

**STRATEGIC RESPONSES ADOPTED BY KENYA WOMEN FINANCE TRUST
TO ENVIROMENTAL CHANGES**

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DECLARATION

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

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

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DEDICATION

This study is dedicated to my loving family.

ABSTRACT

Environment has been characterized as complex, dynamic, multi-facet and having far reaching impact on organizations that operate within it. As a result of these characteristics, the environment is composed of various factors, events, conditions and influences which interact with each other to create an entirely new set of influences leading to constant environmental change. A fundamental change is occurring in the world economy whereby the world economies are witnessing the forces of globalization and liberalization of trade. This study is a case study. It seeks to achieve the objectives of the study, which were to establish the strategic responses adapted by Kenya Women Finance Trust to the environmental changes and to establish the challenges KWFT faces in responding to the environmental changes. The study used both primary and secondary data. Primary data was collected through an interview guide. The data collection instrument was the interview guide. Secondary data was in form of the company's strategic plan and annual financial reports. The study found from the majority respondents that there had been major changes within the operating environment for the last ten years, it was further found from the study that the changes which had major impact in their operation were; environmental changes, technological changes, political/legal changes, demographic changes, economic changes, customers' tastes and preferences changes and competition from rival companies. It was further revealed by the study that the finance, operations, human resource, customer care and the IT operations were the areas of operations and management which environmental change had affected most. From the study customers affected and influenced the operations of the company through requiring competitive service that could meet their needs. The study also found that due to environmental change the company operated at high cost due to the rising inflation in the global world and there was therefore the need of the company to minimize costs. It was observed that changes in political and/legal landscape affects the operation of the company and this forces the business to operate at higher cost due to inflation and new laws that guides the business. It is concluded that major transformation within the organisation, adopting modern technology, product differentiation, advertisement, performance culture, strategic locations, staff training and development and the introduction of staff incentives for innovations are strategies adopted by the company in response to competition. From the findings and the conclusions, the company has also been facing challenges such as competition, high operational costs, high cost of funds, scarce resources, threat to institutional identity, staff poaching by competitors and resistance to change by staffs while responding to environmental changes. The organization has been militating against these challenges. The study recommended that there should be continuous adoption of various strategies in order to counter various changes in the external environment, its further recommend that the company should train its staff, establish a strategy department and computerize its departments to modernize its operations and cut costs.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations exist in a complex commercial, economic, legal, demographic, technological, political, cultural and social environment. This environment is not static but is under constant change which affects the organizations that operates within it. All organizations are dependent on the environment for their survival. Pfeffer and Salancik (1978) argue that the environment provides the firm with resources and a market for its output.

The organizations' dependence on the environment dictates how an organization behaves in order to militate against constraints or utilize opportunities presented by the environment. Organizations may either try to change the environment or fit into it. In an effort to fit or change the environment, firms have embarked on restructuring, reengineering, quality programs, building alliances, mergers and acquisitions, strategic redirection, downsizing and culture change. Some of these organizations have undertaken their transformation efforts quite successfully (Hill and Jones, 2001). Other organizations have experienced disappointing results with new strategies not well implemented, acquisitions that have not achieved expected synergies, reengineering and downsizing that have largely failed and quality programs that have not delivered the hope for results.

Environmental changes create challenges, risks and opportunities for every organization. Managers must remain alert to their internal and external environments, sensing changes or shifts, reacting and adapting quickly and imaginatively. They must forecast and plan

for the changes they suspect will come and the changes they wish to initiate. Staying in touch with the environment requires managers to monitor events and trends that develop outside their specific areas of influence. The areas could be other departments or divisions within the organization, competition, economy and other forces that can influence their systems or subsystems (Porter, 1985).

To survive in a dynamic and highly competitive business environment, different organizations have had to engage various strategies. Pearce and Robinson (2005) note that there is need to adopt new strategies that match the challenges from the environment. Ansoff and McDonnell (1990) asserts that the management system used by a firm is a determining component of the firm's responsiveness to environmental changes because it determines the way that management perceives the environment, diagnosis their impact on the firm, decides what to do and implements the decisions.

There are various challenges facing firms in the microfinance industry in Kenya. This is a result of many changes that are taking place in the industry. These changes include legislation, price wars, new entries, complexity of interaction cycles and market concentration. To enhance survival in the microfinance industry, firms are expected to adequately respond to these changes.

1.1.1 Environmental Dependence

Organizations are influenced by both internal and external environments. According to Phinkett, Raymond, and Gemmy (2008) internal environments include employee

characteristics, leadership, social interactions and culture or formal structure. But how an organization behaves is mostly influenced by the external environment. All organizations find themselves dependent in varying degrees, on some elements in their external environment. Pfeffer and Salancik (1978) argue that dependence is usually based on the external environments' control of resources which the organization needs. Such resources include land, labour, capital, information or specific products or services. Pfeffer and Salancik (1978) further argue that resource dependence theory demonstrates how the dependence of an organization on external resources affects the behavior of the organization.

The resource dependence theory has implications on the optimal divisional structure of the organization, recruitment of board members and employees, production strategies, contract structure, external organizational links and many other aspects of organizational strategy. According to Pfeffer and Salancik (1978), the environment which contains other organizations originates resources that an organization needs. The resources one organization needs are often in the hands of another organization. The resources are a basis of power and therefore forces organizations that are legally independent to depend on each other. Customers are the ultimate resource that organizations depend on.

Shareholders greatly influence the decisions taken by an organization's executive management. This is because their expectations need to be met. Shareholders expect highest possible return on their investment and therefore decisions on strategy by the top management of an organization must be geared towards delivering this expectation.

Suppliers and partners greatly influence strategic decisions in an organization as they expect business continuity and prompt settlement of their accounts. Competitors too help an organization to come up with strategies that will guarantee an organization competitive advantage. Economic forces such as taxes, wage rate, prices, interest rates, personal spending and saving, inflation and state of general economy has great influence on organizations strategy to ensure survival. Legal political forces shape the executive's decisions in an organization. Social cultural values such as ethnicity, culture, beliefs and attitudes cannot be ignored when taking serious decisions in an organization. Technological forces such as information technology competitiveness and quality has great influence on decisions taken by an organization on its survival. Natural forces such as weather, climate and geology can greatly influence management decisions (Phinkett, Raymond and Gemmy, 2008).

According to Johnson and Scholes (2002), dealing with the environment is difficult because of three factors. First is the diversity of the different influences that affect a business. Identifying the environmental influences may be possible but it may not be of much use because no overall picture emerges of the really important influences on the organization. The degree of importance of the influence or resource to the organization is critical for the organization to prioritize on its actions. Some elements may have some legal authority. The second difficulty is the speed of change. Managers typically feel that the pace of technological change and the speed of global communications mean more and faster changes than ever before. Third is the problem of complexity. If the dependencies are some size, they may pose a threat to the organization's survival and autonomy. It is

important to understand the environment which is both usable and oriented towards the future.

To ensure survival and success, firms need to develop capability to manage threats and exploit emerging opportunities promptly. This requires formulation of success strategies that constantly match capabilities to environmental requirements. Success therefore calls for proactive approach to business (Pearce and Robinson, 2003). The environment continuously changes and organizations have to keep pace with these changes for survival. However, to avoid having to cater for the desires of those they are dependent upon, risk their organization's demise, accomplish their goals and obtain discretion in setting goals, management must actively manage their external dependence.

1.1.2 Strategic Responses

Strategic response is the set of decisions and actions that result in the formalization and implementation of plans designed to achieve a firm's objectives (Pearce and Robinson, 2005). According to Ansoff and McDonnell (1990), it is through strategic response management that a firm will be able to position and relate itself to the environment to ensure its continued success and also secure itself from surprises brought about by the changing environment.

The survival and success of an organization occurs when the organization creates and maintains a match between its strategy and the environment and also between its internal capability and its strategy (Grant, 2000). Companies must continuously adapt their

operations to the constantly changing environment in order to succeed in business. Since the last quarter of the century to date several changes have taken place in world economies. In order to survive organizations need strategies that are focused on their activities and deal with the emerging environmental challenges accordingly. Therefore, strategic response is a reaction to what is happening in the economic environment of organizations.

According to Ansoff and McDonnell (1990) the firm has to learn how to adopt and reorient itself to the changing environment. Most importantly, when a discontinuity begins to affect a firm in a turbulent environment, faced with variety of pressures of new challenges brought about by globalization and trade liberalization, its impact, typically remains hidden within the normal fluctuations in performance. They further note that responses involve changes in the firm's strategic behaviors to assure success in transforming future environment.

1.1.3 The Microfinance Industry

Microfinance worldwide has targeted the unbanked and low income populations. According to the Consultative Group to Assist the Poor (CGAP), a unit of World Bank that is dedicated to microfinance, microfinance is defined as the supply of loans, savings and other basic financial services to the lower income individuals and groups who would not ordinarily be targeted by regular banks. The sector was initially dominated by non-profit, non-governmental organizations, who sought to use microfinance to eliminate poverty. The "Grameen" model was the key innovation in the sector and gave impetus

to the growth of the group based lending targeting low income women borrowers. The Grameen model is named after the Grameen Bank, a pioneer microfinance institution started in 1976 in Bangladesh providing credit services to low income women borrowers. The model which has been replicated by microfinance institutions around the world has proven to be highly successful especially in developing countries. This has led to increased commercialization of microfinance institutions. Some institutions have transformed into fully fledged banks while others have transformed into financially sustainable microfinance institutions focusing on lending to the small and medium enterprises.

Microfinance organizations are always faced with the dilemma of either to pursue a social or a profit driven mission. But the urge to sustainably provide their services to their clients as well as give a reasonable return on investment to the investors affects their strategies. The emergence of more innovative products and services, government regulation of the microfinance institutions and the profitability potential of the sector has attracted more investors thereby enhancing great competition. Today, profit microfinance is becoming an emerging business. Banks of all sizes are actively entering this sector and developing different models of microfinance. Data published by Consultative Group to Assist the Poor (CGAP), shows that the amount of global funds invested in microfinance in 2004 reached approximately US\$ 6.4billion and nearly half of that came from the private sector. According to microcredit summit campaign 2011, the number of borrowers served by microfinance institutions has reached 190 million globally.

In Kenya, the microfinance industry has seen tremendous growth and resilience. The Kenyan government and Central Bank of Kenya has been emphasizing financial access as key to modernizing economy. Innovative products and services by the microfinance organizations and progressive government policies has seen Kenya's microfinance sector as one of the most developed in Sub-sahara Africa. The most notable developments are the passing of the microfinance act 2006, successful mobile banking especially 'm-pesa', the passing of the finance act 2010 allowing for agent banking and effective credit bureaus throughout the country. The ability to maintain low financial and operational expenses ratios has made Kenyan microfinance fairly profitable thus attracting the confidence of many international lenders and investors. The Central Bank of Kenya recognizes thirty four microfinance institutions with US\$1.1billions as loans, US\$2.1 billions as deposits, 1.1 million borrowers and 6.7 million depositors as at December 2011.

1.1.4 Kenya Women Finance Trust Limited

Women Lawyers, Bankers, Financial Experts, Entrepreneurs, Managers and Trainers got together in 1981. Their vision was to set up a financial Institution devoted to addressing solely financial needs of women. In fact, their specific objectives were to set up a woman serving, woman led bank. KWFT was established to provide access to financial services to women entrepreneurs to enable them to improve their economic status and livelihoods. Since its inception over 32 years ago, KWFT has risen to be one of the most successful microfinance institutions in the country, with the largest network of offices providing deep penetration into rural and urban areas of Kenya. KWFT enjoys a unique status in

financial services as the only financial institution to focus solely on women clients. It has created a portfolio of products and services focused on meeting the needs of women entrepreneurs. KWFT's success is based on the recognition that women are a key niche market that has significantly lower levels of access to financial services than the rest of the general population.

Kenya Women Finance Trust has grown from small beginnings in 1981 into an Institution with 500,000 customers and 221 offices in Kenya's forty seven counties as at December 2011. The institution had total assets of Ksh 17 billion, total outstanding loan portfolio of Ksh 11 billion and total customer deposits of Ksh 11 billion as at December 2011. KWFT's number of staffs has also grown with the institution from six in 1992 to two thousands staff in 2011.

The institution was licensed by the Central Bank of Kenya under the microfinance act of 2006 in the year 2010 to offer deposit taking services. From that time it has been opening banking branches throughout the country in an effort to offer banking services to its clientele. Prior to this, KWFT was offering group based small loans to women organized in groups of twenty members who would guarantee each other because of lack of ability to raise conventional collateral. Around the year 2005, KWFT started experiencing stiff competition from banking institutions and new entrants into the microfinance industry.

To ensure its survival, KWFT began its transformation process. It took five years for the institution to align its structure and resources to the requirements of the Central bank of

Kenya and transform into a deposit taking microfinance (DTM) in the year 2010. This transformation into a DTM and the subsequent supervision by the Central Bank of Kenya has forced the institution to invest heavily in human resource to train its staff in banking. Increased volume of business and competition as a result of incorporating banking products has also forced the institution to invest substantially in information technology, research & product development and marketing.

1.2 Research Problem

Strategic response is a reaction to what is happening in the economic environment of organizations. Porter (1998) views strategic responses as part of a planning process that coordinates strategic goals with those of the larger organization. With the increasing changes that organizations are confronting every day, sustainable benefits will go to those who can anticipate what consumers want by continuously scanning the environment and giving to the consumer the greatest value with the view that as the operating environment changes, a more pronounced change in the business will emerge (Ansoff, 1980).

Organizations are environment dependent and environment serving. These organizations are expected to respond to relevant environmental changes to survive. Firms in the microfinance industry have experienced tremendous change in the recent past. The changes have been triggered by legislation that required supervision and regulation of certain categories of microfinance institutions by Central Bank of Kenya, new entrants, introduction of new technologies of product development, differentiation of products, segmenting and targeting of customers more and improved customer services. This has

forced microfinance institutions to re-brand, transform into deposit taking institutions as well as embark on expansion programmes. The Central Bank of Kenya regulation and success of some microfinance firms such as Kenya Women Finance Trust has seen more banks and new investors focus more on the microfinance sector with commercial banks starting the microcredit departments in their branches to serve small and micro enterprises.

Various studies indicate that organizations have been faced with ever changing environment and have been adopting various strategies to remain afloat. Kandie (2001) studied the strategic response of Telkom Kenya in a competitive environment and found that financial constraints and lack of managerial empowerment has limited the capability to respond to the environmental changes. Isaboke (2001) investigated the responses of the oil companies in Kenya to the threats of the new entrants. Responses included a combination of generic strategies and lobbying for a level playing ground. Kombo (1997) found that as a result of the ongoing economic reforms, firms in the motor industry adjusted their variables substantially so as to survive in a competitive environment. Further, Muchui (2006) did a study on the challenges of managing change after transition of ownership in the case of Celtel but did not cover its strategic responses to competition.

From the above studies, it is evident that firms in Kenya have been experiencing challenges as a result of changes taking place within their organizations and external environments. Though the studies attempted to highlight the changes the firms were going through and their efforts to survive, the responses differed across the firms.

Similarly, the microfinance industry in Kenya has experienced tremendous changes in the last decade. Microfinance institutions such as Kenya Women Finance Trust are expected to respond to these changes in order to survive in the ever changing environment. What are the strategic responses that Kenya Women Finance Trust has adopted to counter environmental changes?

1.3 Research Objectives

This study has two objectives. These are:

- i. Establish the strategic responses adopted by Kenya Women Finance Trust to the environmental changes.
- ii. To establish the challenges KWFT faces in responding to the environmental changes.

1.4 Value of the Study

The results will contribute to a better understanding on how strategy can be effectively employed as a base for realizing competitive advantage. The managers of KWFT will gain a deeper understanding of the company's operating environment from this study; this will assist in making progress on management of issues and their solutions. It would help to sensitize the management on the importance of strategic response and raise their awareness of the concept.

Other companies will gain from the documentation and analysis of the response strategies and this will help them evaluate their current strategy and plan for the future. Policy

makers in other microfinance companies will benefit from the issues and insights raised in the study that are important in developing strategic response framework for their organizations.

The study will add to the existing body of knowledge on the concept of strategic response to benefit academicians and aid further research on the concept. It would form a fundamental base upon which further researches into the field would be based as it would act as both reading and secondary source material in such cases.

The Association of Microfinance Institutions of Kenya (AMFI) would use the findings to advise its members on the best practices on strategic management of microfinance institutions. On the other hand, the Central Bank of Kenya would use the study to help formulate policies on microfinance that would stimulate growth of the industry to enhance greater financial inclusion of the low income earners. This would spur Kenya's economic growth.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the related literature on the subject under study presented by various researchers, scholars, analysts and authors. The contents under this chapter include theoretical framework, the concept of strategy, organization and the environment and strategic response to the environmental changes.

2.2 Theoretical Framework

This project is based on the framework of Resource dependence theory (RDT). Resource dependence theory is the study of how organizations depend on the environment for resources. The theory examines how organizations manage their dependence on other organizations in their environment. The theory argues that organizations will try to minimize their dependence on other organizations by ensuring that they depend less on resources held by other organizations, on the other hand they try to maximize other organizations' dependence on them by ensuring they are holding resources that are needed by other organizations. The theory focuses on how organizations try to manage power relations internally and externally and their environments. The key proponents of this theory were Pfeffer and Salancik (1978) who in their book "The external Control of organizations" demonstrated how this theory had expansive influence on management. Research on the bases of power within organizations began as early as Weber (1947) and included much of the early work conducted by social exchange theorists and political scientists. Generalizations of power based arguments from intra-organizational relations to relations between organizations began as early as Selznick (1949).

RDT is consistent with ecological and institutional theories of organizations where organizations are seen as persistent structures of order under constant reinterpretation and negotiation, interacting with an indeterminate environment of turbulence and a multitude of competing interests. The understanding of this theory is of importance and related to understanding the responses adopted by organizations to environmental changes.

According to Phinkett, Raymond, and Gemmy (2008), the environment contains customers, suppliers, shareholders, labour, other organizations, legal/political and economic factors with which organizations interact with. How organizations manage the relationship with these factors greatly influences management decisions. Customers are the greatest resource that organizations get from the environment and products and services are the greatest resources that organizations offer to the environment. Strategic responses by organizations are therefore based on how organizations manage their relationship with the environment.

2.3 Concept of Strategy

Johnson and Scholes (2002) defines strategy as the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a changing environment and fulfills stakeholders' expectations. Strategy is certainly applicable when threats emanate from the more general environment, strategy analysts earn their stripes in circumstances in which rivals contest head to head. This is the fertile ground of strategy, the point-counterpoint of market

competition. Strategy is about competition and the means by which an organization tries to gain a competitive advantage (Porter, 1998).

Porter (1998) further describes a category scheme consisting of three general types of strategies that are commonly used by businesses. He simplifies the scheme to the three best strategies as cost leadership, differentiation, and market segmentation. Market segmentation is narrow in scope while both cost leadership and differentiation are relatively broad in market scope. If a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government. These groups have an impact on the organization's operations success, productivity, customer satisfaction and competitor strength.

Hill and Jones (2001) argue that by planning, an organization is able to identify the problems and plan how to solve them by using appropriate strategies. In the strategic decision making process of organizations, there are three levels of strategy under the strategic responses namely, corporate level strategy, Business level strategy, and operational level strategy.

Corporate level strategy principally focuses on the effectiveness of the organization. It encompasses the overall scope and purpose of the organization, overall business domain, corporate resource allocation and value addition to the different parts of the organization. The corporate level strategy consists of the organization's vision, mission, values, ethics

and social responsibilities. Business level strategy focuses on competition with other businesses in the market and how the organization's strategic business unit will achieve competitive advantage. Operational level strategy focuses on how the various functional areas contribute to achieving business and corporate strategies. It focuses more on organizational processes and efficiency (Hill and Jones, 2001).

A strategy involves defining the business, stating its mission and forming a strategic vision. It also includes analyzing internal and external environments, setting measurable objectives and crafting ways of achieving those objectives. Implementation and execution plans are critical to any strategy. The strategy must have a mechanism of evaluating performance, reviewing new developments and initiating corrective adjustments. Strategy is valuable to an organization because it helps the organization achieve long term goals. It also helps an organization make decisions on resource allocation to help achieve its goals. Strategy helps an organization survive, have a competitive advantage over its rivals and achieve the expectations of its stakeholders.

2.4 Organizations and the Environment

The general environment is composed of elements in the broader society that influence an industry and the firms within it. Firms cannot directly control the general environment's segments and elements. Accordingly, successful companies gather the types and amounts of data and information that are required to understand each segment and its implications so that appropriate strategies can be selected and used (Porter, 1985).

The operating environment is largely uncontrollable and very wide in scope. This is significant to an organization because changes brought by the external environment are uncontrollable and require to be responded to otherwise the organization will experience a strategic misfit and success will be difficult. The success of every organization is therefore determined by its responsiveness to the environment.

An organization's dependence on the environment is best demonstrated by the Resource dependence theory (RDT). The theory is the study of how an organization's behavior is influenced by its external resources. The external resources have an impact on an organization's both strategic and tactical management. According to the theory, organizations depend on resources which originate from the organization's environment.

The environment contains other organizations that may be controlling the resources needed by the organization. Independent organizations find themselves depending on each other for resources in an attempt to increase their power inherent in the resources. Organizations will attempt to control their dependence relationship by either minimizing their own dependence or by increasing the dependence of other organizations on them. The theory propagates the view that organizations are persistent structures of order under constant reinterpretation and negotiation, interacting with an indeterminate environment of turbulence and competing interests (Pfeffer and Salancik, 1978).

Ansoff and McDonnell (1990) argued that business firms are in a constant two way interaction with the environment. They receive an assortment of resources from the

environment and after a transformation, deliver them back to the environment in the form of goods and services. The connection of the external environment and the organization is that of input – throughput – output process where inputs are received from the environment and released back into the same environment after being processed by the organization. What is released back can only be consumed if it fits the environment requirements and needs (Porter, 1985).

Firms are environment dependent in that they obtain inputs such as capital, raw materials and human resources from it and discharge their outputs in form of products and services into the environment. External factors influence a firm's choice of direction and action. The external environment comprises all conditions that effect a firm's strategic options but are typically beyond its control (Pearce and Robison, 2005). Changes in environmental conditions shape a firm's opportunities and challenges. A new environment necessitates the formulation of new strategy best suited to cope with change.

According to Ansoff and McDonnell (1990) turbulent environments are characterized by unfamiliar rapid and unpredictable events. These events dictate the decisions of the organizations' senior management. The events in the environment therefore greatly influence strategic decisions in an organization. An organization's strategy will therefore be reactive or proactive to certain happenings in the environment that have either affected or are anticipated to affect the survival of the organization.

2.5 Strategic Responses to Environmental Changes

Strategic responses are concerned with decisions and actions meant to achieve business objectives and purpose. Strategic responses imply that the entity has the ability to change according to its needs. Survival and success of an organization occurs when the organization creates and maintains a match between its strategy and the environment and also between its internal capability and its strategy (Grant, 2000).

Strategic responses require organizations to change their strategy to match the environment and also to redesign their internal capability to match this strategy. If an organization's strategy is not matched to its environment, then a strategy gap arises. These among other challenges demand that the Company adopt some strategic responses to counter these changes.

Ansoff (1980) asserts that when a firm fails to respond to a threat, the losses that results continue to accumulate. The strategic response process is initiated once the rational trigger point is reached. This is the point at which accumulated data shows that there is serious decline in performance which cannot be reversed and that special counter measures are required. Reactive management occurs if the start of the response is delayed past the trigger point. The start of response is delayed past the rational trigger point due to four factors; systems delay, verification delay, political delay and unfamiliarity delay (Ansoff and McDonnell, 1990). To be able to retain competitive advantage, organizations need to examine their environment both external and internal and respond accordingly (Porter, 1985).

2.5.1 Planned Strategic Responses

Planned strategic responses roots are in the arena of large-scale business operations and it can be defined as the fit between an organization and its environment. It is about winning (Grant, 2000) and helps by giving coherence and direction to both individuals and organizations by specifying the resources that are required to achieve an objective. Planned strategic responses apply when an organization makes deliberate decisions on the future direction of the organization.

Johnson and Scholes (2002) point out that planned strategic response is the direction and scope of an organization over the long term which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of markets and to fulfill stakeholders' expectations. Strategic response planning is thus the process adopted in identifying a strategy that best matches organizational capability with the environment.

2.5.2 Decisive Strategic Responses

Organizations may apply decisive strategic responses to changing environment through making dynamic moves to mitigate the consequences of the environmental changes. Ansoff and McDonnell (1990) noted that decisive strategic responses involve changes in the firm's strategic behaviors to assure success in transforming future environment. Pearce (1997) defined decisive strategic responses as the set of decisions and actions that result in the formalization and implementation of plans designed to achieve a firm's objectives.

Pearce (1997) states that knowledge of the underlying sources of competitive pressure provides the grounds work for strategic agenda of action. The highlight of the critical strengths and weaknesses of the company, animate the positioning of the company in its industry, clarify the areas of strategic changes and may yield the greatest payoff. Porter (1998) argues that developing competitive strategies involves development of a broad formula for how a firm is going to compete and choice of the goals and policies or tactics necessary for achieving the goals. Decisive strategic responses includes actions or attempts by a firm to attract customers, retain them, withstand competitive pressures and strengthen its market positions and is aimed at gaining competitive advantage.

2.5.3 Reactive Strategic Responses

Firms need to develop capabilities to manage threats and exploit emerging opportunities. Pearce and Robison (2005) point out that this calls for a proactive approach to business and the formulation of strategies that constantly match capabilities to the environment. Reactive strategic response is when a firm is slow to respond to its environment and change is only undertaken when management is forced to take rearguard action. The environment in an industry has great influence on the growth, survival and profitability of firms. To survive and prosper in an industry, a firm must meet two criteria; first, it must supply what customers want, secondly it must survive the competition.

Competition greatly shapes a firm's reactive strategic response. Porter (1998) is of the view that it is very necessary for firms to understand the underlying sources of

competitive pressure in its industry in order to formulate appropriate strategies and respond to competitive forces. Though a firm may not ignore competition and must keep adopting strategic responses reactive to competition, it would be important to note that a firm cannot entirely keep catching up with competition. This requires the firm to relook at its long term strategies.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that were followed in completing the study. It involves a blueprint for the collection, measurement and analysis of data. This section therefore, identifies the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections are included; research design, data collection methods and data analysis.

3.2 Research Design

This was a case study aimed at getting detailed information regarding the strategic responses to environmental changes by KWFT. According to Yin (1994), a case study allows an investigation to retain the holistic and meaningful characteristics of real life events. Kothari, (2004) noted that a case study involves a careful and complete observation of social units. It is a method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations. Primarily data collected from such a study is more reliable and up to date.

Strategic responses adopted by Kenya Women Finance Trust were the subject of enquiry. According to data published by CGAP in 2011, Kenya Women Finance Trust commands 67% of the microfinance business in Kenya. Therefore a holistic study on strategic responses adopted by Kenya Women Finance Trust will illuminate and explicate the various strategic responses adopted by the microfinance firms in Kenya as a result of environmental changes.

3.3 Data Collection

The researcher used both primary and secondary data. Primary data was collected using in depth interview guide while secondary data was collected by use of desk search techniques from published reports and other documents. Secondary data sources on the response strategies to external environment included the company's publications, journals, periodicals and information obtained from the internet.

An interview guide personally administered by the researcher was used as guide during data collection. The interviews involved the interviewer asking questions to one respondent in a face to face situation. The respondents of this study were the heads of departments since they are well versed with the response strategies adopted by KWFT to counter the challenges associated with the changing environment.

The interview guide that was used to collect primary data consisted of open-ended questions. The open-ended questions enabled the researcher to collect qualitative data. These were used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the study. The interview guide designed in this study comprised of two sections. The first part includes the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the interviewees. The second part is devoted to the identification of the strategic responses to changing environment where the main issues of the study are put into focus.

3.4 Data Analysis

Content analysis was employed. Content analysis is defined as a technique of making inferences by systematically and objectively identifying specific characteristics of messages and using the same to relate to trends. It provides the researcher with a qualitative picture of the respondent's concerns, ideas, attitudes and feelings.

The content analysis was used to analyse the interviewees' views about the strategic responses to the changing environment in KWFT Limited. The data was then presented in a continuous prose as a qualitative report on the strategic responses to the changing environment in KWFT.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis and results of the study as set out in the research methodology. The study findings are presented to establish the response strategies adopted by KWFT to counter the challenges associated with the changing environment. Both primary and secondary data were available. Primary data was gathered using the interview guide as the research instrument. The interview guide was designed in line with the objectives of the study. Secondary data was available in form of a strategic plan for five years for the period between the year 2012 and 2016 and annual financial reports.

4.2 Strategic Responses Adopted by Kenya Women Finance Trust Limited

The study found Kenya women finance to have a formal strategic plan that spans a period of five years. The strategic plan has provisions for adjustments as the environment dictates. The majority of the respondents indicated that the organization has a department that coordinates strategic responses in the organization. The marketing department is the one that coordinates strategic responses through gathering of the market intelligence and consolidating the views of the various departments. This is supervised by the managing director.

On whether KWFT's mission and structure have changed in the last 10 years, the study found out that KWFT's mission and structure have changed two times in the last 10

years. The study therefore indicates that Kenya women finance Trust has been adopting various strategic responses to survive as discussed below.

4.2.1 Transformation Strategy

The study found that KWFT transformed into a deposit taking microfinance in the year 2010. Before this time KWFT had witnessed a decline in its clientele and profitability due to increased poaching of its staffs and clientele by new microfinance companies and mainstream banks. The KWFT products were also limited as it offered group based loans only. The company has continuously been aligning its structure and products to its transformed status of a deposit taking microfinance institution.

Following the decline in performance and threats from competition, the company overhauled its vision, mission, its values and the institutional structure. This enabled the company to come up with new departments such as legal departments, operations and administration which were not there before.

In order to respond to legal/ political changes, the study sought to know what strategies have been put in place to achieve the appropriate changes; from the finding of the study it was found that, adoption of the new laws in the business was the strategy put in place to achieve the appropriate changes. The establishment of a legal department has also enabled the organization to align its operations to new legal requirements.

These adjustments have included creation of new positions and products. The new positions include the Head of Credit, Credit manager, Operations Director and products manager. The new products include voluntary savings products and innovative loan products relevant to women clientele. Staffs are continuously trained to embrace new processes and products.

4.2.2 Innovations Strategy

The study found that the institution has a framework under the Human Resource Department to offer incentives to staffs that come up with innovative ideas on new products and processes. Such staffs are offered rewards to encourage new products and services that are competitive and also new processes that improve efficiency and lower operating costs. This strategy also encourages retention of gifted staffs that forms the basis of the institution's performance culture.

The institution encourages every staff to give one new idea every year. These ideas are evaluated by the marketing department, Research& development section. The best idea is rewarded and with the necessary input by the relevant departments, is piloted and eventually implemented.

4.2.3 Staff Training and Development Strategy

From the study, the organization has a clear frame work on orientation of new staffs. Seminars are organized to train staffs on the policies and procedures of the organization.

On-the-job training and mentorship programmes are also structured to ensure staffs are properly inducted into their new jobs.

Continuous coaching and training is also done on the older staffs to improve their productivity. Staffs are promoted based on their performance and the annual performance appraisals are used to determine annual salary increases. A career path for each cadre of staffs is well defined. Succession planning is also integrated in all management decisions to ensure business continuity at all levels.

4.2.4 Technological Strategy

The study found that KWFT has embraced technology as one of its strategies to respond to the changes in the environment. The respondents indicated that the institution has invested heavily in technology to improve efficiency in its processes. The Information Technology department is backed by an IT committee at the board of directors' level. This signifies the importance attached to technology at the institution. The organization has also embraced Technology based products such as mobile banking, ATMs, internet banking, and financing customers who wish to acquire technology based assets.

In order to respond to technological changes, the researcher asked the respondent to state what strategies have been put in place to achieve the appropriate changes, it was found from the study that, training of staff on the new technology and computerizing of all departments were the strategies put in place in order to achieve the appropriate changes. This ensures timely monitoring of performance among the managers. It has also

improved efficiency and lowered the costs of operation. The Information Technology department is strengthened with an IT committee at the board of Directors level.

4.2.5 Product Differentiation Strategy

The study found that KWFT has a strategy on product differentiation that has ensured the organization has a large portfolio of products that meets the needs of its customers. The organization has products portfolios on clean energy, Life touching, business finance and savings.

Feedback from clients is always taken into account when configuring or improving the products. This has ensured that the products are client centered and therefore finds easy adoption by clients when introduced into the market. The institution has exploited its market niche of women clients and has therefore been able to introduce products that are unique for its women clientele. This has always given KWFT a competitive advantage over its competition enabling it to be the market leader in microfinance and to weather the ranging competition in its environment.

A research and development section is tasked with the work of collating views from clients, identifying their needs and thereafter developing products geared towards meeting such need. The department also ensures the products are well tested and piloted before being rolled out.

4.2.6 Advertisement Strategy

KWFT has an advertisement strategy whereby it uses radio, television and print media to reach to the majority of the rural and poor urban populations. The advertisements are aimed at positioning KWFT products in the market. Sometimes the advertisements could be reactive to what is happening in the market aimed at rebutting an aggression by another competitor. The company has a result based advertisement policy whereby all advertisement costs incurred must be followed with tangible results of the intended outcomes.

The institution also has a strategy to work with the local administration and opinion leaders who help it in its outreach efforts at the village level. The institution therefore makes use of public meetings called by local administrators and elders to advertise its products. This has helped manage advertisement's costs without losing focus on the intended group of clientele.

4.2.7 Locational Strategy

The study found that KWFT has a locational strategy. The organization has opened a large network of offices to reach customers at the grassroots level. This has made the organization very popular in deep rural areas because of offering financial services and trainings to clients who would otherwise not be reached by ordinary banking institutions.

The institution also hopes to continue expanding its branch network from its current 220 branches to 300 by end of the year. It also wishes to open branches in the other East

Africa community countries in the next two years. This would expand its market by reaching out to more women customers by taking services closer to them.

4.2.8 Customer Service Strategy

From the study, it was found that KWFT has a strategy on customer service. The strategy is aimed at offering high quality customer service that upholds the dignity of women. Baseline surveys are conducted to establish client satisfaction and remedial measures taken. Strategies have been put in place to respond to customer influences such as good customer relations, establishment of a call centre, quality services and efficient services.

A customer service section is established with a full time call center. This helps get feedback from customers. The feedback from customers is used as a basis for product development and service delivery improvements. Staffs are also continuously trained on customer service to ensure they offer quality services. The study also sought to know what strategies have been put in place to respond to customer influences. It was found from the study that, good customer relations, quality services and efficient services were the strategies put in place to respond to customer influences. The customers' continuous interactions with KWFT staffs offer valuable feedback that the organization taps to develop new products and services.

4.2.9 Performance Culture Strategy

The study found that the institution has a performance culture as a strategy. All departments and staffs have well defined targets and appraisals are done on a monthly

basis to evaluate achievement. The targets are aligned to the five year strategic plan. The institution has a framework to measure performance on a monthly basis.

Competition among different staffs and departments is encouraged and rewarded. Staff promotions are also based on how well the person has achieved his/her targets in addition to other leadership qualities. This culture has helped retain the talented staff since staffs are guaranteed of career growth based on their commitment to their work and achievement of their targets. This has seen KWFT grow and increase its level of staff productivity resulting into increased volume of business.

4.3 Challenges KWFT Faces in Responding to the Environmental Changes

On the question of the current challenges faced by KWFT when responding to environmental changes, majority of the respondents cited competition, scarce resources, threat of institutional identity, staffs poaching by competitors, resistance to change by staffs, high operation costs, and cost of funds as the most significant challenges. Respondents also cited Consumers and clients complex behaviors as the most dramatic change as a result of competitive pressures. They further noted that competitors have been applying one strategy or the other to adapt to the dynamic and unpredictable nature of the business environment. Majority of them also indicated that the microfinance environment is fast and continuously changing with competitors inventing more creative and better products and services than those offered by the KWFT. Thus the institution

finds it challenging in keeping pace with the competition that keeps on giving it surprises of new products.

Some strategic responses also require huge resources. The resources are needed in doing research on issues of great importance to the organization. Resources are also needed in implementing the findings of such research. The institution therefore must allocate substantial resources to respond to changes taking place in the environment. The money may not be readily available and therefore poses a strain on the organization's resources.

The study found that KWFT is proud to be a women financial organization. It has therefore focused on protecting and maintaining this identity. Some changes in the environment have threatened this identity. KWFT therefore has adopted a cautious approach to ensure strategic responses do not change significantly the vision and the mission of the organization. As a market leader KWFT has also been initiating changes in the microfinance industry. Through the Association of the Microfinance institutions, KWFT has been lobbying the Central Bank of Kenya and Ministry of Finance to relax the rule that prevents microfinance institutions from offering foreign currency and current bank accounts. This is aimed at leveling the playing ground to compete fairly with the mainstream banks as well as initiating changes that favor its mission and vision.

Another challenge identified by the respondents was that the changing environment affected the sourcing of the human resources. Majority of the staffs are young and are therefore very mobile as they try to settle in their life careers. This has posed a challenge

to KWFT as staffs sometimes leave after getting the necessary job training. Other Microfinance and banking institutions have been poaching KWFT staffs because of their good orientation and training in microfinance lending. Resistance to change by the organization's staffs has posed a great challenge to KWFT when responding to environmental changes. The institution had to invest in incentives and trainings to its staffs to ensure fast adoption of new ideas and products.

On the services that face the greatest competition, the respondents indicated that the loans and savings products were the most affected. These are the core products of the organization and form the basis of any strategic response. The company responded by continuously developing customer focused products, training staffs on customer care and adopting new technology to improve efficiency and reduce operating costs. The Human resource has also been empowered to ensure staffs are appraised continuously and remuneration and promotions are based on individual performance.

On the nature of the changes that the organization faces in the running of its operations the respondents indicated legal/political changes, technological changes, demographic and economic changes. Also new entrants have been coming up with new microfinance products. Customers' tastes have been changing drastically. Customers have continuously demanded to be served differently and with different products.

On the question about how KWFT creates and maintains a match between its strategy and the environment to ensure success despite the environmental challenges, interviewees

indicated that the resulting productivity growth at KWFT is the key source of wealth of KWFT, which is moving ever-faster away from natural to human capital. In particular, interviewees indicated that wealth creation at KWFT depends on the ability to access and make productive use of the expanding stocks of knowledge and information, and to build on them through creative research and development to design highly flexible products and services.

The study also wanted to know whether there had been any improvement in performance owing to the adoption of the strategic responses, from the study all the respondents said yes to the question, that there was improvement in performance owing to adoption of strategic response. Some of the improvements included greater client retention, increased profitability due to lower cost of funds and lower operating costs. The institution has also managed to retain its market leadership in microfinance.

4.4 Discussion

Organizational adaptation to environmental change has long been an important research concern for management scholars. This research therefore sought to establish how the Kenya Women Finance Trust responds to environmental changes affecting it. The research in particular sought to determine the strategic responses adopted by Kenya Women Finance Trust to deal with environmental changes affecting it. It also sought to find out the challenges faced by KWFT while adapting to the environmental changes.

4.4.1 Link to Theory

Managers interviewed noted that in the absence of an appropriate response, changes in the contextual forces surrounding organizations may cause the organization to lose its customer base. They further noted that if left unattended for too long, some environmental changes affecting them would threaten Kenya Women Finance Trust's survival. On the other hand, the managers were of the view that the organization cannot keep on reacting to the environment as this would lead to the institution losing its identity. This observation was in line with Pfeffer and Salancik (1978), the resource dependence theory, which observed that an organization must manage its dependence on the external environment to protect its independence and autonomy. The respondents therefore emphasized the need to follow the strategic plan which is continuously and cautiously adjusted to align it to the day to day realities.

Pfeffer and Salancik (1978) has espoused the resource dependence theory and observed that organizations depend on the environment for resources. The respondents observed that KWFT gets staffs, customers, suppliers and capital from its environment.

Just like Johnson and Scholes (2002) observed, the organization faced challenges while dealing with environmental changes. Johnson and Scholes (2002) had observed that diversity of the different environmental influences; the speed of change and the problem of the complexity of change pose a great challenge to management when responding to environmental changes. The study found out that the changes affecting KWFT were too

many and complex and it was therefore not possible for the management to respond to all of them.

Grant (2000) had argued that an organization must maintain a match between its strategy and the environment and also between its internal capability and its strategy. The study found out that KWFT had changed its mission and vision twice in the last ten years. The organization also carried out a major transformation in the year 2010. The transformation changed the organization structure and the business model. This was an effort to align the institution to the environment that was generating great competition. The transformation was also in responses to the new regulatory laws introduced by the Central Bank of Kenya. This was also in line with the argument by Ansoff and McDonnell (1990) that a firm must learn how to adopt and reorient itself to the changing environment to ensure continued success.

It was found from the study that the strategies adopted by the company to respond to changes included offering incentives to staff on innovations so as to remain competitive and embracing technology to improve efficiency. Lowes and Saunderson (1994) had observed that rapid technological change has created a new business environment where innovation has become a top competitive strategy. Coping with the increasingly turbulent environment, KWFT has been rethinking of its strategies continuously and encouraging adoption of new technologies and new ideas to improve efficiency.

Hill and Jones (2001) observed that by planning, an organization is able to identify the problems that affect it and plan how to solve them by using appropriate strategies. It is evident that KWFT has not been spared by the turbulent environment and has therefore been adopting various strategies to overcome the challenges posed by the changing environment.

4.4.2 Link to Other Empirical Studies

Isaboke (2001) investigated the responses of the oil companies in Kenya to the threats of new entrants. The study found that most oil companies had adopted strategies such as price differentiation, strategic locations, branding among others. The oil companies also lobbied for a level playing ground. KWFT also has adopted generic strategies that have helped it survive in an environment that is witnessing new companies continuously starting microfinance businesses. The organization has also been lobbying the Central Bank of Kenya through the Association of Microfinance Institutions to enable microfinance organizations offer all banking service to their customers including forex and current accounts.

Kandie (2001) in his study of strategic responses of Telkom Kenya in a competitive environment found that financial constraints and lack of managerial empowerment limited the capability to respond to environmental changes. The respondents in this study indicated that it is not possible to adopt all the needed strategic responses because of lack of adequate resource. KWFT has been expanding its capital base by mobilizing more

capital and continuously training her staffs and managers to empower them to effectively discharge their duties in an ever changing environment.

In the study by Kombo (1997) on how the motor vehicle industry adjusted to economic reforms, it was observed that the motor vehicle industry adjusted their variables substantially. This included aggressive marketing, diversification to second hand vehicles and motor vehicle parts, identification of transport companies that they could partner with and offering incentives such as after sales services to remain afloat.

Similarly, KWFT has also been adopting a strategy of continuously developing products and services that are in line with the current environmental challenges. These products include technology based products such as Mobile and internet banking. The strategic plan acts as a guide but has adequate provisions for flexibility to senior managers to come up with strategic responses to the turbulent environment.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusions and recommendations were made. The responses were based on the objectives of the study. The researcher intended to obtain responses on various strategic responses that Kenya Women Finance Trust has adopted to environmental changes and the challenges the company faced when responding to the changes.

5.2 Summary of Findings

From the study, it was found that KWFT adopted various strategic responses to environmental changes. These strategic responses were a major transformation within the organisation, encouraging innovations among its staff, staff training and development, adopting new technologies, product differentiation, advertisement, strategic locations, customer service and performance culture strategies. These strategies have helped the organization survive the ever changing environment.

The study found that KWFT faced challenges while responding to environmental changes. These challenges included competition, high operating costs, cost of funds, change of customer tastes and preferences, limited resources, threat to organizational identity, staff poaching by competitors and resistance to change by KWFT staffs. These challenges have hindered the implementation of all the strategic responses and the company has to prioritize on the most urgent and important strategic responses to adopt.

The study revealed from all the respondents that there were arrangements to mitigate the consequences of changes. It was established from the study that there were strategies adopted by the company to respond to changes. The study also established that there had been an improvement in performance owing to the adoption of the strategic responses. The study further revealed that the majority of the respondent thought that various response strategies adopted by the company were reactive to changes in the organization's external environment.

5.3 Conclusion

From the study the researcher concludes that there have been major changes within the operating environment for the last ten years. These changes included technological changes, political/legal changes, economic changes, demographic changes, new entrants and competition from rival companies and changing customer tastes and preferences. These are the changes which have major impact on the operations of the company. Customers being the ultimate focus of the company affected its operations through requiring competitive service that could meet their needs. It was therefore concluded from the study that customer influenced service delivery and customer care areas of operation.

It is also concluded that KWFT has been adopting strategic responses to the environmental changes. The company has been mitigating the consequences of environmental changes. Major transformation within the organisation, adopting modern technology, selecting strategic locations, advertisement, products differentiation,

customer service, performance culture, staff training and development, the introduction of staff incentives on innovations programmes are the strategies adopted by the company in response to environmental changes. The study further concludes that various response strategies adopted by the company are reactive to changes in the company's external environment.

The study further concludes that there are challenges in responding to environmental changes. The challenges KWFT encountered while responding to environmental changes included competition, high operational costs, high cost of funds, fast change of customer tastes and preferences, fast and continuous change of technology, limited resources, staff poaching, resistance to change by staffs and threat to institutional identity. These challenges have hindered the company from adopting all the possible strategic responses. The company therefore adopted a cautious approach to strategic responses prioritizing on the responses that would have the greatest positive impact at the least cost.

5.4 Recommendations

The study gave KWFT management an opportunity to reflect on the various strategic responses adopted to environmental changes. With greater awareness and understanding on the concept KWFT management could embark on continuous staff training and comprehensive computerization of its systems to improve efficiency. The study further recommends that the company should offer scholarships to its staff, offer quality and efficient service to customers; increase the level of capitalization in order to remain

competitive in the market. Higher capitalization would enable the company undertake more research, scale up promotional activities and expand its branch network.

With greater appreciation of the concept KWFT could also establish a department that would focus more on strategy. The current situation whereby strategic responses are under the marketing department denies it the attention it deserves since the marketing department has too many issues to deal with. The establishment of a strategy department would ensure more resources are allocated for environmental scanning, formulation and evaluation of strategic responses to environmental changes.

The Association of Microfinance Associations and the Central Bank of Kenya could advise microfinance institutions to establish research and development departments to carry out research on environmental factors affecting them. This could ensure microfinance institutions base their strategic decisions on scientific findings. This could improve the sustainability and growth for microfinance institutions.

5.5 Limitations of the Study

Since this was a study on one organization, the data gathered may differ from strategic responses adopted by other organization. It may therefore not be adequate for generalization.

The study faced both time and financial constraints. The heads of departments at the head office had very busy schedules.

To counter this, appointments had to be sought and scheduled, sometimes outside the official working hours.

5.6 Suggestions for Further Studies

The study investigated the strategic responses adopted by KWFT to environmental changes. The study recommends further research on strategic responses adopted by other Microfinance institutions in Kenya. This would allow generalizations on strategic responses adopted by Microfinance institutions to survive in Kenya.

Further research could help identify the various environmental changes affecting the microfinance industry in Kenya. This would help the managers of the microfinance institutions to formulate strategic responses for their organizations.

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APPENDIX

APPENDIX I: INTERVIEW GUIDE FOR KWFT HEADS OF DEPARTMENTS

Interview guide on the Strategic Responses by KWFT to Environmental Changes

GENERAL INFORMATION

1. Indicate your gender?
2. Indicate your highest level of education?
3. Indicate your department?
4. Indicate the number of years have you worked in this institution?

ENVIRONMENTAL CHANGES

5. What are the current challenges faced by your company due to environmental changes?
6. Which of the services given to the clients face the stiffest competition in your company?
7. Does your company have a separate department that deals with environmental changes?
8. If yes, which is that department?
9. Kindly describe the nature of changes that your company faces in the running of its operations?
10. What are the main strategic responses that the company adopts towards environmental changes?
11. How does the company integrate the various response strategies in its operations?

12. The strategic response integration processes are mainly technology based. How well is your organization set in this sense to withstand environmental changes?
13. In your opinion, how does the company's preparedness in strategic response to environmental changes compare with other companies within the microfinance industry?

STRATEGIC RESPONSES TO ENVIRONMENTAL CHANGES

14. Has the company changed its mission and/or vision in the last ten years? If yes how many times?
15. What are the response strategies employed by your company to counter changes from its external environment?
16. Who implements the strategic responses within your department?
17. How often are the strategies reviewed or amended
18. How long does the process of implementing a new strategy take in this institution?
19. Which market conditions can lead to adoption of more than one strategic response at a given period of time?
20. How does competition of brands compare during its initial entry into the market with other established brands and after adopting new strategic responses?
21. Have the company employed all of its strategic responses towards environmental changes?
22. Has the institution realized improved performance after adopting strategic responses?