

The Role of Corporate Strategy On Compliance With Government Regulations Among Saccos In Kenya

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Abstract- *Saving and Credit Cooperative societies are financial service providers and their services include receiving deposits, multiplying the same by a factor in order to grant loans, receiving cash deposit and making payments inform of cash withdrawals. The creation of a regulator, the SACCO Society Regulatory Authority (SASRA) to supervise all deposit taking savings and Credit Cooperative Societies (SACCOs) was received with mixed feelings within the industry. While the new regulatory environment promises to calm the nerves of the SACCO members who now have their savings under close supervision, there has been disquiet in the industry from a number of big societies. There is lack of an in-depth understanding of the cooperative Act and regulation in most SACCOs to integrate the regulatory requirements in the corporate strategy and operational policies for day-to-day running of the SACCO. The objectives of the study included: to assess the role of stability strategies on compliance with government regulations in SACCOs; to evaluate the role of concentration strategy of SACCO on compliance with government regulations and to examine the role of diversification strategy and on compliance with government regulations in SACCOs. The study was carried out in Baringo Teachers SACCO head office and its seven FOSA branches in Baringo County - Kenya. It involved a population of 86 employees of Baringo Teachers SACCO from which a sample 40 was drawn using purpose sampling techniques. The findings of the study indicate that there exist corporate strategies in SACCO and roles of corporate strategy were highlighted in the study. The compliance on government regulations resulted in tax compliance, timely reports and protection of members' funds, something that was confirmed by most managers. The research also revealed the role of diversification strategy of products and services in SACCOs.*

Keywords- *Corporate Strategy; Government Regulations; Saving and Credit Cooperative; Regulatory Requirements*

1. BACKGROUND OF THE STUDY

Bwisa (2010) indicate that, in Kenya the first Co-operative Society, Lumbwa Co-operative Society, was formed in 1908 by the European Farmers with the main objective of purchasing fertilizer, chemicals, seeds and other farm input and then market their produce to take advantage of economies of scale. In 1930, Kenya Farmers Association was registered as a Co-operative Society to take over the role of supply of farm input played by Lumbwa Co-operative Society. The African smallholder farmers fought for formation of their own Cooperatives and later in 1950's they were allowed to promote and register Co-operatives for cash crops like coffee and pyrethrum. Consequently at independence in 1963, there were 1,030 Co-operative Societies with 655 being active with a total membership of 355,000. Ademba (2011) affirms that, in accordance with Kenya's Vision 2030, the policy objective of establishing prudential regulation of deposit taking SACCO societies is to enhance transparency, and accountability in implementation of corporate strategy in the SACCO subsector. He further added that this is consistent to the ongoing reforms in the financial sector whose ultimate aim is to expand financial access, encourage efficiency and enhance financial stability of financial service providers.

Ademba (2011), continues to elaborate that the licensing requirements are designed to ensure that a SACCO society commencing Front Office Service Activity (FOSA) should have the minimum financial systems and operational policies to enhance prudential management of the deposit taking business and thereby protect the member funds. Baringo County is in Rift Valley province of Kenya. Baringo County is situated in the Southern parts of Rift Valley and borders Nakuru to the south, Turkana County to the north, Samburu and Laikipia Counties to the East and Elgeiyo/Marakwet to the west. Baringo Teachers Saving and Credit Cooperative Society Limited was registered on 31st August 1976. Members are mainly teachers from Baringo Central, Koibatek, East Pokot, Baringo North and Marigat districts in both secondary and primary schools. Active members are 7723 who are teachers and government officers. However, with the introduction of front office services activities (FOSA) user members included all willing members of the community while, there are 32,850 account holders in all FOSA sections (Baringo Teachers SACCO Profile, 2012). The society has shares /deposits and savings in both Central Office Savings Activity (COSA) and FOSA in excess of Kenya shillings – one billion FOSA –front office service activity is the cash handling section of the SACCO. It was

started in 1999 when multinational banks left rural areas for big towns. The objectives for which the society was established are to encourage thrift/saving among members and to create a source of funds that members can borrow loans at a reasonable rate of interest, thus improving their standards of living by improving their economic status. (Baringo Teachers SACCO By-Laws, 2010). SACCOs are now in direct competition with commercial banks as the law to provide licensing regulation, supervision and promotion of cooperative societies. SACCO Act 2007 shall apply to cooperative societies carrying deposit taking business but in case of conflict the Cooperative Societies Act shall take precedence.

2. STATEMENT OF THE PROBLEM

In view of globalization and the liberalization of the Kenyan economy, there has been need for SACCOs to adopt a competitive modern business model SACCO approach. This entails reduction in transactions cost and improvement in the quality of service. SACCO Societies have to shift from traditional to modern products in order to expand their sources of livelihood. Most SACCOs have limited range of products and services to their members and their community residents in their areas of operations. The creation of a regulator SACCO Society Regulatory Authority (SASRA) to supervise all deposit taking savings and Credit Cooperative Societies (SACCOs) has been received with mixed feelings within the industry. While the new regulatory environment promises to calm the nerves of the SACCO members who now have their savings under close supervision, there has been disquiet in the industry from a numbers of big societies. There is limited in depth understanding of the Cooperative Act and regulation in most SACCOs to integrate the regulatory requirements in the corporate strategy and operational policies for day-to-day running of the SACCO. The SACCOs in Kenya have had a challenge in complying with the new SASRA regulations especially in aligning the corporate strategy with decisions to ensure adherence to the stipulated government regulations.

3. PURPOSE OF THE STUDY

The purpose of the study was to assess the role of corporate strategy on compliance with government regulations in SACCOs in Kenya. The study focused on the three corporate strategies viz., stability strategies, diversification strategies and concentration strategy.

4. OBJECTIVES OF THE STUDY

- To assess the role of stability strategies on compliance with government regulations in SACCOs.
- To evaluate the role of concentration strategy of SACCO on compliance with government regulations.
- To examine the role of diversification strategy and on compliance with government regulations in SACCOs.

5. SCOPE OF THE STUDY

The study was carried out in Baringo Teachers SACCO head office and its seven FOSA branches. It involved a population of 86 employees of Baringo Teachers SACCO from which a sample of 40 was drawn using purposeful sampling techniques. Purposeful sampling was used to select the sample using job holding positions. Managers, Head of departments, and Accountants were involved in the study. The other job holders that were not involved include: Tellers, field officers, customer care officers, marketers, and loan clerks. The reasons leading to selecting the three job holders is that Managers and heads of departments were involved in strategic decisions and the accountants who were involved in preparation of compliance reports.

6. SIGNIFICANCE OF THE STUDY

This study identified the roles of corporate strategy on government regulation among SACCOs. Corporate decisions made easier upon realization by the directors on such roles that corporate strategy plays on compliance on government regulations by SACCOs. It is also anticipated that fear of non compliance on government regulation by small SACCO will be addressed through the revelation of the roles of the corporate strategy. The role of corporate strategy can be clearly understood by employees of SACCO and will work towards compliance of government regulations. The findings can also help the SACCO subsector to improve on proper alignment on of corporate strategy with government regulations in order to enhance performance, expansion, growth, protection of member's funds investor confidence and increases profitability in form of dividends and ensure that the SACCO is sound. This study can be an important addition to the field of knowledge and it is hoped that it can be a reference that will stimulate scholars to further research on corporate strategy and SACCO regulations.

7. LIMITATION OF THE STUDY

SACCOs operate in a more or less reserved business environment due to regulatory provisions (e.g. monopoly of membership recruitment) and may not be best suited to corporate strategy study. The lack of essential knowledge of management SACCOs among SACCO directors', elected (by members) and are not appointed on consideration of certain qualification. The directors may not have sufficient knowledge to make corporate strategy. The findings of the study may not be generalized to all SACCOs because of the uniqueness in products and services provided and geographical segmentation that is really available within the sub-sector.

8. LITERATURE REVIEW

8.1 Theoretical Framework

Theories of other studies were examined in this study. This include: strategic management process and three levels of

strategy. These theories ascertain the objectives of the study.

8.1.1 Strategic Management Process

Analoui and Karami (2003), define strategic management as a process. It is a process directed by top management to determine the fundamental aims or goals of the organization. Within the process of strategic management, top management ensures a range of decisions which allow for the achievement of those aims and goals in the long term, whilst providing for adaptive responses in the shorter term. There are different models of strategic process and scholars have proposed different models of the strategy process within the organization. These models are generally similar in the phases of the strategic process. They start with environment analysis, continue with strategic development and implementation and end with evaluation of the implemented strategies.

8.1.2 Three Level of Strategy

Corporate Level

Pearce and Robinson (2007), advice that the decision-making hierarchy of a firm is typically contains three levels. At the top of the hierarchy's the corporate level composed of principally of a board of directors and the chief executive officer and administrative officers. They are responsible for the firm's financial performance and for the achievement of nonfinancial goals, such as the firm's image and fulfilling its social responsibilities.

Business Level

In the middle of the decision-making hierarchy is the business level, composed principally of business and corporate managers. These managers must translate the statements of direction and intent generated at the corporate level into concrete objective and strategies for individual business divisions, or SBUs (Strategic Business Unit).

Functional Level

Pearson and Robinson (2007), states that, at the bottom of the decision-making hierarchy is the functional level, composed principally of managers of product, geographic, and functional areas. They develop annual objectives and short-term strategies in such areas as production, operations, research and development, finance and accounting, marketing, and human relations.

8.2 Conceptual Framework

This research project was based on a model of the policy implementation Process. Corporate strategy play a major role in compliance to government regulations, without recognition of corporate strategy implementation, such regulations may not be implemented as such. This study sort to link corporate strategy and government regulations through highlighting the role of corporate strategy in compliance to government regulations in order to enhance SACCO growth and to overcome the difficulties in managing change brought about by SASRA regulation. The conceptual framework below indicates that: corporate strategy can be implemented through stability strategy,

concentration and diversification structure. When the strategies are implemented, compliance with government regulation may be achieved and in return other objectives of the SACCO may also be realized; high dividends posted timely compliance reports, and prompt tax payment.

9. RESEARCH DESIGN AND METHODOLOGY

The methodology was designed in a way that ensured data collected was valid and reliable to reduce chances of error. An appropriate sample size was selected from the target population that ensured that findings were accurate and recommendations made were relevant to the subject of the study. The specific strategies that were used in data collection and analysis were included herein in order to answer research questions. These involved the examining of research design, target population, sampling design, sampling frame that illustrated the sample size, procedure of data collection, tools of data collection, data analysis and ethical issues.

9.1 Research Design

The research design gave explanation of the methodology that was used, target population and sample size. Kothari (2006) notes, that a case study design is a very powerful form of qualitative analysis. It is a method of study in depth rather than in breadth. A case design was used in this study and it was considered because of the following reasons: It reduced the scale of the research and increase the range, allowed for sufficient focus on a manageable area of study, was highly cost effective approach to the study and the knowledge that was generated in the investigation provided the basis for generalization in the entire SACCO industry in Kenya.

9.2 Target population

The target population was all 86 employees (Baringo Teachers SACCO Profile, 2012) of Baringo Teachers SACCO, who work at the Head Office, and the seven FOSA branches. The population included all managers, head of departments and all employees in the accounts department both at head and the seven branches.

9.3 Sample Size

The sample was limited to 46.5% of jobholders/ employees of Baringo Teachers SACCO. Due non-specialist knowledge constraints only 40 employees involved in strategic decisions and actual preparation of SASRA compliance reports were purposefully picked for the study.

9.4 Sampling Design

A non- probability sampling was used in determining the sample design. Purposeful sampling was used to select the sample using job holding positions. Managers, Head of departments, and Accountants were involved in the study. The positions held by the sample was categorized in two i.e. Managers included CEO, DCEO, Finance Manager, Head of Departments and FOSA Managers and the other category of accountants include all accountants of the

SACCO. The other job holders that were not involved included: Tellers, field offers, customer care officers, marketers, and loan clerks. The reasons leading to selecting the two categories job holders is that Managers are involved in strategic decisions and the accountants are involved in preparation of compliance reports. A census was used to collect the data from all the job holders group involved in the study.

9.5 Data Collection Procedure

The main data collection instruments employed in this study were questionnaires. The questions contains both open ended (i.e. inviting free response) and closed ended (i.e. of the type Yes or No). To ensure that the questions are standardized, the researcher structured the questions strictly basing on the role of corporate strategy, highlighted and opinions sort from the respondents made to suit the study.

9.6 Data Analysis and Presentation

The raw data was classified and tabulated after ensuring that it was carefully checked for completeness and consistency of information collated. This was followed by analysis and interpretation of findings. Analysis of data was conducted with the aid of the Statistical Package for the Social Sciences (SPSS V16.0) and Micro Soft Excel 2007 was used for quality presentation of the results. Qualitative data was analyzed using descriptive statistics-whereby percentages, averages and frequencies were used. Graphs and tables were used in data presentation.

10. DATA ANALYSIS AND PRESENTATION OF RESULTS

This research presents the findings of the study, analysis of data and presentations of major findings. For the purpose of demonstrating the relationship among the various variables, the data is presented in the form of tables, percentages and graphs where applicable.

10.1 Response Rate

The response rate is a comparison between planned and accrual response. 40 questionnaires were and 37 responses were received back therefore, an admirable response rate of 92.5% was achieved with adequate data for analysis being collected.

10.2 Age of Respondents

The age of managers and accountants ranged from 20-40years as per table 3 below. Most managers were aged between 31-40 years (78.9%). Most of accountants equally aged between 31-40 years at 61.11%. This demographic trend spreading through the organization would indicate the profile of corporate strategy decision makers and implementers. 21.1% of managers were above 40 years. Thus the older persons would exercise their experience in management and specifically on strategy implementation while the younger ones would derive mentorship from the older group.

10.3 Respondents Gender

Managers responding were both men and women. Men and women accounted for 68.4% and 31.6% respectively, which translate to mean that the organization was gender insensitive at that level. Accountants again were both men and women who accounted for 55.6% and 44.4% being involved in the preparation of SASRA reports. This implies a gender imbalance among staff. Figure 4 below vividly depict the gender imbalance in the SACCO.

10.4 Level of Education of Respondents

The level of education as in table 4 was an important determinant in successful corporate strategies making in a SACCO. Most of the accountants and managers had attained University level education, for accountants at least 61.1% and managers 83.3% meaning that the SACCO has qualified staff. Table 4 indicates the response of education and training of respondents.

10.5 Reasons Supporting the Presence of Corporate Strategies

The first objective in the study was to identify whether corporate strategies existed within the SACCO and what the specific corporate strategies were. Most of the accountants and managers supported the existence of diversification strategy by 55% and 48.5 % respectively. The other corporate strategies include: managers highlighting stability 7% concentration strategy 7% and synergy 3% while accountants suggested that stability strategies did exist 30%, concentration 5%, and synergy 10%. The retrenchment strategy was non-existent in the SACCO. Therefore it can be deduced that the most popular strategy is diversification and concentration and stability slightly were found.

1. Compliance on Government Regulations and Whether it Results in: tax compliance, timely reports and protection of members' funds

Most managers 94.7% and accountants 88.9% appreciated that tax compliance, timely reports and protection of member's fund form indicators of government regulation compliance. This confirms that there exist some of the parameters for measuring compliance as per table below.

2. Who Should Approve Major Corporate Decisions of the SACCO

Reviewing and approval of corporate decisions by board of directors scored 52.4% - managers and 65.3%-accountants. This was most preferred way of reviewing and approval of corporate decisions as per table 7 below. Otherwise strategic meeting was also another option as per 47.5% response by managers and 30.4% by accountants. The board duty of strategy management in this case is accomplished.

3. How Often Strategic Plan is Reviewed

100% of the respondents indicated that there existed a strategic plan in the SACCO and the study further prompted on how the plan takes to be reviewed. According to 62% of the managers and 68.7% accountants, the strategic plan is mostly reviewed in five years. 19%

and 25% of the managers and accountants respectively suggested that the plan is reviewed annually while 19% managers and 6.3% accountants were of the bi-annual view. Both managers and accountants appreciated the fact that it does not take too long to review the strategic plan, hence the ten year period scored (0%). Strategic plan review plays a role in update of corporate strategy. Below is a representation of these views.

4. Challenges Faced When Complying with Government Regulation

The managers and accountants highlighted that the challenges given in the table below really existed though it seems that the same was not highly felt in the SACCO as the study reveals organization structure as a real challenge 37.0%-managers and 45%-accountants. The other challenges were on average: lack of consistence in enforcement of government regulations 29.7%-managers and 35%-accountants, the attitude of corporate level towards other stake holder 33.3%-managers and 20%-accountants. To overcome such challenges the SACCO should ensure corporate strategy is well implemented.

5. Importance of Challenges in Determining the Role of Corporate Strategy in Compliance with Government Regulations

The importance of challenges is that they enable the SACCO to prioritize the opportunities that will allow them to succeed in compliance with government regulations. Some of the challenges as highlighted by managers (M) and accountants (A) are summarized in the table below include, firms orientation towards growth 89.5%-managers and 77.8%-accountants, firms orientation towards concentrating in core business 52.6%-managers and 61.1%-accountants, competitors products and markets 47.4%-managers and 77.9%-accountants, and strategy to diversify SACCO products and services to other industries 57.9%- managers and 50%-accountants.

6. Consideration of Stakeholders Opinion by the SACCO While Defining Strategic Direction

The findings reveal that 94.4% of managers and 94.4% of accountants admit that the opinions of other stakeholders are considered while defining the strategic direction of the SACCO. Other stakeholders include the delegates who represent members of the SACCO in the zones and division in all the six districts of Baringo County. However, 5.5% of managers and accountants held the opinion that the other stakeholder's opinion was not necessary while the SACCO is defining its strategic direction. They gave the reason that the board of directors of the SACCO are the final decision makers, so no need for others opinion. To consider the opinion of other stakeholders' amounted to soliciting the best ways to improve on corporate strategy as per table below.

7. Whether there was Difficulty in Managing Change Brought by SASRA

The SASRA regulation is believed to have brought change in SACCO. The finding showed that majority of both the managers 78.9% and accountants 66.7% agreed that there was difficulty in managing the change brought by the

regulator of the SACCOs. The other managers 21.1% and accountants 33.3% did not see any difficulty in managing change brought by SASRA. The following were the reasons given by the respondents to support their opinion on the difficulty to manage change brought about by SASRA: Some accounting ratios were too high to be met in a short time; centralization of information system is a challenge and resource involved thereto; resistance to change due to maintenance of status quo; difficulty of staff and board who want to hold to the old organization culture. The difficulty in managing change can always cause the difficulty of compliance with the government regulation hence the SACCO should address such difficulties through implementation of corporate strategy.

8. On SASRA Regulation Enhancing Growth

The result indicated that 89.5% of the managers and 100% accountants strongly consented that the SASRA rules enhance SACCO growth. Some managers (10.5%) still believed that SASRA regulations never enhance growth of the SACCO as a result of levies by SASRA which are too punitive therefore discouraging growth. From the response it can therefore be deduced that SASRA regulation enhances growth of SACCOs.

9. Link Between Corporate Strategy and Government Regulations

On the link between corporate strategy and government regulation, it was observed that most of the managers 84.2% and accountants 94.4% were able to link corporate strategy and government regulation. The other managers 15.8% and accountants 5.6% viewed that corporate strategy has no link with government regulations. Majority of the respondents had the following reasons: that there was harmony in working with law to achieve set standards; decisions made by SACCO must comply with government regulation; government regulations enhance corporate strategy implementation through allocation of resources; government regulations lead to good governance and leadership; corporate strategy and strategic plans and geared towards implementation of government regulations; and government regulations are superior hence corporate strategy should be formulated according to such regulations. Corporate strategy cannot be delinked with government regulations.

11. SUMMARY AND FINDINGS

The researcher found out that majority of managers and accountants are young people. Most of the managers and accountants were aged below forty years. This demographic trend spreading through the organization indicates the profile of corporate strategy decision makers and implementers. Thus the older persons exercise their experience in management and specifically on strategy implementation while the younger ones would derive mentorship from the older group. All respondents across board had college training with most of the accountants and managers having attained University level, which means that the SACCO had adequate qualified staff.

Stability strategy was among other least implemented strategies which include concentration strategy. The stability family of corporate strategies can be appropriate for successful corporation operating in a reasonably predictable environment. Managers and accountants admit that the opinions of other stakeholders are considered while defining the strategic direction of the SACCO. Other stakeholders include the delegates who represent members of the SACCO in the zones and division in all the six districts of Baringo County. Most of the accountants and managers supported the existence of diversification strategy and other corporate strategies which include: stability strategy, concentration strategy, and synergy, while retrenchment strategy was nonexistent in the SACCO. Therefore from the above it can be deduced that the most popular strategy is diversification and concentration and stability slightly were implemented. The strategies that the SACCO chose to implement include: Growth strategy which is the most implemented in the SACCO and diversification strategy was also popular. The least implemented strategies include: stability strategy and concentration strategy and. It can be observed that the diversification strategy play a role in SACCO growth. Corporate strategy has a role to play in government regulation implementation. Regulation is as a result of strategic decisions made by different stakeholders and using such decisions as a yard stick for measuring other decisions in the industry. For SASRA regulations to be complied with SACCOs must have had corporate strategy put in place, which acts as a road map for implementation of policies which in turn enhance the compliance of such other government regulations. SACCOs that choose stability strategy shall always continue with its activities without any significant change in strategic direction, but find a niche that can drive them to succeed.

12. RECOMMENDATION

The researchers recommends that SACCO should choose stability strategy over growth strategy, by continuing its current activities without any significant change in direction, although sometimes viewed as a lack of strategy, the stability family of corporate strategies can be appropriate for successful corporation operating in a reasonably predictable environment. The researcher further recommends that: all stakeholders should be involved in formulation of corporate strategies; SACCOS should ensure that there is adherence to financial ratios; have a strong internal controls system; inter lending among SACCOs should be encouraged; SASRA should provide close monitoring on SACCOs opening branches; to align the policies of SACCO on formulation with regulation; to train and empower staff and board of management on issues of compliance; SACCOs that shall not meet the requirements for licensing be merged with SACCOs that have complied with regulations. SACCOs should choose to implement stability strategy over growth strategy, by continuing its current activities without any significant

strategic change in direction, although sometimes viewed as a lack of strategy.

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APPENDIX

Figure 1: Strategic Management Process

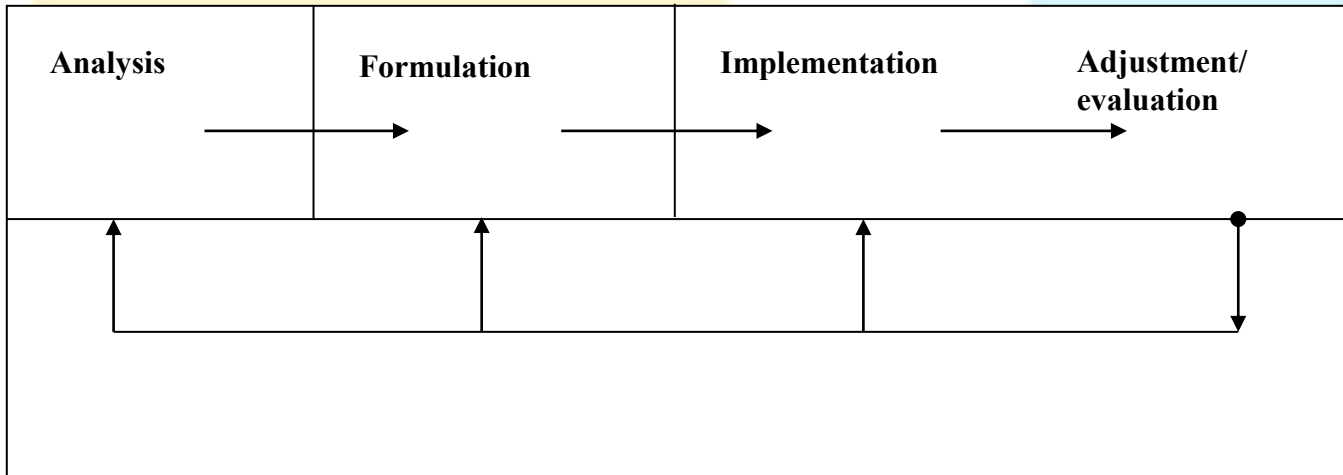


Figure 2: Three Levels of Strategy



Figure 3: A Model of Policy Implementation Process

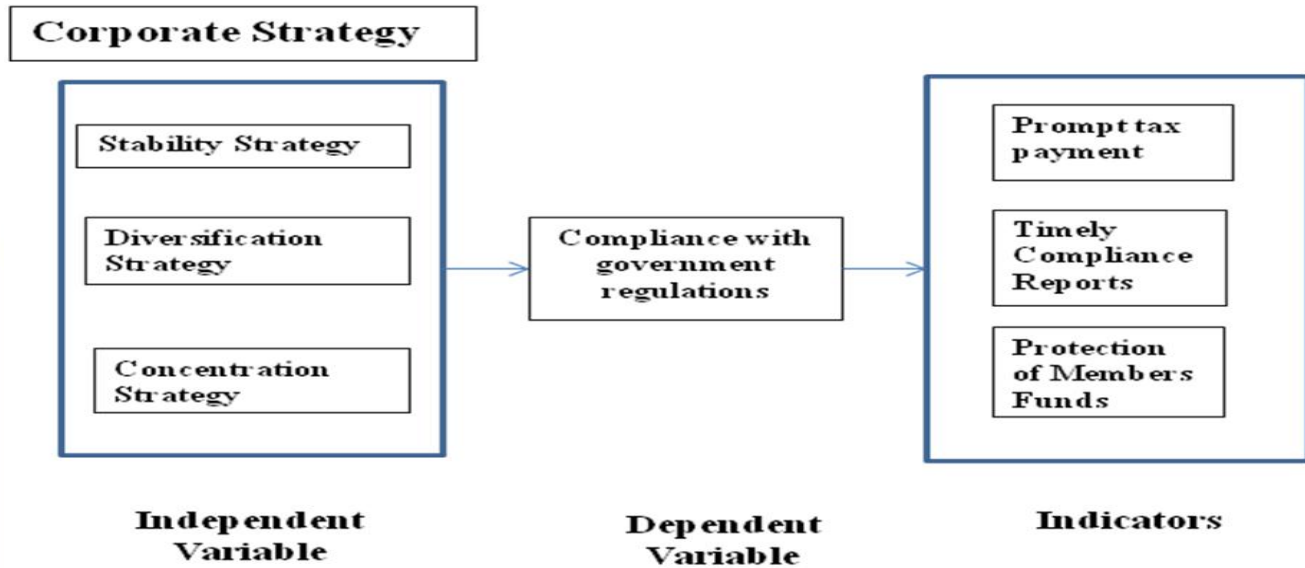


Table 1: The Target Population

POSITION OF JOB HOLDER	WORK STATION		TOTAL JOB HOLDER
	HEAD OFFICE	BRANCH	
Chief Executive Officer	1	-	1
Deputy Chief Ex. Officer	1	-	1
Finance Manager	1	-	1
Head of Departments	9	-	9
FOSA Managers	-	7	7
Accounting Staff	3	18	21
TOTAL	15	25	40

Table 2 Response Rate

	Planned Sample		Actual Response	Response Rate	Total Planned Sample	Aggregate Response	Non Response
Managers	Response	21	19	90.5%	40	47.5%	
	Non Response	0	2	9.5%		N/A	5%
Accountants	Response	19	18	94.74%		45%	N/A
	Non Response	0	1	5.26%		N/A	2.5%
Aggregate total response						92.5%	7.5%

Table 3 Age of the Respondents

Age of Respondent	Managers		Accountants	
	Frequency	%	Frequency	% Frequency
20-30 Years	0	0%	7	38.89%
31-40 Years	15	78.9%	11	61.11%
Above 40 Years	4	21.1%	0	0%
Total	19	100%	18	100%

Figure 4 Respondents Gender

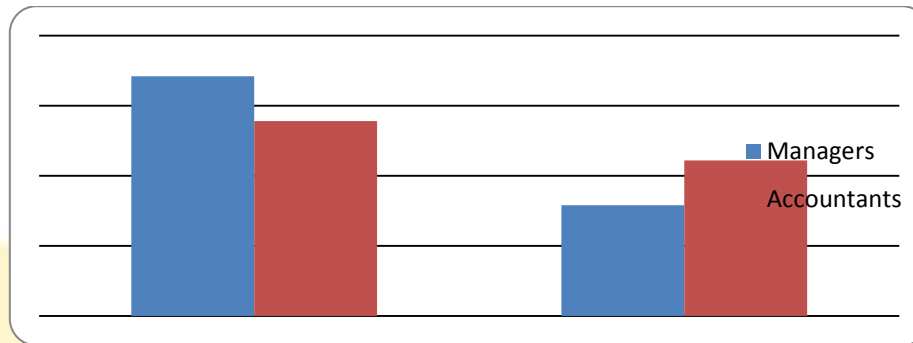


Table 4 Education and Training of Respondents

Education Level Of Respondents	Managers		Accountants	
	Frequency	%	Frequency	% Frequency
Primary	0	0%	0	0%
Secondary	0	0%	0	0%
College	3	16.67%	7	38.89%
University	16	83.33%	11	61.11%
Total	19	100%	18	100%

Table 5 Reasons Supporting the Presence of Corporate Strategies

If yes	Managers		Accountants	
	Score	%	Score	% Score
Synergy	3	9.1%	2	10%
Concentration Strategy	7	21.2%	1	5%
Diversification Strategy	16	48.5%	11	55%
Stability Strategy	7	21.2%	6	30%
Retrenchment Strategy	0	0%	0	0%
Total Scores	33	100%	20	100%

Table 6 Compliance on Government Regulations

	Managers		Accountants	
	Frequency	%	Frequency	% Frequency
Yes	18	94.7%	16	88.9%
No	1	5.3%	2	11.1%
Total	19	100%	18	100%

Table 7 Review and Approval of Corporate Strategies

	Managers		Accountants	
	Score	%	Score	% Score
Through Strategic Meeting	10	47.6%	7	30.4%
CEO does alone	0	0%	0	0%
Through crisis Meetings	0	0%	1	4.3%
The Board of directors	11	52.4%	15	65.3%
Total Score	21	100%	23	100%

Table 8 How Often Strategic Plan is Reviewed

	Managers		Accountants	
	Score	%	Score	% Score
Annual	4	19.0%	4	25%
Bi-Annual	4	19.0%	1	6.3%
Five Years	13	62.0%	11	68.7%
Ten Years	0	0%	0	0%
Total Score	21	100%	16	100%

Table 9 Challenges Faced When Complying with Government Regulations

	Managers		Accountants	
	Score	% Score	Score	% Score
Good organizational structure to Implement a corporate Diversification Strategy	10	37.0%	9	45%
Lack of consistent enforcement of Government regulations	8	29.7%	7	35%
Irrelevant board of directors decisions	0	0%	0	0%
The attitude of corporate level toward other stakeholders	9	33.3%	4	20%
Total Score	27	100%	20	100%

Table 10 Importance of Challenges in Determining Compliance to Government Regulations

Challenge	Very Important		Important		Unrealized		Unimportant		Most Un important	
	M	A	M	A	M	A	M	A	M	A
Firms orientation towards Growth	17 (89.5%)	14 (77.8%)	1 (5.3%)	4 (22.2%)	0	0	0	0	1 (5.2%)	0
Firms orientation towards concentration in core business	10 (52.6%)	11 (61.1%)	9 (47.4%)	6 (33.3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0	1 (5.6%)
Competitor's products and markets	9 (47.4%)	14 (77.9%)	7 (36.8%)	2 (11.1%)	1 (5.3%)	1 (5.5%)	1 (5.3%)	0 (0%)	1 (5.2%)	1 (5.5%)
Strategy to diversify SACCO products and services to other industries	11 (57.9%)	9 (50.0%)	7 (36.8%)	9 (50.0%)	1 (5.3%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)

Table 11 Consideration of Other Stakeholders Opinion

	Managers		Accountants	
	Frequency	%	Frequency	% Frequency

Yes	18	94.4%	17	94.44%
No	1	5.5%	1	5.56%
Total	19	100%	18	100%

Table 12 Whether there was Difficulty in Managing Change Brought by SASRA

	Managers		Accountants	
	Frequency	%	Frequency	% Frequency
Yes	15	78.9%	12	66.7%
No	4	21.1%	6	33.3%
Total	19	100%	18	100%

Table 13 SASRA Regulations Enhancing Growth

	Managers		Accountants	
	Frequency	%	Frequency	% Frequency
Yes	17	89.5%	18	100%
No	2	10.5%	0	0%
Total	19	100%	18	100%

Table 14 Link Between Corporate Strategy and Government Regulations

	Managers		Accountants	
	Frequency	%	Frequency	% Frequency
Yes	16	84.2%	15	94.4%
No	3	15.8%	3	5.5%
Total	19	100%	18	100%