed using questionnaires. Five research assistants distributed the questionnaires to the

participants, collected them when they were completed, and used a drop-off and pick-up system.

### **3.6 Research Quality**

A pilot study is a preliminary investigation conducted to evaluate research methods, data collecting tools, sample recruitment tactics, and other research methodologies in anticipation of a bigger study. It is useful for validating the study's questionnaire (Baker, 1994). Hazzi and Maldaon, (2015) notes that, a 10% equivalent to the actual size of the sample is reasonable to carry out a pilot study, therefore a total of 13 respondents. The pilot study was conducted two weeks before actual research by taking the instruments to randomly selected respondents. This facilitated the researcher in identifying any questions that were unclear or open to interpretation, allowing for their rephrasing.

#### **3.6.1 Validity**

Validity, as defined by Mugenda et al. (2012), refers to the degree of correctness and usefulness in drawing conclusions from the data of a research. The validity of research instruments is aimed at what the instruments measure, and how accurate it does so within the intended area of research. There are different forms of validity, content validity, construct validity, and face validity. Content validity attempts to establish whether the items in an instrument fit the content of the population through which the instrument was inferred (Vakili and Jahangiri, 2018). Precise attention was given to the design of the research instrument to guarantee that it accurately measures and collects the intended data. Supervisors and other experts from the Strathmore University Business School were used to provide expert assessment of the material. Through the debate, the researcher successfully identified questions requiring modification and those containing ambiguity.

#### **3.6.2 Reliability**

Reliability focuses on the lack of differences, and ability to obtain similar results when repeated tests are done (Noble, Scheinost, and Constable, 2021). The study adopted the Cronbach's alpha test, a measure of internal consistency was used to assess the reliability of the test instruments, as it is most efficient, and reliable in social sciences (Bonett, and Wright, 2015). This method was used where a value of 0.70 or higher was considered sufficient.

From the findings shown in Table 3.1 relationship marketing had an alpha of 0.802, human resource focus an alpha of 0.859, Sacco innovation an alpha of 0.906, Financing strategy an alpha of 0.915 and Performance of DTSS an alpha of 0.896. This shows that all the variables are reliable since they exceeded the threshold value of 0.7.

**Table 3. 1: Reliability Analysis**

Variable	Number of Items	Cronbach Alpha
Relationship marketing strategy	5	0.802
Human resource focus strategy	5	0.859
Innovation strategy	5	0.906
Financing strategy	5	0.915
Organizational Performance of DTSS	6	0.896

### 3.7 Data Analysis and Presentation

Data analysis is a systematic procedure that involves examining, purifying, altering, and constructing models from data in order to emphasize valuable information, propose deductions, and facilitate decision-making. The data obtained in this research was first organized, arranged into tables, and categorized. The data was revised by a meticulous analysis of the gathered raw data, aiming to identify and rectify any inaccuracies or omissions. This included a meticulous examination of the filled-out questionnaires. The data was encoded by giving numerical values to replies, allowing them to be categorized into a restricted number of types. The statistical analysis was conducted using SPSS 26. The research included both descriptive and inferential statistics. The data was conveyed via the use of tables, models, and charts. The data analysis was conducted according to the specified goals. The following model was implemented:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4+\varepsilon$$

Where Y= Performance of DTSS

X1= Financing Strategy

X2 = Innovation Strategy

X3 = Relationship marketing Strategy

X4 = Human Resource focus Strategy

$\beta$  is coefficient parameter to be determined,

$\epsilon$  = Error

### **3.8 Ethical Issues**

Since the research involves human subjects, it was conducted in strict conformity with applicable ethical guidelines. Professionalism in research was maintained thanks to these ethical considerations. Each person's anonymity and respect were ensured throughout the study. Respect and confidentiality were given to the privacy of those from whom we collected personal data. Participating subjects gave their informed consent before any research was conducted. No person was recruited as a research subject without first receiving an informed consent form. They were not coerced or bribed in any way to participate as research subjects. The appropriate individuals, bodies, and committees were consulted including Strathmore University Institutional Ethics Review Committee (SU-IERC), and NACOSTI who approved the research. Participants were informed of the study's goals, procedures, and potential outcomes before they agreed to take part.

Every research conformed to the respondents' ethical standards, and all authors and sources were credited appropriately. The researcher took great care to steer clear of any instances of scientific dishonesty, such as sloppy data collection practices or false claims of authorship. The study was carried out skilfully, as an impartial scientific endeavour free of bias in its methodology, analysis, and interpretation of the results.

As part of the ethical consideration, the thesis was published and shared with the relevant stakeholders via email. The findings and recommendations of the study was utilised by the regulator (SASRA), the respective SACCOs that participated in the study, academicians and the National Treasury which provides overall policy guidance to all the financial institutions.

### 3.9 Summary of the Chapter

This chapter outlines the key elements of the research, including the underlying philosophical approach, the chosen research design, the characteristics of the population targeted and the methods of sampling used, the instruments employed for collection of data, the chosen data analysis techniques, and the assumptions associated with the regression model.



## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION, AND INTERPRETATION

#### 4.1 Introduction

This chapter encompasses the examination, depiction, understanding, and discourse of the results acquired via the gathering of data. This chapter also provides an overview of the participants' history and offers the analysis of results in accordance with the research goals. Analyzed were both descriptive and inferential statistics.

#### 4.2 Response Rate

A total of 132 participants were surveyed for the research. The questionnaires that were duly filled and successfully returned were 101 which translates to 76.5% response rate. The response rate was deemed excellent and appropriate for drawing conclusions about the study population. This is based on the following criteria: a response rate of 50% is deemed adequate for analysis and reporting purposes, a rate of 60% is deemed good, and a rate of 70% and above is deemed excellent (Mugenda and Mugenda 2009).

Category	Frequency	Percent
Response	101	76.5
Non-Response	31	23.5
Total	132	100.00

Source: Primary Data (2023)

#### 4.3 Descriptive Statistics

##### 4.3.1 Financing strategy

In your opinion, how much weight does the finance strategy have in determining the Organizational performance of your Sacco? Please choose the option that best describes you using the Likert scale: Out of 5 possible responses, 1 is Strongly Agree, 4 is Agree, 3 is Uncertain, 2 is Disagree and 1 is Strongly Disagree

**Table 4. 1: Financing strategy**

	<b>1. Financing strategy</b>	<b>Mean</b>	<b>S. D</b>
1	The Sacco has entered into investment partnerships with various investors to raise its capital base	3.61	1.166
2	The Sacco has rolled out corporate financial solutions to raise its core capital	2.99	1.153
3	The Saccos has a feasible dividend policy to attract new and existing customers	3.33	1.184
4	The Saccos consistently pays annual dividends to its customers	3.59	1.159
5	Generally, adoption of various core capital raising solutions have resulted in the Sacco's increase in its ROA	3.60	1.068
	<b>Mean</b>	<b>3.42</b>	

According to the results of the study shown on the table above, a mean of 3.61 and a standard deviation of 1.166, the respondents were in agreement that the Sacco has entered into investment partnerships with various investors to raise its capital base. A mean of 2.99 and a standard deviation of 1.153, the respondents agreed with the statement that the Sacco has rolled out corporate financial solutions to raise its core capital. With regard to the Saccos has a feasible dividend policy to attract new and existing customers, a mean of 3.33 and a standard deviation of 1.184, the respondents were in agreement with the assertion. However, with a mean of 3.59 and a standard deviation of 1.159 indicated that the Saccos consistently pays annual dividends to its customers. Hence the respondents agreed with the assertion. A mean of 3.60 and a standard deviation of 1.068, the respondents agreed that generally, adoption of various core capital raising solutions have resulted in the Sacco's increase in its ROA.

#### 4.3.2 Relationship marketing strategy

**Table 4. 2: Relationship marketing strategy**

	<b>Relationship marketing strategy</b>	<b>Mean</b>	<b>S. D</b>
6	The Saccos has an existing relationship marketing department to attend to its new and existing customers	3.69	0.967
7	The Sacco's customers bonding programs has yielded a significant increase in its customer base	3.74	1.016
8	The marketing employees have always won the trust of its new and existing customers	3.49	1.188
9	The Saccos timely addresses various customer complains about service quality	3.72	0.981
10	Generally, the Saccos adoption of varied relationship marketing initiatives has yielded an increase in its service quality	3.00	1.039
	<b>Mean</b>	<b>3.53</b>	

A mean of 3.69 and a standard deviation of 0.967, the respondents were in agreement that Saccos has an existing relationship marketing department to attend to its new and existing customers. A mean of 3.74 and a standard deviation of 1.016, the respondents agreed with the assertion that Sacco's customers bonding programs has yielded a significant increase in its customer base. From the table above, a mean of 3.49 and a standard deviation of 1.188, the respondents agreed on the statement that marketing employees have always won the trust of its new and existing customers. A mean of 3.72 and a standard deviation of 0.981, the respondents agreed on the statement that Saccos timely addresses various customer complains about service quality. A mean of 3.00 and a standard deviation of 1.039, the participants agreed with the statement that generally, the Saccos adoption of varied relationship marketing initiatives has yielded an increase in its service quality.

### 4.3.3 Innovation strategy

**Table 4. 3: Innovations strategy**

	<b>Innovation Strategy</b>	<b>Mean</b>	<b>S. D</b>
11	The Sacco's adoption of mobile financial innovation has yielded a significant increase on its ROA	3.08	1.129
12	The Sacco's adoption of branchless financial innovation has yielded a significant increase in number of new and existing customers	3.44	0.994
13	The Sacco's adoption of agency banking has yielded a significant increase in its market share	3.50	1.083
14	The Saccos adoption of Point of Sales innovation has yielded a significant increase in its loyal customers	2.95	1.033
15	Generally, adoption of key core financial solutions (4 switch) has resulted in an increase in the Sacco's loyal customers	3.47	1.035
	<b>Mean</b>	<b>3.29</b>	

A mean of 3.08 and a standard deviation of 1.129, the participants agreed on the statement that the Sacco's adoption of mobile financial innovation has yielded a significant increase on its ROA. A mean of 3.44, and a standard deviation of 0.994, the respondents agreed with the statement that the Sacco's adoption of branchless financial innovation has yielded a significant increase in number of new and existing customers. With a mean of 3.50 and a standard deviation of 1.083, the respondents agreed that the Sacco's adoption of agency banking has yielded a significant increase in its market share. On the statement that the Saccos adoption of Point of Sales innovation has yielded a significant increase in its loyal customers, a mean of 2.95 and a standard deviation of 1.033 indicated that the respondents agreed with the statement. With a mean of 3.47 and a standard deviation of 1.035, the respondents agreed on the assertion that generally, adoption of key core financial solutions (4 switch) has resulted in an increase in the Sacco's loyal customers.

#### 4.3.4 Human resource focus strategy

**Table 4. 4: Human resource focus strategy**

	<b>Human resource focus strategy</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>Mean</b>	<b>S. D</b>
16	The Sacco has enticing training opportunities to develop all of its employees	3%	24%	27%	30%	17%	2.66	1.107
17	The Sacco has attractive career development opportunities for all cadres of employees	23%	34%	23%	12%	9%	3.50	1.222
18	The Sacco has feasible employee retention programs for all cadres of employees	16%	36%	30%	13%	6%	3.43	1.089
19	The Sacco has viable employee compensation schemes for all cadres of employees	20%	35%	26%	13%	7%	3.48	1.154
20	Generally, human resource focus initiatives have yielded a significant increase in the Sacco's overall performance	6%	26%	35%	14%	20%	2.84	1.189
							<b>3.18</b>	

According to the findings of the study, a mean of 2.66 and a standard deviation of 1.107, the respondents agreed on the statement that the Sacco has enticing training opportunities to develop all of its employees. With a mean of 3.50 and a standard deviation of 1.222, the respondents agreed to the statement that the Sacco has attractive career development opportunities for all cadres of employees. With a mean of 3.43 and a standard deviation of 1.089, the respondents agreed on the assertion that the Sacco has feasible employee retention programs for all cadres of employees. With a mean of 3.48 and a standard deviation of 1.154, the respondents were in agreement that the Sacco has viable employee compensation schemes for all cadres of employees. Lastly, with a mean of 2.84 and a standard deviation of 1.189, the respondents were in agreement that generally, human resource focus initiatives have yielded a significant increase in the Sacco's overall performance.

**Table 4. 5: Organizational Performance of DTSSs**

	<b>Statement</b>	<b>Mean</b>	<b>S. D</b>
1	The Sacco has realized consistent increase in its Return on Assets (ROA) in the past 3 years	3.21	0.993
2	The Sacco has realized an increase in new number of customers in the past three years	3.09	1.141
3	The Sacco has expanded its market share in the last three years	3.44	1.552
4	The Sacco has consistently maintained its loyal customers in the last three years	3.29	0.931
5	The Sacco has experienced high customer retention rate in the past three years	3.01	1.090
6	Generally, the Sacco has experienced a consistent increase in its overall performance in the past three years	3.50	1.180

According to the findings, a mean of 3.21 and a standard deviation of 0.993, the participants agreed that generally, Sacco has realized consistent increase in its Return on Assets (ROA) in the past 3 years. From the finding on the table above, a mean of 3.09 and a standard deviation of 1.141, the participants agreed on the statement that the Sacco has realized an increase in new number of customers in the past three years. In addition, a mean of 3.44, and a standard deviation of 1.552, the respondents agreed with the statement that Sacco has expanded its market share in the last three years. With a mean of 3.29 and a standard deviation of 1.931, the respondents agreed that Sacco has consistently maintained its loyal customers in the last three years. On the statement that the Sacco has experienced high customer retention rate in the past three years, a mean of 3.01 and a standard deviation of 1.090, the respondents agreed with the statement. A mean of 3.50 and a standard deviation of 1.180, the respondents agreed on the assertion that generally, the Sacco has experienced a consistent increase in its overall performance in the past three years.

## 4.4 Inferential Statistics

This section examines the inferential statistics by first analysing the assumptions of linear regression, Pearson correlation analysis, linear regression analysis and finally culminating into multiple linear regression analysis.

### 4.4.1 Assumptions of Linear Regressions

To compute multiple regression between response variables (Organizational performance of DTSSs) and the predictor variables (Financing strategy, Relationship marketing strategy, Innovation strategy and Human resource focus strategy), assumption of multicollinearity, normality, homoscedasticity and independence of residuals were tested and results were as follows.

#### 4.4.1.1 Normality Test

Numerous parametric techniques in correlation, regression, analysis of variance, and t-test assume a normal or Gaussian distribution, which leads to frequent statistical mistakes in the literature. Hence, parametric approaches may be used since, irrespective of the data's form, the sampling distribution tends to be normal with large samples (>30 or 40). The use of a normal q-q plot for visual assessment of normalcy is recommended by Ghasemi and Zahedias (2012). The data points were considered to be normally distributed as they were rotating around the line of best fit, as shown in appendix IV.

#### 4.4.1.2 Multi-Collinearity Test

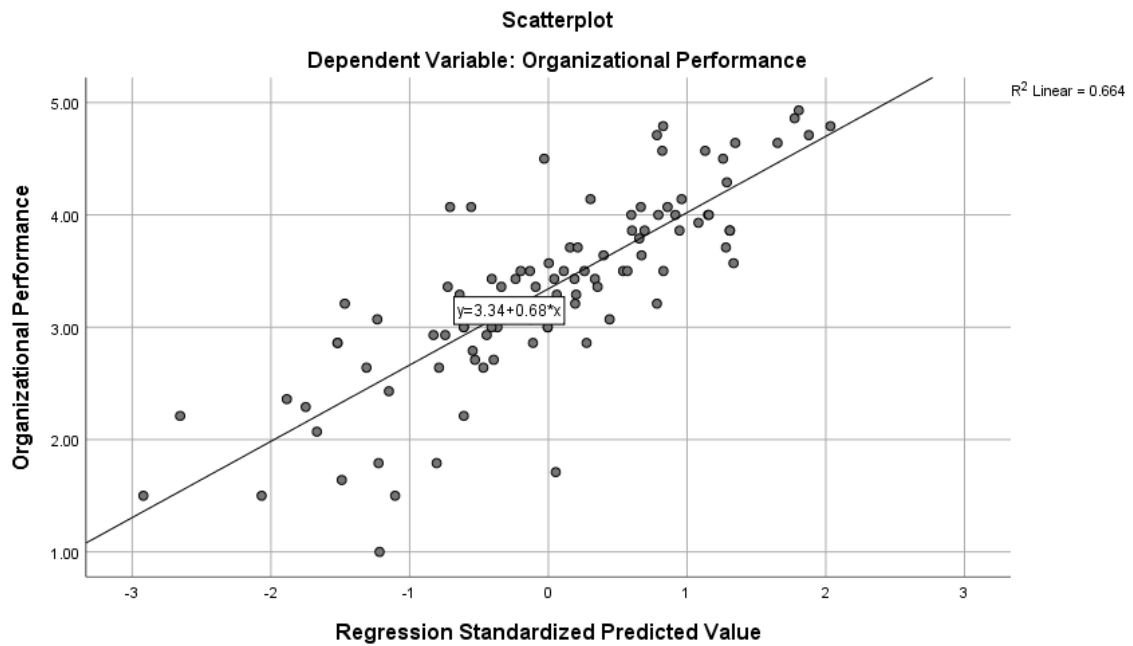
Table 4.8 displays the results of the multi-collinearity test. This kind of data analysis is used when there is a significant degree of correlation between two or more independent variables. The interpretation of the regression coefficient as an indication of predicting factors becomes more complicated as multi-collinearity grows because it causes the coefficient to vary (Cooper & Schindler 2011). For the purpose of detecting multi-collinearity, we used either tolerance values or variance inflation factors (VIF). As a general rule, multi-collinearity is not an issue if the VIF values are fewer than 10 or if the tolerance values are less than 1.

**Table 4. 6: Multi-Collinearity Test**

Independent variable	Tolerance	VIF
Relationship marketing strategy	.521	1.918
Human resource focus strategy	.619	1.616
Innovation strategy	.576	1.735
Financing strategy	.579	1.727

**4.4.1.3 Linearity**

Figure 4.1 displays a scatter plot of DTS performance, which reveals a minor amount of point deviation from the plane-cutting straight line. This study utilized a multivariate linear regression model since the data showed a linear connection between the dependent and independent variables.



**Figure 4. 1:Linearity Test**

**Source: Primary Data (2023)**

#### 4.4.2 Correlation Analysis

The correlation between the Organizational performance of DTSSs and the overall mean of each dimension on the combination strategy scales was established once the variables had been successfully computed. After establishing a correlation between each dimension and Organizational performance of DTSSs, the next step was to aggregate the mean of all the combination strategies scales and then use multiple linear regression to further establish a correlation with Organizational performance of DTSSs. A p-value of 0.05 was chosen as the significant value for all correlations, which means that all data regarding this connection were handled with a 95% confidence interval. Pearson correlation analysis calculates the direction (Positive/negative) and intensity (Ranges from -1 to +1) of the association between two or more ratio/scale variables, and the findings are reported in Table 4.7 as the correlation coefficient (r).

**Table 4. 7: Correlation between Combination strategies and performance**

		<b>RM</b>	<b>HRF</b>	<b>SI</b>	<b>FS</b>
<b>RM=Relationship marketing strategy</b>	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	101			
<b>HRF=Human resource focus strategy</b>	Pearson Correlation	.582**	1		
	Sig. (2-tailed)	.000			
	N	101	101		
<b>IS=Innovation strategy</b>	Pearson Correlation	.560**	.443**	1	
	Sig. (2-tailed)	.000	.000		
	N	101	101	101	
<b>FS=Financing strategy</b>	Pearson Correlation	.540**	.476**	.576**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	101	101	101	101
<b>Organizational Performance of DTSSs</b>	Pearson Correlation	.639**	.507**	.625**	.752**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	101	101	101	101

\*. Correlation is significant at the 0.05 level (2-tailed).

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

**Source: Primary Data (2023)**

The results of the Pearson product moment correlation between combination methods and Organizational performance of DTSSs are shown in Table 4.7. The favourable correlation between the dimensions of combination tactics and the Organizational performance of

DTSS is clearly apparent. The correlation of interest was derived by analyzing the relationship between Organizational performance and each individual characteristic of combination tactics. The results indicate that the correlation coefficient between Human resource emphasis and Organizational performance was the lowest, with a value of 0.507 and a significance level of  $p=0.000$ . The association exhibited a positive and statistically significant relationship. This indicates that there is a favourable correlation between Organizational performance and the emphasis on human resources.

The analysis found that there was a low link between Innovation strategy and Organizational performance, ranking as the second lowest correlation observed. The correlation coefficient ( $r=0.625$ ,  $p=0.000$ ) indicates a strong and statistically significant positive association between Innovation strategy and the Organizational performance of DTSS. The strongest link was found between the Financing approach and Organizational performance. The correlation coefficient, with an  $r$  value of 0.752 and a  $p$ -value of 0.000, indicates a substantial and positive relationship between the funding approach and Organizational performance. Hence, an augmentation in the financing approach would lead to an improvement in Organizational performance. The combination strategy with the second greatest correlation, which was also statistically significant and powerful, was the association between relationship marketing strategy and Organizational performance. This correlation was positive and significant, with a coefficient of 0.639 and a  $p$ -value of 0.000. As the DTSS enhance their relationship marketing efforts, there will be a corresponding improvement in the Organizational performance of the DTSS.

#### 4.4.3 Analysis of Linear Regression

This test focussed on the direct influence of independent variables (relationship marketing strategy, human resource focus strategy, financing strategy and innovation strategy) on organizational performance of deposit taking Saccos in Kenya. This computation was done by SPSS version 26 through transforming categorical data into continuous data to validly run linear regression analysis.

#### 4.4.3.1 Linear influence of Financing strategy on organizational performance of deposit taking Saccos in Kenya

An analysis on simple linear regression was conducted to establish direct influence of financing strategy and organizational performance of deposit taking Saccos in Kenya. Shown in Table 4.8 below are the results.

**Table 4.8: Model Summary for Financing strategy and organizational performance**

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Change Statistics				
					R Change	Sq Change	F Change	df1	df2
1	.752 <sup>a</sup>	.565	.561	.55222	.565	128.608	1	99	.000

a. Predictors: (Constant), financing strategy

The results illustrated that there was a statistically significant positive effect of financing strategy on organizational performance of deposit taking Saccos in Kenya. Financing strategy accounted for 56.5% ( $R^2 = 0.565$ ) variations in the organizational performance of deposit taking Saccos in Kenya.

**Table 4.9: ANOVA Table for Financing strategy**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	39.218	1	39.218	128.608	.000 <sup>b</sup>
	Residual	30.189	99	.305		
	Total	69.408	100			

a. Dependent Variable: Organizational performance  
b. Predictors: (Constant), financing strategy

Analysis of Variance (ANOVA) (Table 4.9) illustrates the mean squares and F statistics significant F (1,99)= 128.608; significant at  $p < .05$ ), thus assuring the fitness of the model and also implies that the Financing strategy has significant variations in their contributions to organizational performance of deposit taking Saccos in Kenya. Therefore, financing strategy is a significant predictor of organizational performance of deposit taking Saccos in Kenya.

**Table 4. 10: Regression Coefficients for Financing strategy**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.345	.185		7.287	.000
	Financing strategy	.628	.055	.752	11.341	.000

a. Dependent Variable: Organizational performance

Results (Table 4.10) illustrates that financing strategy had a positive, linear and significant (p-value is less than 0.05) relationship with the organizational performance of deposit taking Saccos in Kenya {regression coefficient, B=0.628 and t-test value, t=11.341}. The results are represented in the following model:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where Y= organizational performance of deposit taking Saccos in Kenya,

$$\beta_0 = 1.345 \text{ (constant)}$$

$$\beta_1 = 0.628$$

$$X_1 = \text{Financing strategy}$$

Replacing in the equation above, the model becomes:  $Y = 1.345 + 0.628X_1$

From the equation above, the constant had coefficient of 1.345, p=0.000, this implied that in the absence of financing strategy, organizational performance of deposit taking Saccos in Kenya will be at 1.345. This performance will be significant (P<0.05). Conversely, financing strategy had beta coefficient of 0.628. This implies when everything is held constant, a unit increase in the financing strategy would result to a significant increase in organizational performance of deposit taking Saccos in Kenya by 0.628 units.

4.4.3.2 *Linear influence of relationship marketing strategy on organizational performance of deposit taking Saccos in Kenya*

Simple linear regression analysis was conducted to establish direct influence of relationship marketing strategy and organizational performance of deposit taking Saccos in Kenya. The results are as shown in Table 4.11.

**Table 4.11: Model Summary for Relationship marketing strategy and organizational performance**

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Change Statistics				
					R Sq Change	F Change	df1	df2	Sig. F Change
1	.639 <sup>a</sup>	.408	.402	.64425	.408	68.225	1	99	.000

a. Predictors: (Constant), relationship marketing strategy

The results indicated that there was a statistically significant positive effect of relationship marketing strategy on organizational performance of deposit taking Saccos in Kenya. Relationship marketing strategy accounted for 40.8% ( $R^2 = 0.408$ ) variations in the organizational performance of deposit taking Saccos in Kenya.

**Table 4.12: ANOVA Table for Relationship marketing strategy**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.317	1	28.317	68.225	.000 <sup>b</sup>
	Residual	41.090	99	.415		
	Total	69.408	100			

a. Dependent Variable: Organizational performance  
b. Predictors: (Constant), relationship marketing strategy

Analysis of Variance (Table 4.12) shows the mean squares and F statistics significant  $F(1,99) = 68.225$ ; significant at  $p < .05$ , thus confirming the fitness of the model and also implies that the relationship marketing strategy has a significant variation in their contributions to organizational performance of deposit taking Saccos in Kenya. Therefore, relationship marketing strategy is a significant predictor of organizational performance of deposit taking Saccos in Kenya.

**Table 4. 13: Regression Coefficients for Relationship marketing strategy**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.215	.265		4.576	.000
	Relationship marketing strategy	.621	.075	.639	8.260	.000

a. Dependent Variable: Organizational performance

Results (Table 4.13) also showed that relationship marketing strategy had a positive, linear and significant (p-value is less than 0.05) effect on organizational performance of deposit taking Saccos in Kenya {regression coefficient, B=0.621 and t-test value, t=8.260}. The results are represented in the following model:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where Y= organizational performance of deposit taking Saccos in Kenya,

$$\beta_0 = 1.215 \text{ (constant)}$$

$$\beta_1 = 0.621$$

$$X_1 = \text{Relationship marketing strategy}$$

Replacing in the equation above, the model becomes:  $Y = 1.215 + 0.621X_1$

From the above equation, the constant had coefficient of 1.215, p=0.000, this implies that in the absence of relationship marketing strategy, organizational performance of deposit taking Saccos in Kenya will be at 1.215. This performance will be significant (P<0.05). Conversely, relationship marketing strategy had beta coefficient of 0.621. This implies when everything is held constant, a unit increase in the relationship marketing strategy would result to a significant increase in organizational performance of deposit taking Saccos in Kenya by 0.621 units.

#### 4.4.3.3 Linear Influence of Innovation strategy on organizational performance

Simple linear regression analysis was conducted to establish the relationship between Innovation strategy and organizational performance of deposit taking Saccos in Kenya. The results are as shown in Table 4.14.

**Table 4.14: Model Summary for Innovation strategy and organizational performance**

Model Summary										
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Change Statistics					
					R Change	Square Change	F	Change	df1	df2
1	.625 <sup>a</sup>	.390	.384	.65384	.390	63.352	1	99	.000	

a. Predictors: (Constant), Innovation strategy

The results revealed that there was a statistically significant positive effect of innovation strategy on organizational performance of deposit taking Saccos in Kenya. Innovation strategy accounted for 39.0% ( $R^2 = 0.390$ ) variations in the performance of deposit taking Saccos in Kenya.

**Table 4. 15: ANOVA Table for Innovation strategy**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.084	1	27.084	63.352	.000 <sup>b</sup>
	Residual	42.324	99	.428		
	Total	69.408	100			

a. Dependent Variable: Organizational performance  
b. Predictors: (Constant), Innovation strategy

ANOVA (Table 4.15) shows the mean squares and F statistics significant F (1,99) = 63.352; significant at  $p < .05$ ), thus confirming the fitness of the model and also implies that the innovation strategy has significant variations in their contributions to organizational performance of deposit taking Saccos in Kenya. Therefore, innovation strategy is a significant predictor of organizational performance of deposit taking Saccos in Kenya.

**Table 4. 16: Regression Coefficients for Innovation strategy**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.440	.248		5.817	.000
1 Innovation strategy	.579	.073	.625	7.959	.000

a. Dependent Variable: Organizational performance

Results (Table 4.16) show that Innovation strategy had a positive, linear and significant (p-value is less than 0.05) association with the organizational performance of deposit taking Saccos in Kenya {regression coefficient, B=0.579 and t-test value, t=7.959}. The results are represented in the following model:

$$Y = \beta_0 + \beta_2 X_2 + \varepsilon$$

Where Y= organizational performance of deposit taking Saccos in Kenya,

$$\beta_0 = 1.440 \text{ (constant)}$$

$$\beta_3 = 0.579$$

$$X_3 = \text{Innovation strategy}$$

Substituting equation above with values, the model becomes:  $Y = 1.440 + 0.579X_2$

From the above model, the constant had coefficient of 1.440, p=0.000, this implies that in the absence of Innovation strategy, organizational performance of deposit taking Saccos in Kenya would be positive at 1.440. This organizational performance of deposit taking Saccos in Kenya would be significant (P<0.05). Further, Innovation strategy had beta coefficient of 0.579, P=0.000. This implies when everything is held constant a unit increase in the Innovation strategy would result to a significant increase in organizational performance of deposit taking Saccos in Kenya by 0.579 units.

#### 4.4.3.4 Linear Influence of Human resource focus strategy on organizational performance

Simple linear regression analysis was conducted to establish the relationship between human resource focus strategy and organizational performance of deposit taking Saccos in Kenya. The results are as shown in Table 4.17.

**Table 4. 17: Model Summary for Human resource focus strategy and organizational performance**

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	.507 <sup>a</sup>	.257	.249	.72175	.257	34.238	1	99	.000

a. Predictors: (Constant), human resource focus strategy

The results demonstrated that there was a statistically significant positive relationship between human resource focus strategy and organizational performance of deposit taking Saccos in Kenya, Kenya. Human resource focus strategy accounted for 25.7% ( $R^2 = 0.257$ ) variations in the organizational performance of deposit taking Saccos in Kenya.

**Table 4. 18: ANOVA Table for Human resource focus strategy**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.836	1	17.836	34.238	.000 <sup>b</sup>
	Residual	51.572	99	.521		
	Total	69.408	100			

a. Dependent Variable: Organizational performance  
b. Predictors: (Constant), human resource focus strategy

Analysis of Variance (Table 4.18) shows the mean squares and F statistics significant  $F(1,99) = 34.238$ ; significant at  $p < .05$ , thus confirming the fitness of the model and also implies that human resource focus strategy has significant variations in their contributions to organizational performance of deposit taking Saccos in Kenya. Hence, human resource focus is a significant predictor of organizational performance of deposit taking Saccos in Kenya.

**Table 4. 19: Regression Coefficients for Human resource focus strategy**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.552	.314		4.941	.000
1 Human resource focus strategy	.507	.087	.507	5.851	.000

a. Dependent Variable: organizational performance of deposit taking Saccos in Kenya

Results (Table 4.19) show that human resource focus strategy had a positive, linear and significant (p-value is less than 0.05) effect on the organizational performance of deposit taking Saccos in Kenya, {regression coefficient, B=0.507 and t-test value, t=5.851}. The results are represented in the following model:

$$Y = \beta_0 + \beta_4 X_4 + \varepsilon$$

Where Y= organizational performance of deposit taking Saccos in Kenya,

$$\beta_0 = 1.552 \text{ (constant)}$$

$$\beta_3 = 0.507$$

$$X_3 = \text{Human resource focus strategy}$$

Substituting equation above with values, the model becomes:  $Y = 1.552 + 0.507X_4$

From the above model, the constant had coefficient of 1.552, P=0.014, this implies that in the absence of human resource focus strategy, organizational performance of deposit taking Saccos in Kenya would be positively at 1.552. This performance would be insignificant (P<0.05). Further, human resource focus strategy had beta coefficient of 0.507, P=0.000. This implies when everything is held constant, a unit increase in human resource focus strategy would results to a significant increase in organizational performance of deposit taking Saccos in Kenya by 0.507 units.

4.4.3.5 *Multiple Linear Regression of the Combination strategies Regressed Against Organizational Performance of Deposit Taking Saccos*

The aim of this research was to investigate the impact of combination techniques on the organizational performance of deposit accepting Saccos in Kenya. This was accomplished by doing typical multiple regressions using a model that included each of the components of combination tactics. The research aimed to investigate the impact of each combination strategy on organizational performance when all these factors were collectively included in the model. The findings of the multiple linear regression analysis were displayed in Table 4.20, which included the ANOVA results (F Ratio, Significance Value) for goodness of fit, as well as the model summary (R, R<sup>2</sup>, Adj R<sup>2</sup>) in Table 4.21. Table 4.22, on the other hand, presented the results for the regression coefficients (Unstandardized & standardized), t-values, and Significance values.

The research aimed to ascertain the model summary results to establish the total percentage change in performance explained by the combination strategies' metrics, using R<sup>2</sup>. The data in Table 4.22 displays the values for R, R<sup>2</sup>, Adj R<sup>2</sup>, F ratio, and Sig. value.

**Table 4. 20: Model Summary and ANOVA**

Model	R	Adjusted R Square		Std. Error of the Estimate	R Square Change	Change Statistics		Sig. F Change
		R Square	R Square			F	df1	
1	.815 <sup>a</sup>	.664	.650	.49285	.664	47.437	4 96	.000

a. Predictors: (Constant), Financing strategy, Human resource focus strategy, Innovation strategy, Relationship marketing strategy  
b. Dependent Variable: Organizational Performance

**Source: Primary Data (2023)**

The model summary in Table 4.20 provides an overview of the model's overall performance. Upon examining the R square column, it becomes evident that all the combination methods collectively explain 66.4% of the significant variation in the Organizational Performance of DTSs (R square = .664, P = 0.000). This suggests that 33.6% of the variation in performance is attributed to other factors that are not included in this model.

**Table 4. 21: ANOVA**

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	46.089	4	11.522	47.437	.000 <sup>b</sup>
1 Residual	23.318	96	.243		
Total	69.408	100			

a. Dependent Variable: Organizational Performance of DTSS

b. Predictors: (Constant), Financing strategy, Human resource focus strategy, Innovation strategy, Relationship marketing strategy

**Source: Primary Data (2023)**

To evaluate the importance of the model, the research used the F Ratio to determine whether the study model is a more accurate predictor of performance compared to utilizing the mean score, which is considered an estimate. The F value obtained from the research data represents the extent to which the model's ability to forecast outcomes has improved compared to the remaining inaccuracies or mistakes in the study model. The data reveal that the F value is 47.437, which is more than one. This suggests that the improvement resulting from model fitting is much bigger than the mistakes or inaccuracies that were not accounted for in the model ( $F(4,100) = 47.437, P=0.000$ ). The presence of a big F value is very improbable to occur randomly (99.0% probability), indicating that the final research model exhibits a considerable enhancement in its capacity to predict DTSS organizational performance.

The table shown in Table 4.22 displays unstandardized coefficients, standardized coefficients, t statistics, and significant values. The research offers the choice of utilizing Unstandardized Coefficients or Standardized Coefficients, depending on the nature of the data. The research included the usage of unstandardized coefficient column in order to facilitate the comparison of the impact of combination tactics across the same Likert Scale measurements ranging from 1 to 5. However, if the measure were altered, then standardized coefficients that are derived from the standard deviation would be suitable.

**Table 4. 22: Coefficients on influence of Constructs of Combination strategies on organizational performance**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.493	.243		2.032	.045
Relationship marketing strategy	.233	.080	.240	2.930	.004
Human resource focus strategy	.051	.075	.051	.681	.497
Innovation strategy	.171	.072	.185	2.370	.020
Financing strategy	.411	.065	.491	6.320	.000

Dependent Variable: Organizational performance

**Source: Primary Data (2023)**

Based on the data supplied in Table 4.22, we examine the model outputs and analyze the unstandardized coefficients B column. If the combination techniques are set to zero or are missing, the organizational performance of DTSs would be considerably 0.493, with a p-value of less than 0.05. The analysis revealed that the financing strategy had the largest unique and significant impact on the model, with a coefficient (B) of 0.411 and a p-value of 0.000. This suggests that, when controlling for other variables in the model, a one-unit change in the financing strategy would lead to a significant change in the organizational performance of DTSs by 0.411 in the same direction.

The beta coefficient for Relationship marketing strategy was 0.233, making it the second biggest coefficient. The observed values are both statistically significant (B=.233, p=.004) and positively oriented. Relationship marketing strategy approach has the most significant and distinct impact on the success of DTSs in Kenya, even when considering the influence of all other factors in the model. This suggests that a one-unit increase in relationship marketing strategy would lead to a corresponding increase in DTSs organizational performance by 0.233 units in the same direction.

Another variable that made a distinct and important contribution to the model was the Innovation strategy value (B=.171, p=.020), which was lower than the Relationship marketing approach. Controlling for other factors in the model, a one-unit increase in Innovation strategy is associated with a statistically significant 0.171 increase in the

organizational performance of DTSSs in the same direction. Nevertheless, the impact of human resource emphasis on the model was found to be statistically insignificant, as shown by the coefficient  $B=0.051$ ,  $p=.497$ . This suggests that, after accounting for other factors in the model, a unit change in human resource focus would lead to a negligible change of 0.051 in the organizational performance of DTSSs, in the same direction.

The multiple linear regression model was built by regressing the four predictor variables against the organizational performance of DTSSs. The results of this regression may be seen in Table 4.22:

$$Y = 0.493 + 0.233X_1 + 0.051X_2 + 0.171X_3 + 0.411X_4$$

Where;

$Y$  = Organizational performance of DTSSs

$X_1$  = Relationship marketing strategy

$X_2$  = Human resource focus strategy

$X_3$  = Innovation strategy

$X_4$  = Financing strategy



## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

The primary results of the study, which are aligned with the research goals, are presented by summarizing the content of chapter four. The conclusions are derived from the data to address the study's goals and questions, and subsequently provide recommendations for deposit-taking institutions to improve their organizational performance.

#### 5.2 Summary of the Findings

The study targeted 132 respondents who were all issued with questionnaires. Out of the issued questionnaires, 101 were duly filled and returned their questionnaires which translated to a response rate of 77.3%. Combination strategies account for 66.4% significant variance in organizational performance of DTSs ( $R^2 = .664$ ,  $P=0.000$ ) implying that 33.6% of the variance in organizational performance of DTSs is accounted for by other variables not captured in this model.

#### 5.3 Discussions of the Findings

##### 5.3.1 Effect of financing strategy on organizational performance of deposit taking Saccos in Kenya

The study reveals a consensus among respondents regarding the Sacco's initiatives to enhance capital, including investment partnerships and corporate financial solutions rollout. While uncertainty exists, respondents generally agree with these strategies, suggesting their positive impact on the Sacco's return on assets (ROA). However, opinions vary regarding the Sacco's consistent annual dividends. Despite this, a majority acknowledges the Sacco's effective adoption of various core capital-raising solutions, correlating with an increase in its ROA.

The results illustrated that there was a statistically significant positive effect of financing strategy on organizational performance of deposit taking Saccos in Kenya. Financing strategy accounted for 56.5% ( $R^2 = 0.565$ ) variations in the organizational performance of deposit taking Saccos in Kenya. One comparable study conducted by Karanja et al. (2016) explored the influence of financial management practices on DT-SACCOs' performance, revealing that effective financing strategies significantly affected their

overall performance. Their findings showed that financing strategies accounted for nearly half of the performance variations in DT-SACCOs, echoing the notion that a thoughtfully planned and executed financing strategy plays a crucial role in SACCOs' growth and success. Similarly, Mutua and Nyambura (2019) investigated the impact of strategic management practices on SACCOs' performance in Kenya, concluding that financing strategies significantly predicted their performance. The authors stressed the importance of matching financial sources with strategic objectives to maximize SACCOs' performance and longevity.

The strongest association was seen between the financing approach and the organizational performance of DTs. The analysis showed that the financing strategy had the greatest unique and significant impact on the model, with a coefficient (B) of 0.411 and a p-value of 0.000. This suggests that, when controlling for other variables in the model, a one-unit change in the financing strategy would lead to a significant change in the organizational performance of DTs by 0.411 in the same direction. In their study, Hsiao et al. (2017) examined how the financing strategy of commercial banks in Taiwan affects their financial performance. The findings also indicated that the performance was enhanced as a consequence of the augmentation of bank management activities, risk management activities, and other advantages derived from the financing approach. In their study, Bomiegha and Kalu (2018) discovered a significant and favorable correlation between relationship marketing and sales success in Nigeria. Data for the research was gathered via the use of questionnaires administered at the banks located in Ogun State.

Additionally, Murigi et al. (2015) studied the relationship between financial literacy and performance among Kenyan SACCOs, noting that strategic financial management, including selecting appropriate financing strategies, was a significant factor in achieving better performance. While many studies agree on the positive impact of financing strategies on SACCOs' performance, disagreements exist in the degree to which financing strategies influence SACCOs' performance. In contrast to the previously discussed findings, Machira et al.'s (2014) research found that financial strategies accounted for only 29% of the variations in the performance of Kenyan SACCOs.

### 5.3.2 Effect of relationship marketing strategy on organizational performance of deposit taking Saccos in Kenya

The respondents generally supported the existence of a relationship marketing department within the Saccos, indicating positive agreement with its effectiveness. Similarly, the customer bonding programs were perceived favourably, with a majority acknowledging their contribution to expanding the customer base. Additionally, respondents agreed that marketing employees maintain customer trust and timely address service quality complaints, suggesting overall satisfaction with the Saccos' relationship marketing initiatives.

The study showing a statistically significant positive effect of relationship marketing strategy on the organizational performance of deposit taking SACCOs in Kenya adds to the body of evidence pointing to the significance of relationship marketing in enhancing organizational performance. The finding that relationship marketing strategy accounts for roughly 40.8% ( $R^2 = 0.408$ ) of the variations in the organizational performance of deposit taking SACCOs is supported by several studies highlighting the importance of relationship marketing in various contexts.

For instance, Moosa and Al-Qadasi (2017) explored the impact of relationship marketing dimensions on bank performance, determining that relationship marketing indeed positively influences organizational performance. Their findings imply that SACCOs could leverage various relationship marketing dimensions, such as customer satisfaction, trust, commitment, and communication, to enhance their overall performance. Similarly, Aworemi (2013) delved into the influence of relationship marketing on microfinance institution performance, concluding that relationship marketing significantly determines the performance of such institutions. The study confirmed that relationship marketing variables, including customer satisfaction, trust, and commitment, have a substantial impact on microfinance institutions' performance, mirroring the results obtained for deposit taking SACCOs in Kenya.

The beta coefficient for Relationship marketing strategy, which represents the second greatest coefficient value, is 0.233. The statistics ( $B=.233$ ,  $p=.004$ ) are both statistically significant and positive. Relationship marketing approach had the most significant and distinct impact on the success of DTSS in Kenya, even after accounting for the influence of all other factors in the model. This suggests that DTSS organizational performance

would improve by 0.233 points for every one unit increase in relationship marketing strategy. Researchers Mulaa et al. (2021) looked at how vendor-managed medium and big supermarkets fared in relation to strategic innovation competency in Nairobi City County, Kenya. According to the study's findings, relationship marketing significantly boosts productivity. The second greatest correlation seen among the combination strategies was the association between relationship marketing and the organizational performance of DTSs. This correlation was not only significant but also substantial, with a positive value of 0.639 and a p-value of 0.000.

In line with these studies, Chepkoech and Rotich (2017) investigated the influence of relationship marketing on SACCOs' performance in Kenya, arguing that relationship marketing is a critical driver of SACCOs' growth and success. They posited that relationship marketing creates loyal customers, generates recurrent income, and establishes barriers to entry for competitors, eventually contributing to SACCOs' performance.

However, contrary to these findings, some studies dispute the degree to which relationship marketing impacts organizational performance. For example, Muriithi (2018) evaluated the influence of relationship marketing on cooperative societies' performance in Kenya, observing a moderate impact rather than a strong one. Thus, while relationship marketing does play a role in enhancing SACCOs' performance, the level of its influence may vary depending on the context and other intervening factors.

### 5.3.3 Effect of Innovation strategy on organizational performance of deposit taking Saccos in Kenya

According to the findings, respondents generally supported the Sacco's adoption of mobile financial innovation, branchless financial innovation, agency banking, and point of sales innovation. They agreed that these initiatives have yielded positive outcomes, such as an increase in return on assets (ROA), customer base, market share, and loyal customers. Specifically, respondents agreed that mobile financial innovation and branchless financial innovation contributed significantly to the growth of new and existing customer numbers. Additionally, the adoption of agency banking was perceived to enhance the Sacco's market share. Overall, respondents acknowledged that key core financial solutions have played a crucial role in expanding the Sacco's loyal customer base.

The results revealed that there was a statistically significant positive effect of Innovation strategy on organizational performance of deposit taking Saccos in Kenya. Innovation strategy accounted for 39.0% ( $R^2 = 0.390$ ) variations in the organizational performance of deposit taking Saccos in Kenya. Indeed, several studies have acknowledged the significance of innovation in SACCOS, particularly in the context of Kenya. Odongo et al. (2016) inspected the influence of innovation on the performance of SACCOS in Kenya, concluding that innovation considerably impacts their performance. Their results implied that SACCOS could improve their performance by adopting and applying innovative products, services, and processes.

Likewise, Omolo and Mathooko (2017) explored the effect of innovation on SACCOS' performance in Kenya, asserting that innovation leads to improved efficiency and effectiveness, ultimately culminating in enhanced performance. Similar to the current study, their research indicated that innovation accounted for a notable portion of performance variations in SACCOS.

The link between Innovation strategy and the organizational performance of DTSSs was the second lowest correlation seen in this research. Another variable that made a distinct and important contribution to the model was the Innovation strategy value ( $B=.171$ ,  $p=.020$ ), which was lower than the Relationship marketing approach. When all other factors in the model are held constant, a one-unit increase in Innovation strategy would lead to a statistically significant 0.171 increase in the organizational performance of DTSSs, in the same direction. Mulaa et al. (2021) investigated the impact of strategic innovation competence on the performance of vendor-managed retail medium and large supermarkets in Nairobi City County, Kenya. The research discovered a strong and meaningful correlation between relationship marketing and performance. The research conducted by Gopalakrishnan (2018) discovered a causal relationship in which payment innovation negatively impacts financial performance. There is a reciprocal link between payment innovation and company performance, indicating that changes in one might cause changes in the other.

Furthermore, Mbugua and Maina (2018) probed the relationship between innovation and performance in SACCOS, revealing that innovation is a powerful driver of SACCOS' performance. They argued that, by introducing innovative products, services, and processes, SACCOS could meet ever-evolving member needs, build competitive

advantages, and distinguish themselves from rivals, ultimately leading to improved performance. It is worth mentioning, however, that some studies contest the magnitude of innovation's impact on SACCOs' performance. For instance, Musundi et al. (2017) explored the relationship between innovation and performance in SACCOs, conceding that while innovation does have a positive influence, its impact is somewhat moderate. Therefore, while innovation certainly plays a role in advancing SACCOs' performance, other factors might also contribute to or confound the overall impact.

#### 5.3.4 Effect of human resource focus strategy on organizational performance of deposit taking Saccos in Kenya

The study unveiled diverse perspectives among respondents concerning the Sacco's employee development, career advancement, retention programs, and compensation schemes. Generally, respondents endorsed these initiatives, implying their positive impact on the Sacco's overall performance. However, opinions were divided on the effectiveness of human resource focus initiatives in substantially enhancing the Sacco's organizational performance. While some respondents strongly agreed or agreed, others expressed uncertainty or disagreement. Nonetheless, the findings suggest a general acknowledgment of the importance of robust human resource strategies in bolstering organizational success, albeit with nuances in perception regarding their efficacy in driving performance improvements.

The results demonstrated that there was a statistically significant positive relationship between human resource focus strategy and organizational performance of deposit taking Saccos in Kenya, Kenya. Human resource focus strategy accounted for 25.7% ( $R^2 = 0.257$ ) variations in the organizational performance of deposit taking Saccos in Kenya, Kenya. Investing in human resources and fostering a positive work environment has been recognized as essential to organizational performance in various studies. A meta-analysis conducted by Judge et al. (2001) concluded that a positive work environment, created partly by human resource management practices, contributes significantly to employee attitudes and behaviours that subsequently impact organizational performance. Specific to SACCOs, a study carried out by Iravo and Nafula (2017) examined the effect of human resource management practices on SACCO performance in Kenya. The results indicated that human resource focus positively influences SACCO performance. Specifically, they

found that staff involvement, training and development, reward systems, and good employer-employee relationships are integral to improving the performance of SACCOs. The results indicate that the correlation coefficient between Human resource emphasis and organizational performance of DTSSs was the lowest, with a value of 0.507 and a significance level of  $p=.000$ . The human resource focus variable made a negligible contribution to the model, with a coefficient of  $B=0.051$  and a  $p$ -value of .497. This suggests that when the other factors in the model are held constant, a one-unit change in human resource focus would lead to an insignificant change of 0.051 in the organizational performance of DTSSs, in the same direction. In their 2018 study, Onay and Ozsoz examined the correlation between personnel downsizing, which aims to reduce operational costs, and the improvement of financial performance in Turkish banks. According to the study's results, Turkish banks' profitability was not significantly different before and after the reduction. Simply, banks' profitability was not significantly correlated with downsizing, which is defined as reducing operational expenses. Human capital services significantly impact bank performance, according to the study.

Additionally, a study by Otieno et al. (2015) investigated the role of human resource management practices in enhancing SACCO performance in Kenya. The authors discovered that effective human resource management, which includes staff recruitment, training, motivation, and performance appraisal, significantly contributes to the overall performance of SACCOs. However, it should be noted that the 25.7% variation ( $R^2 = 0.257$ ) attributed to human resource focus in this study is lower than what some other studies have found. For instance, Nyaboga et al. (2015) found that human resource focus accounted for approximately 39% of the variation in SACCO performance in Kenya. This discrepancy may be because different studies examine distinct aspects of human resource management and its effect on SACCO performance.

#### **5.4 Conclusions of the Study**

The findings underscore the significance of strategic financial initiatives for Deposit-Taking Saccos (DTSSs), particularly in bolstering their organizational performance. Notably, the financing strategy emerges as the most influential factor, demonstrating a significant positive impact on DTSSs organizational performance. These results emphasize the critical role of financial approaches in driving organizational success within the DTSS

sector, highlighting the need for tailored financial strategies to enhance overall performance and sustainability.

Respondents positively perceived the effectiveness of relationship marketing strategy within Saccos, supporting its impact on customer trust and service quality resolution. Furthermore, customer bonding programs were recognized for expanding the customer base. The statistical analysis confirms the significance of relationship marketing strategy, with a beta coefficient of 0.233, indicating its substantial influence on DTSS success in Kenya. This underscores the importance of prioritizing relationship marketing initiatives for enhancing DTSS organizational performance and sustainability.

Respondents overwhelmingly supported the Sacco's adoption of various financial innovations, attributing them to positive outcomes like enhanced ROA, customer base expansion, increased market share, and customer loyalty. Specifically, mobile and branchless financial innovations were noted for driving customer growth, while agency banking bolstered market share. Despite being the second lowest correlation, innovation strategy still significantly impacted DTSS organizational performance, emphasizing its importance alongside relationship marketing strategy in driving DTSS success.

The study highlighted varying viewpoints on Sacco's employee-centric strategies, including development, career advancement, retention, and compensation. While generally endorsed, opinions varied on their efficacy in boosting overall performance. The findings suggest a consensus on the importance of robust human resource strategies for organizational success, despite discrepancies in perceived effectiveness. However, the correlation between human resource emphasis and DTSS organizational performance was minimal, indicating its limited impact on driving performance improvements compared to other factors examined in the model.

## **5.5 Recommendations**

### **5.5.1 To the Management for Practice**

To ensure their success, a combination of strategies is imperative. By prioritizing risk management, embracing technology, diversifying services, and promoting financial literacy, deposit taking Saccos can navigate the complexities of the financial sector, build trust among members, and establish a foundation for sustained growth and impact. The

recommendations provided serve as a guide for deposit-taking Saccos seeking to enhance their success in the ever-evolving financial landscape.

Implementing robust monitoring and evaluation frameworks is crucial for assessing the effectiveness of combination strategies. Sacco managers should establish key performance indicators (KPIs) aligned with strategic objectives and regularly evaluate the impact of implemented strategies. This iterative process allows for adjustments and refinements based on real-time feedback and evolving market conditions.

Sacco management teams should engage in regular strategic planning workshops to align organizational goals with combination strategies. These workshops should involve discussions on service diversification, technological advancements, and risk management. The collaborative nature of these workshops fosters a shared vision among management, promoting effective decision-making and the implementation of well-informed strategies.

Inculcating a culture of strategic thinking and innovation within DT-Saccos is essential for continuous improvement and adaptation. Encouraging experimentation, embracing new technologies, and fostering a growth mindset can lead to the development of novel and effective combination strategies.

#### 5.5.2 To the Policy Makers

Review and update regulations to ensure they are supportive of DT-Saccos adopting combination strategies. Provide clear and transparent regulatory guidelines for the implementation of combination strategies. Streamline regulatory processes to reduce the administrative burden on DT-Saccos. Enhance governance practices within DT-Saccos to promote sound decision-making, accountability, and transparency. Implement risk management frameworks to mitigate potential risks associated with combination strategies.

#### 5.5.3 Academia

It is anticipated that the results of the study will underpin future research activity, therefore contributing to the growth of knowledge within the area of research. Within the realm of strategic management, the research has also contributed to the expansion of reference material on the resource base view theory and the diffusion of Innovation theory. Additionally, future research work on the organizational performance of deposit taking Saccos in the nation will be informed by the study.

## **5.6 Limitations of the Study**

At the initial stage of the study, the researcher met some resistance as some of the respondents were initially afraid of reprisals from their superior. The researcher was able to overcome their fear by clearly explaining to them that the objective of the study was purely for academic purposes and on production of the letter from the university, the confidence levels were built which enabled the researcher to proceed with collection of data. Another notable challenge was lack of time to respond to questionnaires due to busy schedule of the respondents. The researcher organized with some of the respondents who had time challenges by administering the questionnaires at their most convenient and free time.

## **5.7 Areas of Further Studies**

The study limited itself to four aspects of combination strategies: Innovation strategy, financing strategy, human resource focus strategy and relationship marketing strategy. This may limit its applicability since there are other combination strategies as depicted by the R square thus leaving a room for further studies.

Methodologically, the study focused on deposit taking Saccos in Kenya which are regulated by SASRA, it may be difficult to generalize these findings to other financial institutions such as commercial banks and microfinance banks which are regulated by CBK or to non-financial institutions.

The research used quantitative data that was gathered by the administration of semi-structured questionnaire. Hence, it is recommended that future research endeavours include qualitative methodologies such as focus groups, open-ended surveys, and interviews, since they may contribute to the refinement of more conclusive findings.

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## APPENDICES

### Appendix I: Participants Consent Form

Title of the Proposed Study: **INFLUENCE OF COMBINATION STRATEGIES ON PERFORMANCE OF DEPOSIT TAKING SACCOS IN KENYA**

#### **Section I:**

Investigator: MARK FANDE MJAMBILI,

Institutional Affiliation: **Strathmore Business School (SBS)**

#### **Section II: Information Sheet–The Study**

##### **2.1: Why is this study being conducted?**

This research is conducted as a partial requirement for the Master of Commerce Degree. The purpose is solely academic, and any research data collected will only be used within this academic context.

##### **2.2: Do I have to participate?**

Participation is entirely voluntary. Even if you initially agree to participate, you can withdraw from the study at any point during the process.

##### **2.3: Who is eligible to participate?**

The survey targets operations managers in the selected Deposit-Taking Saccos.

##### **2.4: Who is not eligible to participate?**

This study is restricted to participants employed within the deposit-taking Saccos specifically targeted in the survey.

##### **2.5: What does participating involve?**



Your participation is crucial for shaping policies aimed at enhancing the performance of deposit-taking Saccos in Kenya.

**2.6: Are there any risks or dangers?**

There are no risks associated with participating in this study.

**2.7: Are there any benefits?**

Yes, the research findings are expected to contribute to improved policy formulation, managerial practices, and serve as a reference for the future.

**2.8: What if I refuse to participate?**

Participation is entirely voluntary, and there will be no consequences for refusing to take part.

**2.9: Who will access my information?**

All collected data will be treated with the utmost confidentiality and will only be accessible to individuals involved in the research process.

**2.10: Who can I contact for further questions?**

Contact **MARK FANDE MJAMBILI** at +254 722 917 775 or Research Supervisor **DR. GEOFFREY INJENI** through the Strathmore Business School Office.

*If you wish to seek independent advice about this research, please contact:*

*The Secretariat–Strathmore University Institutional Ethics Review Committee, P.O. BOX 59857, 00200, Nairobi, Email: [ethicsreview@strathmore.edu](mailto:ethicsreview@strathmore.edu) Tel: +254 (0) 703 034 128*

I, .....have had the study explained to me, understood its content, and had my questions answered. I acknowledge the voluntary nature of my participation and my right to change my mind at any stage.

**Please tick the boxes that apply to you:**

**Participation in the research study**

- I AGREE to be part of the research
- I DO NOT AGREE to be part of the research

**Storage of information on the completed questionnaire**

- I CONSENT to having my survey results saved for potential research purposes.
- I DO NOT CONSENT to having my survey results saved for potential research purposes.

Participant's Name: .....

Participant's Signature: ..... Date: .....

I,....., certify that I have followed the SOP for this study, explained the study information to the participant, ensuring their understanding and consent to participate.

Signature: ..... Date:.....

Name: **MARK FANDE MJAMBILI**

## **Appendix II: Introduction Letter**

To the Chief Executive Officer

.....

.....

Dear Sir/Madam

Ref: **Request to Collect Research Data**

Hello, I, MARK FANDE MJAMBILI, am now pursuing a Master of Commerce degree at Strathmore University. In order to fulfil the partial requirements for my degree, I am doing research that aims to address a specific need in knowledge and improve professional practices within the Sacco Sub sector in the nation. I am now doing research on the 'INFLUENCE OF COMBINATION STRATEGIES ON PERFORMANCE OF DEPOSIT TAKING SACCOS IN KENYA'.

I respectfully seek permission to obtain pertinent information from the target respondents inside the Sacco, which will aid in resolving the research challenge. The study results will contribute to the existing knowledge base and are anticipated to provide practical support to the financial sector in the nation. The gathered study data will be only for the specified goals. If desired, the results of the study will be sent to your esteemed office. We would really appreciate any support provided.

With Regards,

Mark Fande Mjambili

Student No. 149564.

## Appendix Iii: Questionnaire For Operations Manager

### Instructions for the respondents

To the best of your knowledge, please answer the following question. It is really appreciated that you took part in the research.

### PART A: EXTENT OF USE OF COMBINATION STRATEGIES

1. Does the Sacco have a Vision? Yes [ ] No [ ]

If, Yes, How does it relate to combination strategies;

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2. Does the Sacco have a Mission? Yes [ ] No [ ]

If, Yes, How does it relate to combination strategies

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3. Does the Sacco have a Strategic Plan? Yes [ ] No [ ]

If, Yes, How does it relate to combination strategies

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4. Do you review the strategic plans of the Sacco? Yes [ ] No [ ]

If yes, state how frequently (e.g. annually) .....

5. What is the Sacco's success/extent of combination strategies?

Excellent [ ] Good [ ] Fair [ ] Poor [ ] Very Poor [ ]

6. What are the factors that affect the extent of utilization of combination strategies in your Sacco?

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7. What functional areas of the Saccos is combination strategies mostly practiced?

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**PART B: RELATIONSHIP BETWEEN COMBINATION STRATEGIES AND PERFORMANCE OF DEPOSIT TAKING SACCOS**

In your opinion, how much weight does the Sacco's finance strategy have in determining the performance of your Sacco? Please choose the option that best describes you using the Likert scale: Out of 5 possible responses, 1 is Strongly Disagree, 4 is Agree, 3 is Uncertain, and 2 is Disagree

	<b>2. Financing strategy</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	The Sacco has entered into investment partnerships with various investors to raise its capital base					
2	The Sacco has rolled out corporate financial solutions to raise its core capital					
3	The Saccos has a feasible dividend policy to attract new and existing customers					
4	The Saccos consistently pays annual dividends to its customers					
5	Generally, adoption of various core capital raising solutions have resulted in the Sacco's increase in its ROA					

	<b>Relationship marketing</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
6	The Saccos has an existing relationship marketing department to attend to its new and existing customers					
7	The Sacco's customers bonding programs has yielded a significant increase in its customer base					
8	The marketing employees have always won the trust of its new and existing customers					
9	The Saccos timely addresses various customer complains about service quality					
10	Generally, the Saccos adoption of varied human resource focus initiatives has yielded an increase in its service quality					

	<b>Financial innovations</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
11	The Sacco's adoption of mobile financial innovation has yielded a significant increase on its ROA					
12	The Sacco's adoption of branchless financial innovation has yielded a significant increase in number of new and existing customers					
13	The Sacco's adoption of agency banking has yielded a significant increase in its market share					
14	The Saccos adoption of Point of Sales innovation has yielded a significant increase in its loyal customers					
15	Generally, adoption of key core financial solutions (4 switch) has resulted in an increase in the Sacco's loyal customers					

	<b>Human resource focus</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
16	The Sacco has enticing training opportunities to develop all of its employees					
17	The Sacco has attractive career development opportunities for all cadres of employees					
18	The Sacco has feasible employee retention programs for all cadres of employees					
19	The Sacco has viable employee compensation schemes for all cadres of employees					
20	Generally, human resource focus initiatives have yielded a significant increase in the Sacco's overall performance					

In your opinion, indicate the performance of your Sacco? Please choose the option that best describes you using the Likert scale: Out of 5 possible responses, 1 is Strongly Disagree, 4 is Agree, 3 is Uncertain, and 2 is Disagree

	<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	The Sacco has realized consistent increase in its Return on Assets (ROA) in the past 3 years					
2	The Sacco has realized an increase in new number of customers in the past three years					
3	The Sacco has expanded its market share in the last three years					
4	The Sacco has consistently maintained its loyal customers in the last three years					
5	The Sacco has experienced high customer retention rate in the past three years					
6	Generally, the Sacco has experienced a consistent increase in its overall performance in the past three years					

**PART C: MANAGEMENT PERSPECTIVE ON COMBINATION STRATEGIES PERFORMANCE**

What is the management’s perspective towards combination strategies performance?

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How does management’s perspective affect performance of combination strategies?

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What challenges does management face while implementing combination strategies?

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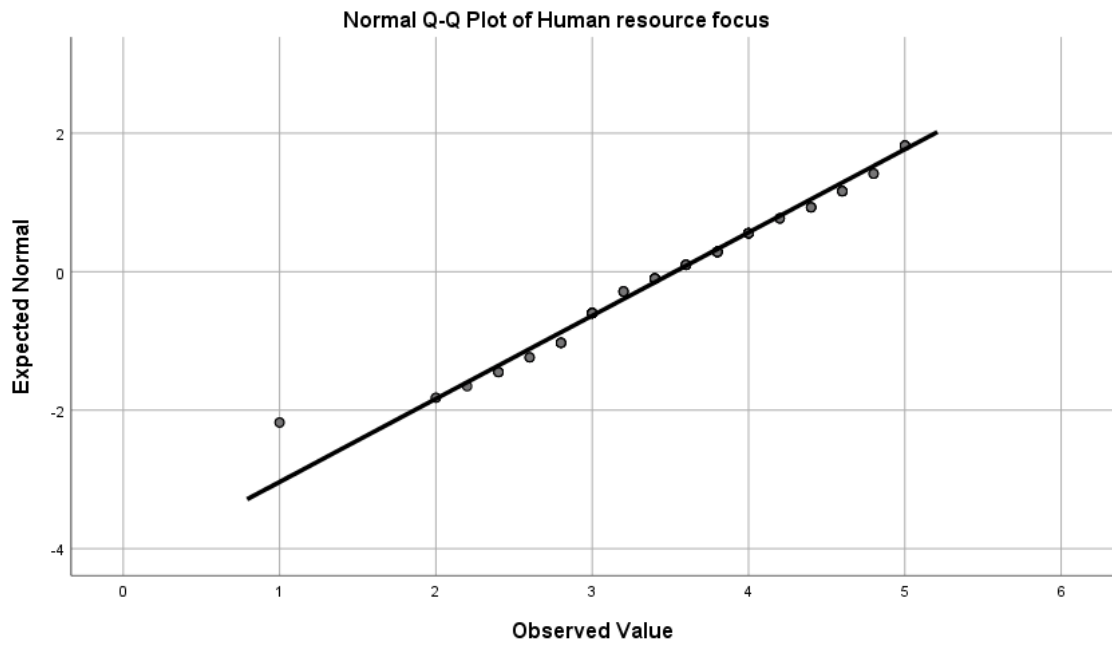
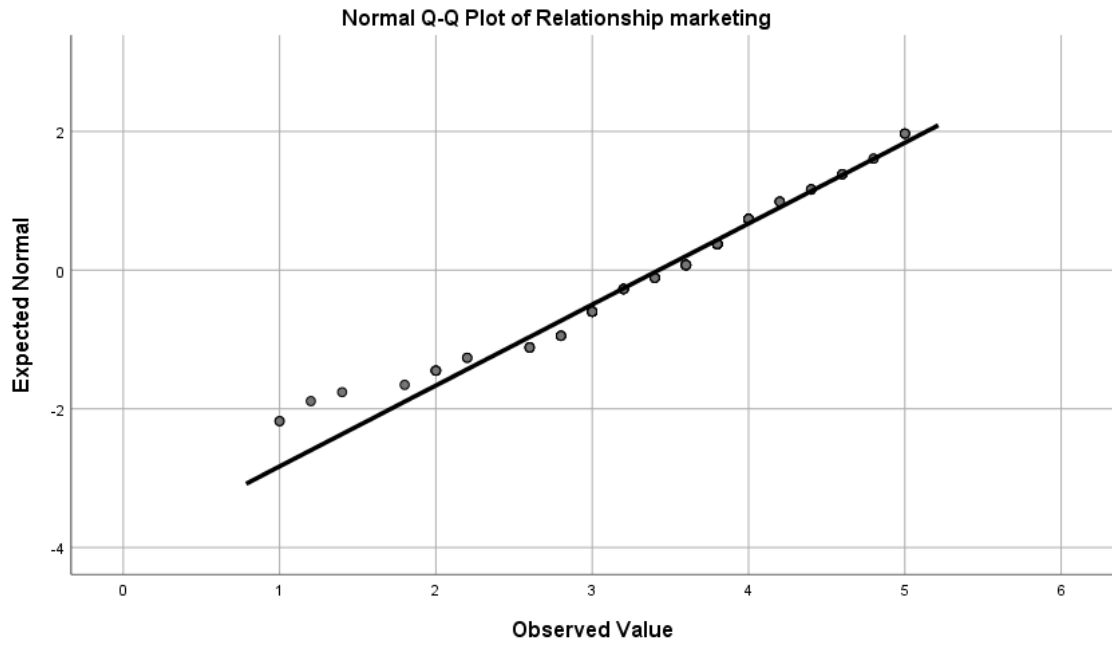
State the extent of the following statements in regards to management perspective on combination strategies performance. Use the following scale: **5**-Very great extent, **4**-Great extent, **3**-Moderate Extent, **2**-Low Extent, **1**-Very Low extent

	<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	The management is always in the forefront in determining a strategic direction for the organization to enhance combination strategies performance					
2	The management has been involved in establishing balanced organizational controls for the sake of combination strategies performance					
3	The management has actively been involved in sustaining an effective organizational culture to enhance combination strategies performance					
4	The top management always emphasizes ethical practices in the organization in line with combination strategies performance					
5	The management has been exploiting and maintaining core competencies to achieve superior combination strategies performance					
6	The management is always in the forefront in providing leadership in strategy implementation					

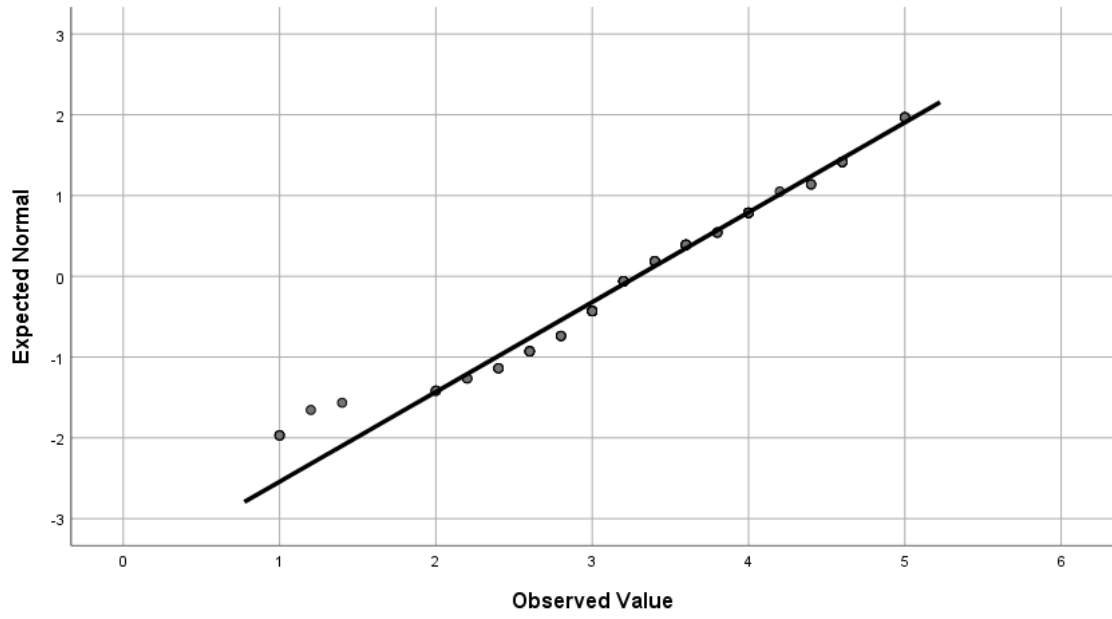
7	Based on the results of the combination tactics, management encourages workers to reach the objectives established by the company.					
8	The management supports employees and inspires them towards achieving combination strategies superior performance					
9	Management supports the Sacco's efforts to provide an environment where workers may develop a sense of shared purpose, vision, and values.					



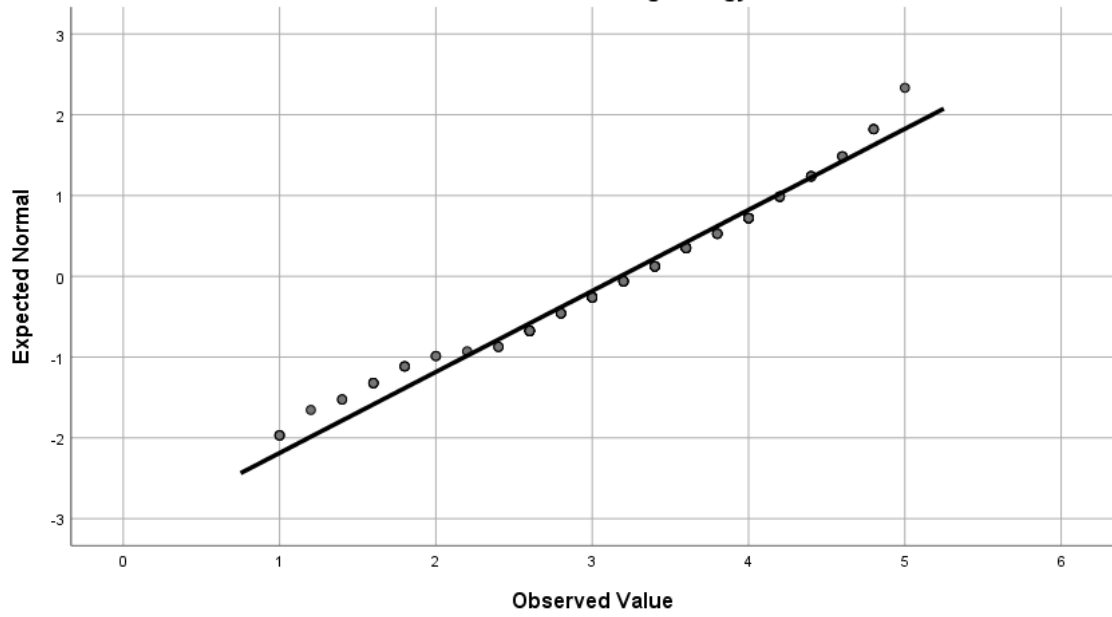
## Appendix Iv: Normality Test

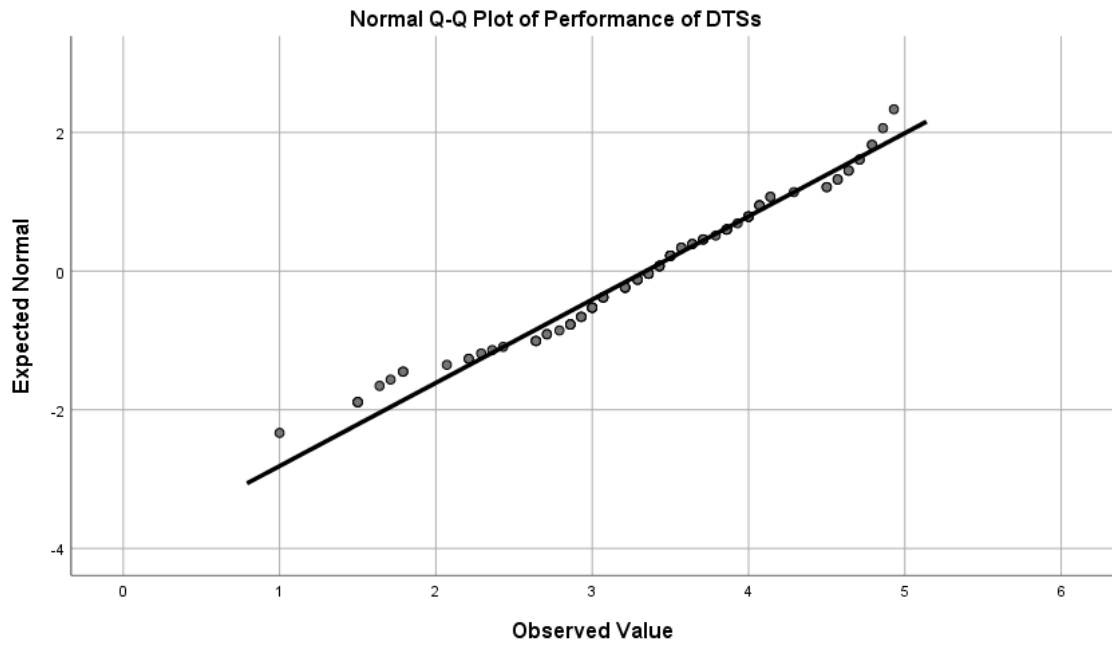


Normal Q-Q Plot of Sacco innovation



Normal Q-Q Plot of Financing strategy





## Appendix V: Licensed Saccos For Period Ending 31<sup>st</sup> December, 2023

LICENSED SACCO SOCIETIES FOR PERIOD ENDING 31 <sup>ST</sup> DECEMBER, 2023		
NO.	NAME OF SOCIETY	POSTAL ADDRESS
1	2NK Sacco Society Ltd	P.O Box 12196 – 10109, Nyeri
2	Acumen Sacco Society Ltd	P.O. Box 1325 – 00200, Nairobi
3	Afya Sacco Society Ltd	P.O. Box 11607 – 00400, Nairobi.
4	Agro-Chem Sacco Society Ltd	P.O Box 94 – 40107, <u>Muhoroni</u> .
5	<u>Ainabkoi</u> Sacco Society Ltd	P.O. Box 120 – 30101, <u>Ainabkoi</u>
6	Airports Sacco Society Ltd	P.O. Box 19001 – 00501, Nairobi
7	Amica Sacco Society Ltd	P.O. Box 816 – 10100, <u>Murang'a</u> .
8	Ammar Sacco Society Ltd	P.O Box 6957 – 01000, Thika.
9	Ardhi Sacco Society Ltd	P.O. Box 28782 – 00200, Nairobi.
10	Asili Sacco Society Ltd	P.O. Box 49064 – 00100, Nairobi.
11	Azima Sacco Society Ltd	P.O. Box 1124 – 01000, Thika.
12	Bandari Sacco Society Ltd	P.O. Box 95011 – 80104, Mombasa.
13	Baraka Sacco Society Ltd	P.O. Box 1548 – 10101, <u>Karatina</u> .
14	Baraton University Sacco Society Ltd	P.O Box 2500 – 30100, Eldoret.
15	Biashara Sacco Society Ltd	P.O. Box 1895 – 10100, Nyeri.
16	Biashara Tosha Sacco Society Ltd	P.O Box 189 – 60101, Manyatta.
17	Bi-High Sacco Society Ltd	P.O. Box 90 – 60500, <u>Marsabit</u> .
18	<u>Bingwa</u> Sacco Society Ltd	P.O. Box 434 – 10300, <u>Kerugoya</u> .
19	<u>Boresha</u> Sacco Society Ltd	P.O. Box 80 – 20103, <u>Eldama Ravine</u> .
20	Capital Sacco Society Ltd	P.O Box 1479 – 60200, Meru.
21	Centenary Sacco Society Ltd	P.O. Box 1207 – 60200, Meru.
22	Chai Sacco Society Ltd	P.O. Box 233 – 00200, Nairobi.
23	Chuna Sacco Society Ltd	P.O. Box 30197 – 00100, Nairobi.
24	<u>Comoco</u> Sacco Society Ltd	P.O. Box 3334 – 00200, Nairobi
25	Cosmopolitan Sacco Society Ltd	P.O. Box 1931 – 20100, Nakuru.
26	County Sacco Society Ltd	P.O. Box 21 – 60103, <u>Runyenjes</u> .
27	Daima Sacco Society Ltd	P.O. Box 2032 – 60100, Embu.
28	<u>Dhabiti</u> Sacco Society Ltd	P.O. Box 353 – 60600, Maua.
29	<u>Dimkes</u> Sacco Society Ltd	P.O. Box 886 – 00900, Kiambu.
30	Dumisha Sacco Society Ltd	P.O Box 84 – 17100, <u>Mararal</u> .
31	Eco-Pillar Sacco Society Ltd	P.O. Box 48 – 30600, Kapenguria
32	Egerton Sacco Society Ltd	P.O. Box 178 – 20115, Egerton.
33	Elimu Sacco Society Ltd	P.O Box 10073 – 00100, Nairobi.
34	<u>Enea</u> Sacco Society Ltd	P.O. Box 1836 – 10101, <u>Karatina</u> .
35	Faridi Sacco Society Ltd	P.O. Box 448 – 50400, Busia.
36	Fariji Sacco Society Ltd	P.O. Box 589 – 00216, <u>Githunguri</u> .
37	Faridi Sacco Society Ltd	P.O. Box 448 – 50400, Busia.
38	Fariji Sacco Society Ltd	P.O. Box 589 – 00216, <u>Githunguri</u> .
39	Fortitude Sacco Society Ltd	P.O. Box 237 – 40305, Mbita.
40	Fortune Sacco Society Ltd	P.O. Box 559 – 10300, <u>Kerugoya</u> .
41	<u>Fundilima</u> Sacco Society Ltd	P.O. Box 62000 – 00200, Nairobi.
42	GDC Sacco Society Ltd	P.O.Box896 – 00216, <u>Githunguri</u> .
43	Golden Pillar Sacco Society Ltd	P.O. Box 3192 – 60200, Meru.
44	Good Faith Sacco Society Ltd	P.O. Box 224 – 00222, Uplands
45	Goodhope Sacco Society Ltd	P.O. Box 158 – 20500, Narok.
46	Goodway Sacco Society Ltd	P.O Box 626 – 10300, <u>Kerugoya</u> .
47	<u>Gusii Mwalimu</u> Sacco Society Ltd	P.O. Box 1335 – 40200, Kisii.
48	Harambee Sacco Society Ltd	P.O. Box 47815 – 00100, Nairobi.
49	Hazina Sacco Society Ltd	P.O. Box 59877 – 00200, Nairobi.
50	<u>Ilkisonko</u> Sacco Society Ltd	P.O Box 91 – 00209, <u>Loitokitok</u> .

51	Imarika Sacco Society Ltd	P.O. Box 493 – 80108, Kilifi.
52	Imarisha Sacco Society Ltd	P.O. Box 682 – 20200, Kericho.
53	Invest and Grow (IG) Sacco Society Ltd	P.O. Box 1150 – 50100, Kakamega.
54	Jacaranda Sacco Society Ltd	P.O. Box 1767 – 00232, Ruiru
55	Jamii Sacco Society Ltd	P.O. Box 57929 – 00200, Nairobi.
56	Jitegemee Sacco Society Ltd	P.O. Box 86937 – 80100, Mombasa.
57	Joinas Sacco Society Ltd	P.O. Box 669 – 00219, Karuri.
58	Jumuika Sacco Society Ltd	P.O. Box 14 – 40112, Awasi
59	Kencream Sacco Society Ltd	P.O. Box 300131 – 00200, Nairobi
60	Kenpipe Sacco Society Ltd	P.O. Box 314 – 00507, Nairobi.
61	Kenversity Sacco Society Ltd	P.O. Box 10163 – 00100, Nairobi.
62	Kenya Achievas Sacco Society Ltd	P.O. Box 3080 – 40200, Kisii.
63	Kenya Bankers Sacco Society Ltd	P.O. Box 73236 – 00200, Nairobi.
64	Kenya Highlands Sacco Society Ltd	P.O. Box 2085 – 002000, Kericho.
65	Kenya Midland Sacco Society Ltd	P.O. Box 287 – 20400, Bomet.
66	Kenya Police Sacco Society Ltd	P.O. Box 51042 – 00200, Nairobi.
67	Kimbilio Daima Sacco Society Ltd	P.O. Box 81 – 20225, Kimulot.
68	Kimisitu Sacco Society Ltd	P.O. Box 10454 – 00200, Nairobi
69	Kingdom Sacco Society Ltd	P.O. Box 8017 – 00300, Nairobi.
70	Kipsigis Edis Sacco Society Ltd	P.O. Box 228 – 20400, Bomet.
71	Kite Sacco Society Ltd	P.O. Box 2073 – 40100, Kisumu.
72	Kitui Teachers Sacco Society Ltd	P.O. Box 254 – 90200, Kitui.
73	Kolenge Tea Sacco Society Ltd	P.O. Box 291 – 41101, Nandi Hills.
74	Koru Sacco Society Ltd	P.O. Box Private Bag-40100, Koru
75	K-Pillar Sacco Society Ltd	P.O. Box 83 – 20403, Mogogosiek.
76	K-Unity Sacco Society Ltd	P.O. Box 268 – 00900, Kiambu.
77	Kwetu Sacco Society Ltd	P.O. Box 818 – 90100, Machakos.
78	Lainisha Sacco Society Ltd	P.O. Box 272 – 10411, Wang'uru.
79	Lamu Teachers Sacco Society Ltd	P.O. Box 110 – 80500, Lamu
80	Lengo Sacco Society Ltd	P.O. Box 1005 – 80200, Malindi.
81	Mafanikio Sacco Society Ltd	P.O. Box 86515 – 80100, Mombasa.
82	Magadi Sacco Society Ltd	P.O. Box 13 – 00205, Magadi.
83	Magereza Sacco Society Ltd	P.O. Box 53131 – 00200, Nairobi.
84	Maisha Bora Sacco Society Ltd	P.O. Box 30062 – 00100, Nairobi.
85	Mentor Sacco Society Ltd	P.O. Box 789 – 10100, Murang'a.
86	Metropolitan National Sacco Society Ltd	P.O. Box 871 – 00900, Kiambu.
87	MMH Sacco Society Ltd	P.O. Box 469 – 60600, Maua.
88	Mombasa Port Sacco Society Ltd	P.O. Box 95372 – 80104, Mombasa.
89	Mudete Factory Tea Growers Sacco	P.O. Box 221 – 41053, Khayega.
90	Muki Sacco Society Ltd	P.O. Box 398 – 20318, North Kinangop
91	Mwalimu National Sacco Society Ltd	P.O. Box 62641 – 00200, Nairobi.
92	Mwietheri Sacco Society Ltd	P.O. Box 2445 – 60100, Embu.
93	Mwito Sacco Society Ltd	P.O. Box 56763 – 00200, Nairobi.
94	Nacico Sacco Society Ltd	P.O. Box 34525 – 00100, Nairobi.
95	Nafaka Sacco Society Ltd	P.O. Box 30586 – 00100, Nairobi.
96	Nandi Farmers Sacco	P.O. Box 333 – 41101, Nandi Hills
97	Nanyuki Equator Sacco Society Ltd	P.O. Box 1098 – 10400, Nanyuki
98	Nation Sacco Society Ltd	P.O. Box 22022 – 00400, Nairobi.
99	Nawiri Sacco Society Ltd	P.O. Box 400 – 60100, Embu.
100	Ndege Chai Sacco Society Ltd	P.O. Box 857 – 20200, Kericho.
101	Ndosha Sacco Society Ltd	P.O. Box 532 – 60401, Chogoria– Maara.
101	New Forties Sacco Society Ltd	P.O. Box 1939 – 10100, Nyeri.
103	Nexus Sacco Society Ltd	P.O. Box 251 – 60202, Nkubu.
104	Ng'arisha Sacco Society Ltd	P.O. Box 1199 – 50200, Bungoma.
105	Noble Sacco Society Ltd	P.O. Box 3466 – 30100, Eldoret.
106	NRS Sacco Society Ltd	P. O. Box 575 – 00902, Kikuyu.

107	<u>NSSF Sacco Society Ltd</u>	P.O. Box 43338 – 00100, <u>Nairobi.</u>
108	<u>Nufaika Sacco Society Ltd</u>	P.O. Box 735 – 10300, <u>Kerugoya.</u>
109	<u>Nyala Vision Sacco Society Ltd</u>	P.O. Box 27 – 20306, <u>Ndaragwa.</u>
110	<u>Nyambene Arimi Sacco Society Ltd</u>	P.O. Box 493 – 60600, <u>Maua.</u>
111	<u>Nyamira Tea Farmers Sacco Society Ltd</u>	P.O. Box 633 – 40500, <u>Nyamira</u>
112	<u>Nyati Sacco Society Ltd</u>	P.O. Box 7601 – 00200, <u>Nairobi</u>
113	<u>Ollin Sacco Society Ltd</u>	P.O. Box 83 – 10300, <u>Kerugoya.</u>
051	<u>Orient Sacco Society Ltd</u>	P.O. Box 1842 – 01000, <u>Thika.</u>
115	<u>Patnas Sacco Society Ltd</u>	P.O. Box 601 – 20220, <u>Litein.</u>
116	<u>Prime Time Sacco</u>	P.O. Box 512 – 30700, <u>Iten</u>
117	<u>PUAN Sacco Society Ltd</u>	P.O. Box 404 – 20500, <u>Narok.</u>
118	<u>Qwetu Sacco Society Ltd</u>	P.O. Box 1186 – 80304, <u>Wundanyi</u>
119	<u>Rachuonyo Teachers Sacco Society Ltd</u>	P.O. Box 147 – 40332, <u>Kosele</u>
120	<u>Safaricom Sacco Society Ltd</u>	P.O. Box 66827 – 00800, <u>Nairobi.</u>
121	<u>Sheria Sacco Society Ltd</u>	P.O. Box 34390 – 00100, <u>Nairobi.</u>
122	<u>Shirika Deposit Taking Sacco Society Ltd</u>	P.O. Box 43429 – 00100, <u>Nairobi.</u>
123	<u>Shoppers Sacco Society Ltd</u>	P.O. Box 16 – 00507, <u>Nairobi</u>
124	<u>Simba Chai Sacco Society Ltd</u>	P.O. Box 977 – 20200, <u>Kericho.</u>
125	<u>Siraji Sacco Society Ltd</u>	P.O. Box Private Bag, <u>Timau,</u>
126	<u>Sdosha Sacco Society Ltd</u>	P.O. Box 532 – 60401, <u>Chogoria– Maara.</u>
127	<u>Skyline Sacco Society Ltd</u>	P.O. Box 660 – 20103, <u>Eldama Ravine.</u>
128	<u>Smart Champions Sacco Society Ltd</u>	P.O. Box 64 – 60205, <u>Githingo</u>
129	<u>Smart-Life Sacco Society Ltd</u>	P.O. Box 118 – 30705, <u>Kapsowar.</u>
130	<u>Solution Sacco Society Ltd</u>	P.O. Box 1694 – 60200, <u>Meru.</u>
131	<u>Sotico Sacco Society Ltd</u>	P.O. Box 959 – 20406, <u>Sotik.</u>
132	<u>Southern Star Sacco Society Ltd</u>	P.O. Box 514 – 60400, <u>Chuka</u>
133	<u>Stake Kenya Sacco Society Ltd</u>	P.O. Box 208 – 40413, <u>Kehancha</u>
134	<u>Stawisha Sacco Society Ltd</u>	P.O. Box 27 – 50203, <u>Kapsokwony.</u>
135	<u>Stima Sacco Society Ltd</u>	P.O. Box 75629 – 00100, <u>Nairobi.</u>
136	<u>Suluhu Sacco Society Ltd</u>	P.O. Box 489 – 90400, <u>Mwingi.</u>
137	<u>Supa Sacco Society Ltd</u>	P.O. Box 271 – 17100, <u>Maralal.</u>
138	<u>Tabasamu Sacco Society Ltd</u>	P.O. Box 123 – 80403, <u>Kwale.</u>
139	<u>Tabasuri Sacco Society Ltd</u>	P.O. Box 80862 – 80100, <u>Mombasa.</u>
140	<u>TAI Sacco Society Ltd</u>	P.O. Box 718 – 00216, <u>Githunguri.</u>
141	<u>Taifa Sacco Society Ltd</u>	P.O. Box 1649 – 10100, <u>Nyeri.</u>
142	<u>Taqwa Sacco Society Ltd</u>	P.O. Box 10180 – 00100, <u>Nairobi</u>
143	<u>Taraji Sacco Society Ltd</u>	P.O. Box 605 – 40600, <u>Siaya.</u>
144	<u>Telepost Sacco Society Ltd</u>	P.O. Box 49557 - 00100, <u>Nairobi</u>
145	<u>Tembo Sacco Society Ltd</u>	P.O. Box 91 – 00618, <u>Ruaraka Nairobi.</u>
146	<u>Tenhos Sacco Society Ltd</u>	P.O. Box 391 – 20400, <u>Bomet.</u>
147	<u>Thamani Sacco Society Ltd</u>	P.O. Box 467 – 60400, <u>Chuka.</u>
148	<u>The Apple Sacco Society Ltd</u>	P.O. Box 153 – 50305, <u>Sirwa.</u>
149	<u>Times-U Sacco Society Ltd</u>	P.O. Box 310 – 60202, <u>Nkubu.</u>
150	<u>Tower Sacco Society Ltd</u>	P.O. Box 259 – 20411, <u>Ol'kalou.</u>
151	<u>Trans- Elite County Sacco Society Ltd</u>	P.O. Box 547 – 41100, <u>Kapsabet.</u>
152	<u>Trans Nation Sacco Society Ltd</u>	P.O. Box 15 – 60400, <u>Chuka.</u>
153	<u>Trans-Counties Sacco Society Ltd</u>	P.O. Box 2965 – 30200, <u>Kitale.</u>
154	<u>Trans-National Times Sacco Society Ltd</u>	P.O. Box 2274 – 30200, <u>Kitale</u>
155	<u>Uchongaji Sacco Society Ltd</u>	P.O. Box 92503 – 80101, <u>Mombasa.</u>
156	<u>Ufanisi Sacco Society Ltd</u>	P.O. Box 2973 – 00200, <u>Nairobi.</u>
157	<u>Ukristo Na Ufanisi Wa Anglicana Sacco</u>	P.O. Box 872 – 00605, <u>Nairobi.</u>
158	<u>Ukulima Saco Society Ltd</u>	P.O. Box 44071 – 00100, <u>Nairobi.</u>
159	<u>Unaitas Sacco Society Ltd</u>	P.O. Box 38791 – 00100, <u>Nairobi.</u>
160	<u>Uni-County Sacco Society Ltd</u>	P.O. Box 10132 – 20100, <u>Nakuru</u>
161	<u>Unison Sacco Society Ltd</u>	P.O. Box 414 – 10400, <u>Nanyuki.</u>
162	<u>United Nations Sacco Society Ltd</u>	P.O. Box 2210 - 00621, <u>Nairobi.</u>

163	Universal Traders Sacco Society Ltd	P.O. Box 2119 – 90100, Machakos.
164	Ushuru Sacco Society Ltd	P.O. Box 52072 – 00200, Nairobi.
165	Vihiga County Farmers Sacco Society Ltd	P.O Box 309 – 50317, Chavakali.
166	Viktas Sacco Society Ltd	P.O Box 2183 – 20300, Nyahururu.
167	Vision Africa Sacco Society Ltd	P.O Box 18263 – 20100, Nakuru.
168	Vision Point Sacco Society Ltd	P.O. Box 42 – 40502, Nyansiongo.
169	Wakenya Pamoja Sacco Society Ltd	P.O. Box 829 – 40200, Kisii.
170	Wakulima Commercial Sacco Society Ltd	P.O. Box 232 – 10103, Mukurweni.
171	Wana-anga Sacco Society Ltd	P.O. Box 34680 – 00501, Nairobi.
172	Wananchi Sacco Society Ltd	P.O. Box 910 – 10106, Othaya.
171	Wanandegge Sacco Society Ltd	P.O. Box 19074 – 00501, Nairobi.
172	Washa Sacco Society Ltd	P.O. Box 83256 – 80100, Mombasa.
173	Waumini Sacco Society Ltd	P.O. Box 66121 – 00800, Nairobi.
174	Wevarsity Sacco Society Ltd	P.O Box 873 – 50100, Kakamega
175	Winas Sacco Society Ltd	P.O. Box 696 – 60100, Embu.
176	Yetu Sacco Society Ltd	P.O. Box 511 – 60202, Nkubu.

**Dated: 30<sup>th</sup> January 2023**



## Appendix Vi: Ethical Approval



16<sup>th</sup> November 2023

Mr Mjambili Mark,  
mark.mjambili@strathmore.edu

Dear Mr Mjambili,

**RE: Influence of Combination Strategies on Performance of Deposit Taking SACCOs in Kenya**

This is to inform you that SU-ISERC has reviewed and approved your above SU-masters research proposal. Your application reference number is SU-ISERC1898/23. The approval period is from 16<sup>th</sup> November 2023 to 15<sup>th</sup> November 2024.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Ambrose Rachier".

**Mr Ambrose Rachier,  
Chairperson, SU-ISERC**





**THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)**  
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

**CONDITIONS OF THE RESEARCH LICENSE**

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
  - i. Endanger national security
  - ii. Adversely affect the lives of Kenyans
  - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
  - iv. Result in exploitation of intellectual property rights of communities in Kenya
  - v. Adversely affect the environment
  - vi. Adversely affect the rights of communities
  - vii. Endanger public safety and national cohesion
  - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and  
Innovation(NACOSTI),  
Off Waiyaki Way, Upper Kabete,  
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Telephone: 020 4007000, 0713788787, 0735404245  
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