

**STRATEGIC RESPONSES TO ENVIRONMENTAL CHALLENGES
FACING ASIL1 SACCO LIMITED**

BY

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DECLARATION

STUDENT'S DECLARATION

I declare that this project is my original work and has never been submitted for a degree in any other university or college for examination/academic purposes.

Signature: **Date:**..MJ±LL!

FRANCIS KINYANJUI

SUPERVISOR'S DECLARATION

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

Signature.  Date.

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DEDICATION

This work is dedicated to my parents Mr. John Kinyanjui and Mrs. Lucy Njoki for their prayers, support and encouragement throughout my entire education.

Special dedication to my wife Edith Nduta whose patience and support gave me strength and morale to forge ahead. She was there for me financially and psychologically throughout my entire study.

May God reward them abundantly!

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ABSTRACT

Organizations cannot be oblivious of the environment within which they operate. They have to be conscious to changes in the environment and respond to such changes in order to remain relevant. Organizations are faced with turbulence and stiff competition in their external environment. The Sacco sector in Kenya today is characterized by an ever changing operating environment characterized by stiff rivalry among the major players as each seeks to establish itself in the market. As a result of the triggers for strategic responses, the Asili Sacco has had to develop strategic responses to enable it to remain competitive in the market, in the face of evolving conditions.

The purpose of the study was to determine the strategic responses adopted by Asili Sacco to address the external environmental challenges. This research was conducted through a case study. The researcher used both primary and secondary data. Primary data was collected using self-administered interview guides while secondary data was collected by use of desk search techniques from published reports and other documents. The data collected which is qualitative in nature, was analyzed using conceptual content analysis.

From the study findings, the study concludes that the challenges in the external environment that affect the operations of the Sacco include unclear regulation by the government and stiff competition from financial institutions/ commercial banks and other Saccos. The study further concludes that the Sacco has adopted restructuring strategies in terms of retrenchment, products and management; diversification strategies to increase profitability through greater sales volume obtained from new products and new markets; differentiation strategies and monitoring and evaluation strategic responses. The study recommends that Asili Sacco should engage in more cost reduction as a response to its competitors' strategies whose products and services are much cheaper. The study further recommends that the Sacco should diversify global markets for its products, establish a closer working relationship with banking institutions and ensure computerization of all its essential services

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

A business external environment can be considered as those factors and conditions that are beyond the direct control and influence of a business. These factors depend on the complexity and dynamism of the environment. According to Pearce and Robinson (2005), strategic responses are the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firm's objectives. It's thus a reaction to what is happening in the organization's environment. According to Chepkvony, (2001), when businesses see their environment as turbulent, complex and competitive, they respond to align with the environment.

Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies (Pearce and Robinson, 2005). Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves (Kotler, 2000). Aosa (1992) observed that industries are responding to customer's demand by becoming more innovative in their new ways of approaching the changed environment. They adopt strategies such as improved customer services, credit facility, post-paid cards and provision of convenience goods and services. Rapid technological change has created a new business environment where innovation has become a top competitive strategy. According to Ansoff and McDonnell (1990), increased competition has created fundamental shift in economic environment whereas no organization can hope to stay afloat if it fails to come up with proper strategic responses.

1.1.1 Environment Challenges

An organization's internal/micro environment is composed of the elements within the organization, including current employees, management, and especially corporate culture, which defines employee behavior while the macro environments is composed of the external elements such as the customers, resources, competition, technology and the laws and regulations (Kazmi 2002).

The environment in which organizations operate is constantly changing with different factors influencing the organizations. Since the turn of the millennium, the general business environment has become more volatile, unpredictable and very competitive. Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies (Pearce and Robinson, 2005). A firm's external environment comprises of the following set of factors; threat of new entrants, suppliers, buyers, product substitutes and the intensity of rivalry among competitors that directly influences a firm and its competitive actions and responses. In total, the interactions among these five factors determine an industry's profit potential. Environment has been characterized as complex, dynamic, multi-facet and having far reaching impact (Kazmi 2002). As a result, of these characteristics, the environment is composed of various factors, events, conditions and influence which interact with each other to create an entirely new set of influences leading to constant environmental change in its shape and character.

To survive in a dynamic and highly competitive business environment, different organizations have had to engage various strategies to survive. One such strategy is the corporate turnaround strategy. The starting point is identification of the root cause or causes of the crisis. Turnaround

strategies are used when a business worth resuming goes into corporate crisis (Pearce and Robinson, 2005). While these concerns are global in nature, they manifest themselves differently based on firm context. Environmental concerns are now quite prevalent in developed countries while disease and poverty have remained prominent in developing nations. All in all, most business environments represent substantial environmental forces that impact the development and implementation of strategy. Yet the nature of firm strategic response to these influences is presently understudied. Moreover, the process by which firms incorporate environmental forces and strategies into market strategies has not yet been examined.

1.1.2 Concept of Strategic Responses

Strategic responses are concerned with decisions and actions meant to achieve business objectives and purpose. Three areas of a company strategy are important in identifying the responses of a firm to its environmental challenges. These include objective setting, the vision and mission of the company, strategic, competitive strategy where after considerations of the firm's competitive strengths and weaknesses vis-a-vis competition and customer needs, the company establishes a position of competitive advantage (Lowes et. al., 1994). A response strategy is therefore environmental driven. A response strategy, just like strategic decisions, is concerned with the scope of an organization's activities (Johnson and Scholes 2002). This includes products range, the number of activities to be carried out and geographical coverage.

Pearce and Robinson (2005), says 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 environment

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.

Organizations must adapt to their environments if they are to remain viable. Smart and Vertinsky (2004), maintain that to maximize long-term effectiveness, organizations need to develop the capability not only to cope with daily events in the environment, but also to cope with external events that are both unexpected and of critical importance (crises) The corporate resource allocation has become an essential issue in this process. The restructuring and re-engineering of companies' business processes are ongoing evolutions and a reality in many industries. They have become necessities for survival. Boseman and Phatak (1999) argue that 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 and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength.

1.1.3 Saving and Credit Cooperative Societies (SACCOs) in Kenya

A **SACCO** is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise (Tummala and Burchett, 1999).

The first cooperative society in Kenya was organized by Europeans settlers in Rift Valley in 1908. The society was supposed to market cereal crops, fruits and dairy products. At that time there was no Co-operative Law to govern it until 1931. In 1966, the cooperative societies Act was enacted which introduced control measures to counteract mismanagement and

misappropriation of funds. The savings and credit cooperative societies were formed in late 1970's. SACCOs have grown significantly and they play a major role in providing financial services to majority of Kenyans particularly in the rural areas for example between 1985 and 2006 the number of registered SACCOs rose from 1285 to 4876 (Ministry of Co-operative Development and Marketing 2007).

The Kenya union of savings and credit co-operatives (KUSCCO) ltd was registered on 27th September, 1973 and officially kicked off its operations in 1974 as the umbrella organization of all SACCOs in Kenya. KUSCCO the umbrella organization of all SACCOs in Kenya was admitted to WOCCU in February 2009. Since then, there has been a fast growth enhanced by fast diversification in various product developments to meet the dynamic members' financial needs. The Kenya SACCO system registered under cooperative Societies Act, chapter 490, is the largest credit union network in the whole of Africa. There are about 5,000.00 SACCOs currently registered in Kenya (Ministry of Co-operative Development and Marketing 2008)

1.1.3 Asiji Sacco Limited

Asili Sacco Limited was started in 1972. Membership was from the Ministry of Environment and Natural Resources and Wildlife, Kenya Forestry Research Institute, Kenya Wildlife Service, Kenyatta National Hospital and other Ministries. Currently, membership is drawn even outside the common bond. The Saccos' mission is to continuously mobilize member's savings for provision of sustainable competent financial services by using appropriate technology while adhering to cooperative principles for the benefit of shareholders and its vision is to be the

preferred Sacco in provision of quality service and share holder benefit (Asili Sacco society Limited annual report, 2011).

The Sacco's customer service charter sets out the standards of service the customers should expect from them. The Sacco wants to provide the customers with the best possible service in a caring and efficient way (Asili Sacco society Limited annual report, 2011). The charter sets out response policy for contact with them by telephone, email or in person. It also gives guidance on how Asili SACCO staffs are expected to behave and how they receive and deal with complaints and praise.

There are a number of factors that have triggered the need for strategic reorientation of the Asili Sacco such as the rapid expansion in the number of the operators in the market and the change in the need of the consumer which has heralded the introduction of a number of new products into the market. There has also been emergence of numerous Saccos which has increased competition among various players.

1.2 Research Problem

Organizations cannot be oblivious of the environment within which they operate. They have to be conscious to changes in the environment and respond to such changes in order to remain relevant. Organizations are faced with turbulence and stiff competition in their external environment (Kotler, 2000). Correct alignment helps a firm maximize the economic benefits from resources, improve the effectiveness of operations, and boost the fulfillment of its strategic goals (Hill and Jones, 2001). These inter-dependencies are crucial and consequently strategic decisions should always involve some assessment of their impact on other companies, and their

likely reaction. The competitive environment is affected by market structure and profitability; the intensity of competitive rivalry and the degree of differentiation; market growth; the stage in the life of the products or services in question and the frequency of new product launches; capital intensity; and economies of scale (Johnson and Scholes, 2002).

The Sacco sector in Kenya today is characterized by an ever changing operating environment characterized by stiff rivalry among the major players as each seeks to establish itself in the market. As a result of the triggers for strategic responses, the Asili Sacco has had to develop strategic responses to enable it to remain competitive in the market, in the face of evolving conditions. This study seeks to investigate through research how the changes in the Sacco sector in Kenya have impacted on Asili Sacco and what strategic changes have been developed and adopted by the Sacco in response to the changing conditions. This will form a basis of knowledge on how Saccos respond to environmental challenges.

Local studies have also been conducted on the response to the external environmental challenges Wairimu (2008) conducted a study on strategic responses of Barclays Bank of Kenya Limited to challenges in the external environment while Mohamcd (2007) researched on the responses of Nzoia Sugar Company to challenges in its external environment. To the best of the researcher's knowledge, no study has ever focused on the strategic responses adopted by Saccos. It is in this light that the researcher aims to fill the existing gap by carrying out a research on strategic responses adopted by Asili Sacco to the environmental challenges in the Kenyan financial sector. The study will seek answers to the following questions: Which strategic responses is Asili Sacco adopting to address the external environmental challenges?

1.3 Research Objective

The objective of the study was to determine the strategic responses adopted by Asili Sacco to address the external environmental challenges

1.4 Value of the Study

The findings of this research would provide vital information to facilitate the management of Saccos in general and Asili Sacco in particular in designing appropriate methods and strategies geared towards business sustainability. Thus the findings are thus expected to help them identify gaps in their strategic responses and enable them to better respond to environmental challenges. The findings of the study would be beneficial to other players in the financial sector since they will also be enlightened on how the business responds to challenges in the environment.

The policymakers would also benefit from the study in that they will be able to evaluate the ability of financial institutions to adapt to challenges in the operating environment and gaps if any; and provide a framework upon which more efficient response strategies can be built. The study would also contribute to the body of knowledge to researchers and scholars who will undertake further studies in a related field.

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 specific areas covered here are strategy, organizations and their external environment, factors influencing the strategic responses and strategic responses to dynamic environment.

2.2 Organizations and their Macro Environment

As Ansoff and McDonnell (1990) argued, 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. What is released back can only be consumed by the organization if it fits the environment requirements and needs (Porter, 1997). Pearce and Robinson (2005) define an organization's external environment as all those factors beyond the control of the firm that influence its choice of direction, action, organizational structure and internal processes. 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. These environmental changes are more complex to some organizations than others and for survival an organization must maintain a strategic fit with its environment. A sustainable competitive advantage is achieved when there is a strategic fit between the external and internal environment.

2.3.1 Economic Factors

Pearce and Robinson (2005) state that economic factors concern the nature and direction of the economy in which a firm operates. Some of the economic factors on both national and international level that managers must consider include general availability of credit, the level of disposable income, the propensity of people to spend, interest rates, inflation rates, and trends in the growth of the gross national product. A firm must therefore include these factors in its strategy formulation.

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. The firms in this industry' introduced new technologies of product development, differentiated their products, segmented and targeted their customers more and improved customer services. They also made significant changes to marketing mix variables of promotion, price and distribution in response to competition.

2.3.2 Social Factors

The social factors that affect a firm involves the beliefs, values attitudes, opinions and lifestyles of persons in the firms external environment, as developed from cultural, ecological, demographic, religious, educational, and ethnic conditioning. Pearce and Robinson (2007). As social attitudes changes so too does the demand of various types of products (Smith, 2003). Like other forces in the external environment, social factors are dynamic with constant change resulting from efforts of individuals to satisfy their desires and needs by controlling and adapting to environmental factors. For managers, informed judgment of the impact of changes in social; cultural factors are paramount.

2.3.3 Political Factors

Pearce and Robinson (2005) reckon that the direction and stability of political factors are major consideration for managers on formulating company strategy. Political factors define the legal and regulatory parameters within which firms must operate. Political constraints are placed on firm's fair trade decisions antitrust laws, tax programmes, minimum wage legislation, pollution and pricing policies and administrative regulations. Some are meant to protect the firm and they include patents laws, government subsidies etc.

Steel and Webster (1992) found out that small enterprises in Ghana adapted to the competitive environment as a result of Structural Adjustment Programmes (SAPs), by altering their product mixes. This enabled these firms to complete with imports.

2.3.4 Technological Factors

Kazmi (2002) observed that a technological breakthrough can have a sudden and dramatic effect on firm's environment. It may spawn new markets and products or significantly shorten the anticipated life of a manufacturing facility. Hence for a firm to stay successful, it must strive to understand both the existing technological advances that can affect its products and services also the ability to forecast future technological advances helps alert strategic managers to both impending challenges and promising opportunities.

2.3.5 Ecological Factors

Pearce and Robinson (2005), define the ecology as the relationship among human beings and other living things and the air, soil, and water that support them. Specific concerns in this area include global warming, loss of habitat, and biodiversity as well as air, water, and pollution.

Firms are increasingly being called upon to pay attention to this by protecting the environment. Pearce and Robinson also observed that despite cleanup efforts the job of protecting the stakeholders is entrusted on the organizations. Hence any effort to attain success through competitive advantage must be fully aware of all the external environment factors and their impact on the day to day operations of the business.

2.3 Concept of Strategy

According to Porter (1997) strategy is about competition and the means by which an organization tries to gain a competitive advantage. He has described a category scheme consisting of three general types of strategies that are commonly used by businesses. The three generic strategies are as follows: strategic scope and strategic strength. Strategic scope is a demand-side dimension and looks at the size and composition of the market to be targeted. Strategic strength is a supply-side dimension and looks at the strength or core competency of the firm. In addition, he identified two competencies that he felt were most important: product differentiation and product cost (efficiency).

Johnson and Scholes (2002), view 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 fulfill stakeholders expectations. Boseman and Phatak (1989) argue that 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 and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength.

Strategy development is a multidimensional process that must involve rational analysis and intuition, experience, and emotion. But, whether strategy formulation is formal or informal, whether strategies are deliberate or emergent, there can be little doubt as to the importance of systematic analysis as a vital input into the strategy process. Without analysis, the process of strategy formulation, particularly at the senior management level, is likely to be chaotic with no basis for comparing and evaluating alternatives. Moreover, critical decisions become susceptible to the whims and preferences of individual managers, to contemporary fads, and to wishful thinking Henry, (1978).

2.4 Factors Influencing the Strategic Responses

Numerous factors, both internal and external to an organization affect how it responds to environmental factors affecting it including information and communication technology, culture change and organizational structure. According to Porter (1997) technological change especially information technology, is amongst the most important forces that can alter the rules of competition. Further, an appropriate and cohesive culture can be a source of competitive advantage because it promotes consistency, coordination and control and reduces certainty while enhancing motivation and organizational effectiveness of which facilitate the chances of being successful in the market place.

One of the strategic responses to environmental turbulence is restructuring. At the heart of restructuring is the notion, that some activities, within the business value chain are more critical to the success of the business strategy than others. O'Brien (1999) argued that successful strategies could only be implemented through an organizational structure that links peoples* abilities and skills to the mission of the enterprise.

2.5 Strategic Responses to Environmental Challenges

According to Ansoff and McDonnell (1990), strategic responses involve changes in the firm's strategic behaviours to assure success in transforming future environment. Bumes (1998) asserts that the concern in real time responses is to minimize the sum to total losses and restore profitability to ensure organization's success in a turbulent and surprising environment. The study will focus on how companies respond to the environmental challenges through restructuring, diversification, differentiation, change in management style and monitoring and evaluation.

2.5.1 Restructuring

In the 1990's, many companies have acknowledged the critical importance of being customer oriented, customers pay attention to their services, and responsiveness of employers (Kotler, 2000). Hamael and Prahalad (1994) noted that restructuring and re-engineering - while both are legitimate and important tasks, they have more to do with sharing today's business than with building tomorrow's industry. According to Aarker (1989), long-term success involves creating, managing and exploiting assets and skills that competitors find difficult to match or counter. This involves identifying relevant skills and assets by observing successful and unsuccessful firms, key customer motivations, large value added items, and mobility barriers, selecting those skills and assets that will provide an advantage over competitors, will be relevant and appropriate for the future, and will be feasible, sustainable and appropriate for the future, and develop and maintain those of competitors. He further observed that there are three basic ways to compete, namely, on the basis of delivery, quality and price.

According to Hill and Jones (2001), argue that focus strategy concentrates on serving particular market niche, which can be defined geographically, type of customer or by segment of the product line. It differs from the first two because it is directed towards serving the needs of a limited customer group or a segment. According to Johnson and Scholes (2002) "Business unit strategy is about how to compete successfully in particular markets".

According to Johnson and Scholes (2002), operational strategies are concerned with how parts of an organization deliver effectively the corporate and business level strategies in terms of resources, process and people. Companies adopt strategies directed at improving, the effectiveness of basic operations within the company, such as production, marketing, materials management, research and development, and human resources.

According to Johnson and Scholes (2002), operational strategies are concerned with how parts of an organization deliver effectively the corporate and business level strategies in terms of resources, process and people. Even though strategies may be focused on a given function, as often as not they embrace two or more functions and require close co-operation among functions to attain companywide efficiency, quality innovation, and customer responsiveness goals.

2.5.2 Diversification Strategies

Diversification strategy is the process of entering new business markets with new products. Such efforts may be undertaken either through acquisitions or through extension of the company's existing capabilities and resources (Smith, 2003). Diversification is meant to be the riskiest of the four strategies to pursue for a firm. According to him, diversification is a form of growth Marketing strategy for a company. It seeks to increase profitability through greater sales volume

obtained from new products and new markets. Diversification can occur either at the business unit or at the corporate level. At the business unit level, it is most likely to expand into a new segment of an industry in which the business is already in. At the corporate level, it is generally entering a promising business outside of the scope of the existing business unit (Ansoff 1998). According to Johnson and Scholes (2002), corporate level responses is the first level of strategy at the top of the organization, which is concerned with the overall purpose and scope of the organization to meet the expectations of owners or major stakeholders and add value to different parts of the enterprise.

Diversification makes sense when good opportunities can be found outside the present business. Kotler (2000) states that a good opportunity is one in which the industry is highly attractive and the company has the mix of business strengths to be successful. Fred (1997) observed that three types of diversification are possible. The company could seek new products that have technological and/or marketing synergies with existing product lines even though the new products themselves may appeal to a different group of customers. Further, the company might search for new product that could appeal to its current customers even though the new products are technologically correlated to its current product line (horizontal diversification). Finally, the company might seek new businesses that have no relationships to the company's current technology, products or markets (Conglomerate diversification). Strategic responses to a changing competitive environment therefore entail substantial changes to organization long term behaviour. This adaptation may be gradual or revolutionary depending on the nature and circumstances facing the organization.

In case of concentric diversification strategy, the technology used in the industry remains the same, while the marketing plan changes to a significant extent. This strategy requires technological similarities between the two business ventures (Ramirez 1995). Technical knowledge turns out to be an advantage when it comes to concentric diversification strategy.

This means that there is a technological similarity between the industries, which means that the firm is able to leverage its technical know-how to gain some advantage. For example, a company that manufactures industrial adhesives might decide to diversify into adhesives to be sold via retailers. The technology would be the same but the marketing effort would need to change. It also seems to increase its market share to launch a new product which helps the particular company to earn profit.

On the other hand, according to Lins and Servaes (2002), horizontal integration occurs when a firm enters a new business (either related or unrelated) at the same stage of production as its current operations. The company adds new products or services that are technologically or commercially unrelated (but not always) to current products, but which may appeal to current customers. In a competitive environment, this form of diversification is desirable if the present customers are loyal to the current products and if the new products have a good quality and are well promoted and priced (Lins and Servaes, 2002). Moreover, the new products are marketed to the same economic environment as the existing products, which may lead to rigidity and instability. In other words, this strategy tends to increase the firm's dependence on certain market segments.

The resource-based view of the firm (RBV) views the ability of a firm to extend the scope of its Products or services enabling it to enter new markets as being dependent on its possession of

superior resources (Miller, 2004). According to RBV, a firm's possession of valuable, rare, inimitable, and difficult-to-imitate resources such as competencies or know-how is the fundamental determinant of a firm's ability to pursue economies of scope (Barney, 1986; Penrose, 1959; Rumelt, 1984; Wemerfelt, 1984). As Hoskisson and Hitt (1990) indicate, although firms have primarily diversified through mergers and acquisitions, firms may also increase the scope of their product offerings through internal development. However, unlike diversification through mergers and acquisitions, firms diversifying through internal development will be primarily doing so in highly related product markets.

2.5.3 Differentiation Strategy

Differentiation strategy is one of porter's key business strategies. When using this strategy, a company focuses its efforts on providing a unique product or service. Since the product is unique, this strategy provides high customer loyalty (Porter, 1998).

Pearce and Robinson (2007) contend that strategies dependent on differentiation are designed to appeal to customers with a special sensitivity for a particular product attribute. Product differentiation fulfils a customer need and involves tailoring the product or service to the customer. This allows the organization to capture the market share.

Differentiation strategy is an approach under which a firm aims to develop and market unique products for different customer segments. Differentiation strategy is one of porter's key business strategies. When using this strategy, a company focuses its efforts on providing a unique product or service. Since the product is unique, this strategy provides high customer loyalty (Porter, 1998). Pearce and Robinson (2005) contend that strategies dependent on differentiation are

designed to appeal to customers with a special sensitivity to a particular product attribute, product differentiation fulfils a customer's need and involves tailoring the product or service to the customer's expectations. This allows the organization to capture the market share.

Differentiation strategy aims to build up competitive advantage by offering unique products which are characterized by valuable features, such as quality, innovation, and customer service. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. With these differentiation features, firms provide additional values to customers which will reward them with a premium price.

2.5.4 Change in Management Style

Managers have to perform many roles in an organization and how they handle various situations will depend on their style of management. A management style is an overall method of leadership used by a manager (Kazmi, 2002). Command and control is by far the most common change leadership style. Most of today's leaders were mentored themselves by command and control managers, and the culture of most organizations is still based on command and control norms. It is hard to escape this leadership style's historic influence and dominance. The first step to changing your management style is identifying what type of manager you are. Traditionally, there are four management styles, but a fifth is also worth noting: autocratic, paternalistic, democratic, laissez-faire, servant leadership (Pearce and Robinson, 2007).

Newer, post-stewardship, ideas of organizational structure require a different view of change management. Change management, as Kotler (2000) so well describes in his classic paper, "Why Transformation Efforts Fail," frequently, if not generally, fails because organizational

development factors are an add-on rather than in control, because resistance to change is devalued, and because responsibility for the change is wrongly seen as belonging to only some levels of the organization.

In projects that can be isolated from their environment (e.g., protected from outside influences) and for changes that do not require people to change beyond learning new technical or operational skills, command and control can work. In these cases, a predetermined outcome and project plan can be established and executed through a relatively stable set of circumstances. Employees won't have to change much and won't need to be fully committed to the effort to enable success (Miller, 2004).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter is a blueprint of the methodology that was used by the researcher to find answers to the research question. In this chapter the research methodology is presented in the following order, research design, data collection methods, instruments of data collection and finally the data analysis.

3.2 Research Design

This research was conducted through a case study since it is a research on one organization. A case study is an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda, 2003). A case study was chosen because it enabled the researcher to have an in-depth understanding of the strategic responses to environmental challenges. 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.

The importance of a case study is emphasized by Kothari (2000) who both acknowledge that a case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study. This design also allows a thorough, meticulous and systematic data collection on the research problem (Yin, 2003). Further, it gives a deep understanding of the issues, and allows data collection using in-depth interviews and document analysis.

3.3 Data collection

For the purpose of this study, the researcher used both primary and secondary data. Primary data was collected using self-administered interview guides 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 Sacco's publications, journals, periodicals and information obtained from the internet.

An interview guide was used to collect in depth information from the senior managers in the Sacco including human resource manager, finance manager, credit manager, information technology manger, front office service activities manger, chief internal auditor and marketing manager. This enabled oral administration of questions in a face-to-face encounter therefore allowing collection of in depth data. This involved in-depth discussion through individual meetings with the senior managers. With unstructured questions, a respondent's response may give an insight to his feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back (Asika, 1991). Interview method was used since it generally yields highest cooperation and lowest refusal rates, offers high response quality, takes advantage of interviewer presence and it's multi-method data collection (Owens, 2002).

3.4 Data Analysis

Before processing the responses, the completed interview guides was edited for completeness and consistency. The data collected using interview guides which is qualitative in nature, was analyzed using conceptual content analysis which is the best suited method of analysis. 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 provide the researcher with a qualitative picture of the respondent's concerns, ideas, attitudes and feelings (Mayring 2007).

Content analysis is defined by Creswell (2003) as a technique for making inferences by systematically and objectively identifying specific characteristic of messages and using the same approach to relate trends. Content analysis is a technique for gathering and analyzing the content of text (Krippendorff 2000). Leedy and Ormrod (2001) describe content analysis as a systematic examination of a particular body of material for the purpose of identifying patterns, biases, and themes that arise in different forms of human communication.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents data findings from the field, its analysis and interpretations there-of. The data was gathered through interview guides and analyzed using content analysis. The data findings were on the strategic responses to environmental challenges facing Asili Sacco Limited.

According to the data found, all the 7 senior managers projected in the previous chapter to be interviewed were interviewed which makes a response rate of 100%. The commendable response rate was achieved after the researcher made frantic effort at booking appointment with the senior managers despite their tight schedules and making phone calls to remind them of the interview.

4.2 Demographic Information

The study, in an effort to ascertain the interviewees' competence and conversance with matters regarding Asili Sacco Limited asked questions on the position that the interviewee held in the Sacco. According to the data findings, all the interviewees were senior managers in charge of various department such as human resources, sales and marketing, Chief teller, finance manager, credit manager, information technology manager and chief internal auditor. On the highest level of education, the study found that most of the interviewees had at least a University Degree while others had a Masters Degree and a PhD Degree.

The researcher also asked a question on the years that the interviewees had worked for Asili Sacco. According to the interviewees' response, all of them had worked for the Sacco for at least

six years as most promotions are internal, within the organization. The interviewees' responses hence had the advantage of good command and responsibility being that they were senior managers and had experience and aptitude owing to their years of experience in the organisation.

4.3 Environmental Challenges

The interviewees were asked to describe the operation environment in the Sacco industry in Kenya. From the responses, the interviewees were unanimous that the environment was informal and chaotic due to the high market competition in membership, changing legal environment such as the regulatory guidelines by the Sacco Acts Rules and Sasra, very dynamic with distinct technological change, increasing need to maintain high quality services due to increased customer demand as the customers are exposed to the global financial industry.

The study proceeded to determine the challenges in the external environment that affect the operations of the Sacco. All the interviewees agreed unanimously that the organization was faced by challenges such as unclear regulation by the government, stiff competition from financial institutions/ commercial banks and other Saccos, poor economy and chaotic weather conditions, the rate of economic growth (high interest rates), change in technology and political interests/interference.

4.4 Factors Influencing Strategic Responses

The interviewees also reiterated that the changes that they have experienced in their industry due to political climate include enactment of Sacco act 2008 which brought actors of Sasra, adaption

of new technology, need to insure Saccos products and properties and need to change the way interests and dividends are paid due to uncertainty of profits.

The interviewees also agreed that the social factors that have affected their business operations include low education level of members, poor/incompetent leadership, young people not taking farming seriously, corporate social responsibilities, increasing demand from customers for quality, cultural beliefs and practices and family set up (some insurance can only take care of one spouse but most of Kenyans are polygamous).

The study also proceeded to determine the areas in which technology has taken toll in the Sacco. The interviewees concurred that systems technology had taken toll in areas like measuring of farm produce e.g. milk, harvesting of produce e.g. tea picking, digitalization of customers data-easy access by authorized parties, payment in ATM (Sacco link), payment disbursement of loans through EFTs, automation of office operations, security of files and data, posting relevant transactions in to the accounting systems and automation of reconciliation and evaluation of criteria for audit cyber frauds. The interviewees also indicated that to cope with the above technological challenges, the strategies that have been put in place to achieve the required performance were such as training of personnel on use of new machines, working together with established firm's to provide essential services to clients e.g. m-banking, use of password and regulation of authority to access, educating of members on the safe custody of cards and pin, investment in technology, recruitment of more qualified staff and upgrading the system software.

Kazmi (2002) observed that a technological breakthrough can have a sudden and dramatic effect on firm's environment. It may spawn new markets and products or significantly shorten the

anticipated life of a manufacturing facility.

4.5 Method Used To Communicate Any Strategic Response

On the method used to communicate any strategic response and how they are implemented at Asili Sacco, the interviewees indicated that communication at Asili Sacco was through community based barazas for farmers, staff meetings. Text SMS to stakeholders, memos, seminars, internal messaging system. These are implemented by the senior management setting out the strategy and involving all employees and stakeholders in the implementation process.

The interviewees further intimated that the changes they have experienced in their department in regard to the strategies employed to cope with the environmental challenges include faster pace of executing tasks/ service delivery, staff layoffs, job enrichment, reduced manual/paper work, improved working environment, product re-engineering and innovation, ease of communication between departments, job rotation and improved reporting and delegation.

4.6 Restructuring Strategies

The interviewees were asked to elaborate on whether the Sacco adopts restructuring strategies. All the interviewees unanimously agreed that there was no formal restructuring done but recently as per government directive they are trying to adopt restructuring. Further, due to the challenges experienced the Sacco has embarked on restructuring in terms of products and management that has led to retrenchment of unqualified staff entailing cost/asset-reduction, in order to conserve resources.

The interviewees also intimated that the Sacco use restructuring strategic responses in the changing external environment by instituting new leaders/ management, changing organizational structure to conform to government resources and the general manager have been replaced with a CEO. They added that the Sacco use recession to exploit opportunities to invest, divestment of businesses, reductions in working hours and marketing.

4.7 Diversification Strategies

The data findings showed that the Sacco use diversification strategies in responding to the changing external environment such as horizontal/ related diversifications, diversified products, Fasa and Bosa activities, partnering with other organizations e.g. CIC and Co-operative bank and opening a common bond to allow as many people as possible to join the Sacco membership.

Diversification strategies seeks to increase profitability through greater sales volume obtained from new products and new markets.

Diversification makes sense when good opportunities can be found outside the present business. Kotler (2000) states that a good opportunity is one in which the industry is highly attractive and the company has the mix of business strengths to be successful.

Fred (1997) observed the company might search for new product that could appeal to its current customers even though the new products are technologically correlated to its current product line (horizontal diversification).

4.8 Differentiation Strategies

The interviewees were in accord that the differentiation strategies used by the Sacco in response to the changing external environment include different pricing for its products, one on one/ world class customer service, quick response to members needs, implementation of service charter.

When using this strategy, a company focuses its efforts on providing a unique product or service. Since the product is unique, this strategy provides high customer loyalty (Porter, 1998).

Pearce and Robinson (2005)

Product differentiation fulfils a customer need and involves tailoring the product or service to the customer. This allows the organization to capture the market share.

Differentiation strategy aims to build up competitive advantage by offering unique products which are characterized by valuable features, such as quality, innovation, and customer service. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. Miller, 2004

4.9 Monitoring And Evaluation Strategies

The interviewees were in agreement that the monitoring and evaluation strategic responses used by the Sacco to the changing external environment are such as having a dedicated transaction monitoring team in place, transaction limits for members of staff and customers have been set, having an appraisal system against target set, competition analysis and using prudential standards to monitor performance.

4.10 Value of response strategies to the Sacco

The interviewees were in accord that adoption of the response strategies to external changes are of value to the Sacco as they improve quality of services to members, help retain membership, encouraging loyalty of members to the Sacco and helps in evaluating and measuring performance in order to see whether there is need to make adjustments. The interviewees also averred that they were reducing the costs of products to a minimum in the market which has resulted in the Saccos having a large clientele base, launch of more innovative products, having vicious marketing strategies and especially promotional strategies and also increased their coverage and invested in modern equipment to make their services better which give the Sacco a competitive advantage over its rivals.

According to Johnson and Scholes (2002), business unit strategy is about how to compete successfully in particular markets. They added that operational strategies are concerned with how parts of an organization deliver effectively the corporate and business level strategies in terms of resources, process and people.

On what else Asili Sacco Limited should do to stay competitive, the interviewees indicated that the Sacco should diversify global markets for its products, establish a closer working relationship with banking institutions, ensure computerization of all its essential services, encourage performance contracting for its leaders, come up with policies for improvement in members savings, take services close to the members (have country- wide branches), innovate new products, change from traditional Sacco management to digital system and increase efficiency and productivity. The interviewees further said that since superior service delivery is critical for Asili Sacco competitiveness, hence internally, the company's business segments should work

closely together in ensuring that there is an efficient customer service. The interviewees also recommended that the Sacco should be involved in more corporate social responsibility to give back to the society through their corporate social responsibility policy which is one way of increasing its influence on the lives of Kenyans and thus enhancing customer loyalty.

4.11 Discussion

The study deduced that the operation environment in the Sacco industry in Kenya is informal and chaotic due to the high market competition in membership, changing legal environment such as the regulatory guidelines by the Sacco Acts Rules and Sasra, very dynamic with distinct technological change, increasing need to maintain high quality services due to increased customer demand as the customers are exposed to the global financial industry. This is consistent with Chepkwony (2001) who indicated that when businesses see their environment as turbulent, complex and competitive, they respond to align with the environment. Aosa (1992) also observed that industries are responding to customer's demand by becoming more innovative in their new ways of approaching the changed environment. They adopt strategies such as improved customer services, credit facility, post-paid cards and provision of convenience goods and services.

The challenges in the external environment that affect the operations of the Sacco include unclear regulation by the government, stiff competition from financial institutions/ commercial banks and other Saccos, poor economy and chaotic weather conditions, change in technology and political interests/interference. It was also clear that the changes that they have experienced in their industry due to political climate include enactment of Sacco act 2008 which brought

actors of Sasra, adaption of new technology, need to insure Saccos products and properties and need to change the way interests and dividends are paid due to uncertainty of profits. This concur with Pearce and Robinson (2005) reckon that the direction and stability of political factors are major consideration for managers on formulating company strategy. Political factors define the legal and regulatory parameters within which firms must operate.

The social factors that have affected their business operations include low education level of members, poor/incompetent leadership, young people not taking farming seriously, corporate social responsibilities, increasing demand from customers for quality, cultural beliefs and practices and family set up. This agrees with Pearce and Robinson (2007) that the social factors that affect a firm involves the beliefs, values attitudes, opinions and lifestyles of persons in the firms external environment, as developed from cultural, ecological, demographic, religious, educational, and ethnic conditioning.

In the Sacco, technology has taken toll in measuring of farm produce e.g. milk, harvesting of produce e.g. tea picking, digitalization of customers data- easy access by authorized parties, payment in ATM (Sacco link), payment disbursement of loans through EFTs, automation of office operations, security of files and data, posting relevant transactions in to the accounting systems and automation of reconciliation and evaluation of criteria for audit cyber frauds. To cope with the above technological challenges, the strategies that have been put in place to achieve the required performance were such as training of personnel on use of new machines, working together with established firm's to provide essential services to clients e.g. m-banking, use of password and regulation of authority to access, educating of members on the safe custody of cards and pin, investment in technology, recruitment of more qualified staff and upgrading the

system software. In line with this, Kazmi (2002) observed that a technological breakthrough can have a sudden and dramatic effect on firm's environment. It may spawn new markets and products or significantly shorten the anticipated life of a manufacturing facility. Communication at Asili Sacco is through community based barazas for farmers, staff meetings, Text SMS to stakeholders, memos, seminars, internal messaging system. The changes they have experienced in their department in regard to the strategies employed to cope with the environmental challenges include faster pace of executing tasks/ service delivery, staff layoffs, job enrichment, reduced manual/paper work, improved working environment, product re-engineering and innovation, ease of communication between departments, job rotation and improved reporting and delegation.

The study found that the Sacco adopts restructuring strategies. Due to the challenges experienced the Sacco has embarked on restructuring in terms of products and management that has led retrenchment of unqualified staff entailing cost/asset-reduction, in order to conserve resources. The Sacco use restructuring strategic responses in the changing external environment by instituting new leaders/ management, changing organizational structure to conform to government resources and the general manager have been replaced with a CEO. They added that the Sacco use recession to exploit opportunities to invest, divestment of businesses, reductions in working hours and marketing. This is in line with Whitley (2007) who observed that Believing it is easier to reduce costs than generate additional revenue, many businesses choose to retrench, divestment of businesses, establishment closure, reductions in working hours and employment, expenditure cuts on a wide range of activities including R&D, marketing and employee training.

Diversification makes sense when good opportunities can be found outside the present business (Kotler, 2000). In line with this, the Sacco use diversification strategies in responding to the changing external environment such as horizontal/ related diversifications, diversified products, Fasa and Bosa activities, partnering with other organizations e.g. CIC and Co-operative bank and opening a common bond to allow as many people as possible to join the Sacco membership. Diversification strategies seeks to increase profitability through greater sales volume obtained from new products and new markets. This concur with Fred (1997) who observed the company might search for new product that could appeal to its current customers even though the new-products are technologically correlated to its current product line (horizontal diversification).

Differentiation strategy aims to build up competitive advantage by offering unique products which are characterized by valuable features, such as quality, innovation, and customer service. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors (Miller, 2004). The differentiation strategies used by the Sacco in response to the changing external environment include different pricing for its products, one on one/ world class customer service, quick response to members needs, implementation of service charter. This is in line with Porter (1998) that when using this strategy, a company focuses its efforts on providing a unique product or service. Since the product is unique, this strategy provides high customer loyalty. Pearce and Robinson (2005) also indicated that product differentiation fulfils a customer need and involves tailoring the product or service to the customer. This allows the organization to capture the market share.

The monitoring and evaluation strategic responses used by the Sacco to the changing external environment are such as having a dedicated transaction monitoring team in place, transaction limits for members of staff and customers have been set, having an appraisal system against target set, competition analysis and using prudential standards to monitor performance. It was clear that adoption of the response strategies to external changes are of value to the Sacco as they improve quality of services to members, help retain membership, encouraging loyalty of members to the Sacco and helps in evaluating and measuring performance in order to see whether there is need to make adjustments. This concur with Johnson and Scholes (2002) who indicated that business unit strategy is about how to compete successfully in particular markets. They added that operational strategies are concerned with how pans of an organization deliver effectively the corporate and business level strategies in terms of resources, process and people.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the summary of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations were drawn are in quest of addressing the research question or achieving at the research objective which is the strategic responses to environmental challenges facing Asili Sacco Limited.

5.2 Summary- of Findings

The study found that the operation environment in the Sacco industry in Kenya is informal and chaotic. The challenges in the external environment that affect the operations of the Sacco include unclear regulation by the government and stiff competition from financial institutions/ commercial banks and other Saccos. The changes that they have experienced in their industry due to political climate include enactment of Sacco act 2008 which brought actors of Sasra, adaption of new technology and need to insure Saccos products and properties while those due to social factors include poor/incompetent leadership, young people not taking farming seriously, corporate social responsibilities, increasing demand from customers for quality, cultural beliefs and practices and family set up.

In the Sacco, technology has taken toll in measuring of farm produce, digitalization of customers data, payment in ATM (Sacco link) and payment disbursement of loans through EFTs. To cope with the above technological challenges, the strategies that have been put in place to achieve the

required performance were such as training of personnel on use of new machines and working together with established firm's to provide essential services to clients e.g. m-banking.

The researcher also found that the Sacco adopts restructuring strategies in terms of products and management that has led retrenchment entailing cost/asset-reduction in order to conserve resources, changing organizational structure to conform to government resources, use recession to exploit opportunities to invest and reductions in working hours and marketing.

The study further found that the Sacco use diversification strategies in responding to the changing external environment such as horizontal/ related diversifications, diversified products, Fasa and Bosa activities, partnering with other organizations. These strategies seek to increase profitability through greater sales volume obtained from new products and new markets. The Sacco also adopt differentiation strategies in different pricing for its products, one on one/ world class customer service, quick response to members needs and implementation of service charter. The monitoring and evaluation strategic responses used by the Sacco are such as having a dedicated transaction monitoring team in place, transaction limits for members of staff and customers have been set, having an appraisal system against target set.

Adoption of these response strategies to external changes are of value to the Sacco as they improve quality of services to members, help retain membership, encouraging loyalty of members to the Sacco and helps in evaluating and measuring performance in order to see whether there is need to make adjustments.

5.3 Conclusion

In the modern world of stiff competition, Asili Sacco has been able to keep pace with the rivalry' in the financial sector scenario by adopting various response strategies. From the study findings, the researcher concludes that the challenges in the external environment that affect the operations of the Sacco include unclear regulation by the government and stiff competition from financial institutions/ commercial banks and other Saccos.

The study also concludes that to cope with the above technological challenges, the Sacco has been training its personnel on use of new machines and it has also been working together with established firm's to provide essential services to clients e.g. m-banking.

The study further concludes that the Sacco has adopted restructuring strategies in terms of retrenchment, products and management; diversification strategies to increase profitability through greater sales volume obtained from new products and new markets; differentiation strategies and monitoring and evaluation strategic responses. Adoption of these response strategies to external changes are of value to the Sacco as they improve quality of services to members and encourage loyalty of members to the Sacco.

5.4 Recommendations

From the discussions and conclusions in this chapter, the study recommends that although Asili Sacco has been successful in neutralizing the challenges brought about by the environment, the Sacco should engage in more cost reduction as a response to its competitors' strategies whose products and services are much cheaper.

The study further recommends that the Sacco should diversify global markets for its products, establish a closer working relationship with banking institutions, ensure computerization of all its essential services, encourage performance contracting for its leaders, come up with policies for improvement in members savings, take services close to the members (have country wide branches), innovate new products, change from traditional Sacco management to digital system and increase efficiency and productivity.

The study also recommends that the Sacco should recruit workers who have the necessary knowledge and competencies in the business to minimize on the induction and training costs. The staff should also be remunerated fairly and have better work condition and terms to ward-off staff poaching by competitors.

The study also recommends that since superior service delivery- is critical for Asili Sacco competitiveness, hence internally, the company's business segments should work closely together in ensuring that there is an efficient customer service. The interviewees also recommended that the Sacco should be involved in more corporate social responsibility to give back to the society through their corporate social responsibility policy which is one way of increasing its influence on the lives of Kenyans and thus enhancing customer loyalty.

5.5 Limitations of the Study

Being that this was a case study on one sacco, the data gathered might differ from strategic responses adopted by other Saccos to overcome the environmental challenges. This is because different organizations adopt different strategies that differentiate them from their competitors. The study however, constructed an effective research instrument that sought to elicit general and

specific information on the strategic responses that Saccos adopt to match the operating environment challenges.

The study faced both time and financial limitations. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be carried on strategic responses to environment challenges. Due to limited finances the study could not be carried out on the other branches of Asili Sacco. The study, however, minimized these by conducting the interview at the Sacco's headquarter since it is where strategies are made and rolled out to other branches that operate on the blue print.

5.6 Recommendations for Further Research

The study recommends that further research should be done on other players in the Sacco industry so as to get comprehensive information on how the other players in the industry have responded to the challenges posed by operating environment.

The study further recommends that further research should be done to evaluate how the indigenous companies have responded to the competitive environment based on what acclaimed scholars have postulated as the best strategic responses framework.

More research needs to be done to determine what effect the increased promotional campaigns have had on the performance of the Saccos. The contribution of marketing strategy to the overall performance of Saccos should be explored. Another area that needs further research is whether the new and innovative products that Saccos are introducing into the market are sustainable in the near future.

5.7 Implication for Policy and Practice

These findings imply that Asili Sacco is faced with various challenges from the operating environment as the one experienced currently and the Sacco should engage in more of the proactive strategies by coming up with new innovations in order to keep pace with the dynamism in the chaotic operating environment.

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APPENDICES

Appendix I: Introduction Letter

May 2012

The Head of Human Resource Department

Asili Sacco Limited

P.O Box 49064-00100 Nairobi

Dear Sir/Madam,

RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT

I am a student at the University of Nairobi pursuing a Masters of Business Administration program.

Pursuant to the pre-requisite course work, I would like to conduct a research project on STRATEGIC RESPONSES TO ENVIRONMENTAL CHALLENGES FACING ASILI SACCO LIMITED. The focus of my research will be Asili Sacco Limited and will involve use of interview guides administered to members of the management team.

I kindly seek your authority to conduct the research at your organization through interview guides and use of relevant documents. I have enclosed an introductory letter from the University.

Your assistance is highly valued.

Thank you in advance.

Yours faithfully,

FRANCIS KINYANJUI

Appendix II: Interview Guide

SECTION A: DEMOGRAPHIC QUESTIONS

1. Position held in the Sacco
2. Department
3. What is your highest level of education?
4. Duration of work in the organization (Years)?

SECTION B: STRATEGIC RESPONSES TO ENVIRONMENTAL CHALLENGES

5. In your opinion, how would you describe the operation environment in the Sacco industry in Kenya?
6. What are the challenges in the external environment that affect the operations of the Sacco?
7. Indicate any changes that have taken place in your industry due to political climate?
8. What social factors have affected your business operations? Indicate briefly.
9. Briefly indicate the areas in which technology has taken toll in Saccos?
10. To respond to the above technological challenges, what strategies have been put in place to achieve the required performance?
11. What method is used to communicate any strategic response and how they are implemented at Asili Sacco?

12. What are the changes you have experienced in your department in regard to the strategies employed to cope with the environmental challenges?
13. Does your Sacco adopt restructuring strategies? Explain .
14. How does the Sacco use restructuring strategic responses in the changing external environment?
15. Does the Sacco use diversification strategies in responding to the changing external environment? Name some of the diversification strategies used.
16. What are differentiation strategies used by the Sacco in response to the changing external environment?
17. What are the monitoring and evaluation strategic responses used by the Sacco to the changing external environment?
18. In your own opinion, is adoption of the response strategies to external changes of any value to the Sacco? Briefly explain.
19. What else do you think Asili Sacco Limited should do to stay competitive?

THANK YOU!!