STRATEGIC MANAGEMENT PRACTICES AND SUSTAINABILITY OF MICRO - FINANCE INSTITUTIONS IN KENYA.

STEPHEN GICHOHI GICHUHI

A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF NAIROBI

2022

DECLARATION

This research project report is my original work and has not been submitted to any other university for any award

Sign……………………….…………… Date……20/11/2022…………..…

Stephen Gichohi Gichuhi

D61/89182/2016

This research project report has been submitted for examination with our approval as University supervisors.

Sign: ……… **Date:** 21st November 2022.

Mr. Alex Jaleha

Lecturer,

Faculty of Business and Management Sciences

University of Nairobi

ACKNOWLEDGEMENT

May I take this opportunity to pass my sincere appreciation to my research supervisor, Mr. Alex Jaleha who has been resourceful throughout the academic journey by the continued guidance and provision of useful clarifications during the research proposal phase until the completion of the final project

Secondly, I acknowledge the University of Nairobi for granting an opportunity to partake my course and presenting a conducive learning environment and resources. Additionally, I give thanks to all my course work lecturers for developing my capability to be able to undertake the research. Finally, I appreciate my classmate for their continuous engagement and encouragement.

DEDICATION

I dedicated this work to loving wife Jane Muthoni and my children; Simon Gichuhi, James Karuku and Faith Wanjiru and the grandchild Takishon Jane Muthoni for their perseverance and encouragement. To you all I say thank you.

TABLE OF CONTENT

LIST OF TABLES

LIST OF ABBREVIATIONS & ACRONMYS

AMFI:	Association of Micro Financial Institutions
RBV:	Resource-Based View
SMPs:	Strategic Management Practices
MFIS:	Micro Finance Institutions
IT:	Information Technology
BSC:	Balanced Scorecard
MSMEs:	Micro, Small, and Medium-sized Enterprises
NGOs:	Non-Governmental Organizations

ABSTRACT

Sustainability of Micro-Finance Institutions can be established by applying various strategic management practices. Nonetheless, being that the business arena is dynamic today, not all strategies are workable. In response, this study sought to establish the influence of strategic management practices on sustainability of Micro-Finance Institutions (MFIs) in Kenya. The study was anchored on the Stakeholder, Resource Based View and Resource Dependency theories respectively. To address the research question, the study employed a descriptive cross sectional research design. The study population were the 54 registered MFIs and census survey employed to collect data from all the 54 MFIs. A structured questionnaire was self-administered through emails and drop-pick method to gather quantitative primary data. Data was then statistically analyzed using both descriptive and inferential statistics by use of Statistical Package for the Social Sciences software. The study findings showed that strategy formulation, strategy evaluation and control, and strategic leadership practices positively and significantly statistically influenced sustainability of Micro-Finance Institutions in Kenya. On contrary strategy implementation practice negatively and significantly influenced sustainability of Micro-Finance Institutions in Kenya. However, the research was limited in terms of conceptual and contextual settings. The study concluded that Micro-Finance Institutions in Kenya should adopt strategic management practices for sustainability and it further suggested that a study be carried out to establish the influence of strategic management practices on the social and environmental aspects of sustainability of Micro-Finance Institutions in Kenya.

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Sustainability is a central issue for the practice of strategic management (Ioannou & Serafeim, 2019). Organizations which put strategic management into practice typically achieve sustainability as they have a clear direction, a focus on what is strategically important, and ability to quickly decipher the rapidly changing environment (Muriuki et al, 2017). Galpin & Hebard (2018) observed that an firms's sustainability endeavor need to begin at the corporate strategic management level to enable it focus on the entirety of its plans, goals, capabilities, resources and actions directing to achievable outcome. Contemporary organizations are voluntarily undertaking a wide range of sustainability actions to address the growing stakeholder expectations by integrating sustainability into their strategies (Ioannou & Serafeim 2019). Since strategy precedes action, the essence of strategic management practices (SMPs) is to ensure sustainability by creating value for customers anchored on long run financial and non – financial viability (Szymczyk, 2019). Consequently, the SMPs must be sustainable in their endeavor to solve possible societal challenges now and in future (Stead & Stead, 2013).

The relationship between strategic management practices and sustainability was mainly be anchored on Stakeholder Theory (Freeman, 1984) and complimented by the Resource Based View (RBV) theory (Wernerfelt, 1984) and Resource Dependence Theory (RDT) (Pfeffer & Salancik, 1978). Stakeholder theory suggests that for sustainability, organizations should embrace SMPs which not only aim at increasing owners' wealth but meeting a set of broader interests of the society. Thus for successful sustainability, an organization has to create value for both key stakeholders and shareholders. The RBV theory predicts that resources that are rare and owned by organizations have the capabilities to create valuable SMPs necessary for enhancing business sustainability. The RDT postulates that dependence on key and predominant resources impacts on the SMPs, which in turn influences organizational sustainability.

Micro Finance Institutions (MFIs) in Kenya have been noted for their role in facilitating financial services to individuals in society earning low income and lacking means to access financial services such as cheap and quality loans, micro savings, payment services, capacity building and financial advisory services. The implementation of the MFI Act in 2006, brought the establishment, regulation, licensing and supervision of MFIs under the control of Central Bank of Kenya. The Act has created a business environment that facilitates and promotes the operations and sustainability of MFIs. However, despite the enactment of the Act, MFI's in Kenya are still constrained by over-indebtedness through multiple borrowing by clients, higher interest rates in comparison to commercial banks, lack of customer awareness of financial services on offer, thus contributing to widespread financial exclusion, general macro-economic conditions. (Association of Microfinance Institutions Kenya 2020). In addition, the Covid 19 pandemic resulted in many MFIs facing several financial and operational sustainability challenges due to the constrained working capital hence affecting their liquidity levels, low staff productivity, technological challenges and lack of expertise in IT among others (Association of Microfinance Institutions Kenya 2020). Despite the challenges, the sector has remained vibrant by embracing various strategies leading to the introduction of diverse product portfolios and diversified delivery methods resulting to a wide market coverage through MFIs information technology (IT) platforms thus broadening the financial inclusions. It is within this context this study seeks to establish SMPs influence on sustainability of MFI's in Kenya.

1.1.1. Concept of Strategic Management Practices

Scholars are yet to a single definition of strategic management practices. According to Pearce et al., (2001), strategic management practices (SMP's) are rulings and moves that direct the conceptualization and enactment of schemes to achieve long run sustainability. Wagner et al., (2014) define SMPs as a business operating game plan for improving an organization's competitiveness and achieving sustainability targets. Pemberton & Stonehouse (2004) conceptualizes SMP's as a set of actions from which top management executives visualize and prepare the organization for long-term sustainability. Poister (2010) defines SMPs as ongoing processes that allow managers to formulate, implement and control the strategic plans that guide them to attain high levels of sustainability. SMPs are management's decision making actions that determine the organization's vision, mission, core values and well formulated strategies (Palladan & Adamu, 2018). Thus a review of the definitions indicate that SMPs is a process of analyzing the organization's strategic situation and deciding on the strategic options and turning the strategic options into actionable solutions.

Porter (1980) described SMPs as evaluating an organization's macro environment, core capabilities and aspirations of stakeholders and implementing the formulated strategies and managing the attendant changes. SMP's manifest through strategy formulation, implementation and evaluation of strategic decisions that allow the organization attain its desired aims (Thompson et al., 2013). SMPs are sets of formal processes that determine the strategies by integrating the organizational functional activities during the formulation and implementation of the organizations strategy (McKay et al., 2006). Palladan & Adamu (2018) assert that SMP's include leadership styles, structure, management of information control and human resources systems and techniques used by managers to implement a well - defined strategy. While most studies have adopted SMP's components that manifest through strategic planning, strategy implementation, evaluation and control, this study will also add strategic leadership as another vital dimension that provides direction towards execution of the planned strategy.

1.1.2. Concept of Sustainability

Various scholars have proffered their own definitions of sustainability due to different contextual settings. From a stakeholder's perspective, Neubaum & Zahra (2006), define sustainability as an organization's competence to foster and develop its success over the long run by seamlessly meeting diverse stakeholder expectancies. From a micro finance view, Masanyiwa et al., (2020) define sustainability as the ability of the organization to offer easily obtain financial services, promote asset growth and social and economic activities to uplift the poor from penury. From a welfare perspective, sustainability is the ability of an organization to target and alleviate material and non - material penury through provision of financial and non-financial services (Bhatt & Tang 2001). From an institutional theory perspective, sustainability is described as the capability of an organization to achieve financial broadening through a framework that provides financial and non – financial services to the less privileged of the society on a sustainable basis

(Amit & Kedar, 2014). At the organizational level, sustainability is defined as the process of meeting the aspirations of its stakeholders now and in future (Hubbard, 2009). Since sustainability is based on the organization's ability to continuously empower the poor in society both economically and socially, this study defines sustainability as the long run ability to offer both financial and non – financial services.

Sustainability measures must prompt managers to think through the problems they face to make sound managerial decisions (Behn 2003). Rosenberg (2009) describe objective and subjective sustainability measures in terms of outreach both in breadth and depth, quality of loan repayments, profitability and efficiency. Amit & Kedar (2014) emphasis on objective measures of sustainability to include financial and being operationally self - sufficient. Kaplan & Norton (2001) describe the best way to measure sustainability is to use economic, operational and strategic measures to capture both financial and non – financial indicators or what is referred to as the balanced scorecard (BSC). Since MFI sustainability has two aspects, that is, outreach, financial sustainability, the sustainable BSC will be adopted to describe sustainability in terms of financial goals (Hubbard, 2009).

1.1.3. Micro-Finance Institutions in Kenya

Kenya's micro - finance sector consists of diverse forms of institutions that mostly the unbanked and underprivileged of the society. The portfolio of the microfinance products and services range from lending to individual, group, corporate and even non – formal or micro sector. MFIs have been able to reach a wide market coverage of the unbanked due to the adoption of IT strategy. This has enabled the MFIs to provide ease access to far flung areas characterized by high illiterate levels, inadequate infrastructure and high levels of poverty. The Kenyan government has taken cognizant of the critical role MFIs play in poverty eradication by anchoring them in the Vision 2030 objective of promoting the mobilization of deposit and savings that can lead to the improvement of the quality of life of society. The attainment of Vision 2030 objective has also been aided by the enactment of the Micro – finance Act 2006 that regulates MFI sector to ensure the sector is able to meet their sustainability objectives.

Despite their impactful economic and social contributions, MFI's still face various challenges including over-indebtedness, making them vulnerable to credit risk and high costs of monitoring, competition from commercial banks, over dependence on donor institutions for funding, society's lack of awareness of financial products and services offered by MFI's, repayment defaults, government regulations, low number of clients and profits. Using objective indicators of return on assets or equity, majority of MFIs are not financially sustainable. Additionally, operations in the sector was disrupted in 2020 by the Covid-19 pandemic where many MFI clients lost jobs as others closed business, leading to high outstanding loans portfolio. While MFIs introduced strategies to mitigate the challenges including Covid 19 pandemic, they also diversified their financial products and achieved a wide market coverage through strategic adoption of IT enabled drivers that enabled them to reach the formerly untapped rural areas, and thus broadening financial inclusion.

1.2. Research Problem

Achievement of sustainability requires a strategic management approach that ensures sustainability is integrated in the organization's business strategy and practices. Extant knowledge has demonstrated SMP's influence on sustainability of organizations. A study by Carcano (2013) found out that by incorporating sustainable strategies in their SMPs, organizations significantly achieved superior social, environmental and financial performance. A contextual gap emerges as the study focused on organizations that offered luxury goods and services. Diete-Spiff & Doll (2016) study confirmed that commercial and not micro lending activities positively and significantly influenced sustainability of Banks offering micro finance services in Nigeria. A conceptual and contextual gap emerges as the research looked at exploring sustainability strategies in micro finance banks in Nigeria. A study by Muli (2017) on SMPs and sustainability of micro - finance institutions in Nakuru County, Kenya, established that they played an important role in enhancing sustainability. However, contextual gap emerges as the study was conducted in Nakuru County and not the whole country. Kela (2018) concluded that competitive strategies including focus, cost, product development and differentiation positively moderated the MFIs' sustainability. A conceptual gap emerges as the study investigated the relationship between competitive strategies and sustainability. Hristov et al., (2022) established that a sustainable corporate strategy positively influenced performance and stakeholder welfare. A conceptual gap emerges in the study as it focused on corporate strategy and not on SMP's practices.

MFI's in Kenya offer support on financial as well as non-financial to over 9 million micros, small-and-medium size enterprises (MSMEs) all over the country. They avail the complete span of financial services such as deposits and savings, transactions and payment services, loans, and bancassurance services. However, MFI's face various challenges such as over in debt ness, repayment defaults, government regulations, low number of clients and profits, resulting in majority of them being financially unsustainable. MFIs sustainability was further weakened by the Covid-19 pandemic, leading to many micro, small and medium enterprises (MSME) to close or operate with no profits due to the poor business environment. To mitigate the challenges and sustain their business, MFI's were forced to formulate and implement various strategies that resulted in them introducing innovative products and services and diversifying their delivery methods to achieve a wide market through MFIs (IT) platforms thus broadening the financial inclusion and ultimately sustainability.

Studies conducted either globally, regionally or locally have sought to investigate the relationship between SMPs and sustainability. A study by Thaher & Jaaron (2022) established that sustainability strategic planning and management positively influenced the social - ecological and economic dimensions of sustainable performance. Flores-Hernández et al (2022) study in Central American micro family business, established that SMPs positively influenced the expansion and sustainability of family businesses. A study by Hristov et al., (2022) established that a sustainable corporate strategy not only positively influenced performance, but improved the wellbeing of all stakeholders. Kurter & Husseini (2021) study on SMPs and sustainability of the microfinance sector in Afghanistan established that while the sector created more employment opportunities, their lack of sustainability was due to poor governance mechanisms through ineffective accountability, leadership challenges and outright corruption. Carcano (2013) study, found out that organizations that incorporate sustainable strategies in their strategic management processes achieve superior social, environmental and financial performances. Conceptual, methodological and contextual gaps emerge in the above studies as they focused on corporate strategies, others used case designs and most were done in different contextual settings.

A study by Yeboah et al., (2022) on MFI's in Ghana, found out that they faced operational difficulties in effectively disbursing new loans and collecting loan repayments leading to increased portfolio risk, operational costs, and difficulties to offer non-financial services, thus limiting their sustainability. Diete-Spiff & Doll (2016) study of strategies adopted by micro finance banks in Nigeria found out that commercial and not micro lending activities positively and significantly influenced business sustainability.

A study by Kela (2018) concluded that competitive strategies of cost, focus, differentiation and product development positively and moderately influenced sustainability of MFIs. Njihia (2017) on SMPs and credit performance of micro - finance institutions in Kenya, established that most had adopted SMPs for enhanced credit performance. A conceptual gap emerges as the study's dependent variable was credit performance and not sustainability. According to Gatimu (2022), management practices have a positive and significant influence on non - performing loans in deposit taking savings and credit cooperatives in Kenya. Kianda & Kitur. (2021) established a positive relationship between implementation of organizational structures and performance of MFI's in Nairobi, Kenya. Njuguna et al., (2017) study on strategic risk management strategies and growth of the microfinance sector in Kenya, s indicated that strategic leadership was critical in enhancing MFI's sustainability. The studies cited have conceptual and contextual gaps as they focused on response, competitive strategies and management practices or were done in different contexts.

The cited studies above have shown a number of emerging research gaps. While most have established a positive influence, the studies adopted disparate variables of SMP's and sustainability measures. Studies adopted response, competitive and risk management strategies to establish their relationship with sustainability. This raised a conceptual gap that this study will address. Most of the studies were done in different contexts and their findings cannot apply to this present study and specifically MFI's in Kenya. Thus, in order to address these gaps, this present study sought to answer the research question; what is the influence of SMP's on sustainability of MFI's in Kenya?

1.3 Objective of the Study

The objective of this study was to establish the influence of SMPs on the sustainability of MFI's in Kenya.

1.4 Value of the Study

The research findings of this study were expected to make significant contributions to the field of SMPs and sustainability. In respect to knowledge and theory, researchers and academicians would use the findings to identify important research gaps that will form the basis for future research. This study would contribute to the prevailing theoretical frameworks of Stakeholder and Survival Based theories by understanding the various perspectives of SMP's and their possible influence on sustainability.

The study would offer management practitioners of MFI's and consultants with practical findings on how to effectively formulate, implement and monitor effective SMP's with the view of achieving superior sustainability. The study findings will guide management practices by identifying SMP's as the first step to capitalizing them effectively in instances where strategic leadership can be used in the organization to ensure the SMP's achieve long run organizational sustainability. Management consultants will benefit from the findings by recommending value laden SMPs that can be adopted by MFI's for sustainability.

Regarding policy formulation, the study would inform MFI's in Kenya's organizational policy development on issues such as formulation, implementation and monitoring for sustainability. The study findings would also help the government and senior executives of MFI's to formulate policies that comply with the Microfinance Act (2006) on the licensing, regulation and supervision. Such policies will be expected to aid in fostering the growth of MFI's and allow them to enhance their mandate of providing financial services to the underprivileged and unbanked households and the micro and small enterprises (MSEs).

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section outlines the rationale of the theoretical underpinnings and the literature review of the empirical studies on the relationship between SMP's and sustainability with the aim of establishing the conceptual, contextual and methodological gaps. This chapter is structured as follows; the theoretical foundation, empirical review of literature, summary of knowledge gaps and conceptual model.

2.2 Theoretical Foundation

This study's main underpinning theory is the Stakeholder theory (Freeman, 1984), which is complimented by the Resource Based View (RBV) theory (Wernerfelt, 1984). Stakeholder theory posits that organizations should focus on SMP's that meet the broader interests than just amassing shareholder wealth for sustainability. The RBV theory posits that organizations that own internal resources enable them to develop and implement valuable SMPs that improve efficiency and sustainability.

2.2.1 Stakeholder Theory

Developed by Freeman, (1984), the Stakeholder theory suggests that by balancing the conflicting interests of various stakeholders, the organization must stress on SMP's and not just shareholder wealth maximization for sustainability. The theory emphasizes that organizations should not just focus on financial performance but also on the social interests of key stakeholders (Miles, 2012). According to Greenwood (2007), stakeholder involvement in deciding on the strategic management practices is viewed as ethical and a valuable resource for successful organizational sustainability. The theory examines the extent to which top managers have the discretion to act according to the wishes and desires of stakeholders (Hambrick & Finkelstein, 1987).

While the Stakeholder theory directs organizations to consider the broader set of goals than simply improving shareholder wealth, organizations still have to make money and stay in business. While its contribution to strategic management cannot be argued, the main criticism of the Stakeholder theory is that it does not provide a framework of identifying who are and who are not the key stakeholders (Freeman, 2004). The theory has also been criticized on the grounds that it sacrifices profits at the expense of meeting various stakeholder needs. Notwithstanding the limitations, the theory's implication to this study is that SMP's that consider stakeholder interests could positively influence business sustainability. This study will seek to show such a linkage theoretically and empirically by formulating a conceptual framework.

2.2.2. Resource Based View (RBV) Theory

The RBV theory (Wernerfelt, 1984) postulates that internal strategic resources and capabilities is the framework to understand why organizations compete (Barney, 1991). The RBV theory suggests that it is critical to explore and exploit new opportunities using existing resources innovatively by implementing SMPs. Hence, the internal analysis of resources should be adopted to achieve sustainability through the RBV framework (Peteraf & Barney, 2003). The theory argues that to transform the short-run competitive advantage into business sustainability, resources must be valuable rare, heterogeneous and immobile. Thus, SMPs become an organization's valuable resource if they enable exploitation of opportunities or neutralization of threats in the external environment for sustainability (Barney, 1991). Accordingly, SMP's by themselves may not give an organization any sustainable competitive advantage but failure to implement the SMP's may result in organizations not reaping the full benefits of its resources.

The RBV postulation is for organizations to create a unique resource situation by implementing valuable SMP's for rivals to find them difficult copy and thus compete (Wernerfelt, 1984). Thus, an organization's sustainable advantage is based on its ownership and control of valuable and unique resources. While the RBV's core postulates are easily taught and understood, it has been criticized for its lack of managerial implications as it only focuses on how to obtain the strategic resources, but does not offer managers the mechanisms of how it should be done (Priem & Butler, 2001). However, the relevance of this theory to this research is that an organization achieves sustainability when it uses valuable SMP's that are not easily imitated by the competition (Barney, 1991). This study will seek to show such a linkage theoretically and empirically by formulating a conceptual framework.

2.2.3 Resource Dependency Theory (RDT)

Resource Dependency Theory (Pfeffer & Salancik 1978) posit that organizational behavior can be explained through its strategic management decisions which are influenced by external and internal agents controlling critical resources necessary for organizational sustainability. RDT postulates that to be able to understand organizational behavior managers must first clarify which of the resources are the most critical for organization sustainability (Werner 2008). Pfeffer & Salancik (2003) point out that a particular resource could be very minute part of the total resource required by the organization, but it is considered critical if the lack of the resource endangers organizational sustainability. According to Van Weele (2018), external resources are believed to be more critical than resources existing internally. Thus, RDT acknowledges the role of external factors on organizational actions and, while their context can limit their actions, managers can engage in strategic management practices to reduce environmental uncertainty and dependence (Ulrich & Barney, 1984).

Pfeffer & Salancik (1978) argue that since organizations are political vehicles when it comes to controlling resources, managers through their political mechanisms actions, will attempt to create an environment that serves the interest of the organization. Thus, managers may engage in SMPs as a political means to shape the conditions of the external economic environment for organization sustainability. While the RDT has been criticized for not exploring other of ways in which organizations can manage its dependencies, the theory's implication to this study is that SMP's that it offers managers the opportunity to engage in SMPs in order to reduce environmental uncertainty and dependence for organizational sustainability. This study will seek to show such a linkage theoretically and empirically by formulating a conceptual framework.

2.3 Strategic Management Practices and Sustainability

A number of global, regional, and local related empirical work were conducted seeking to explain the how strategic management approaches relate to sustainability. A study by Kurter & Hussaini (2021) on the evaluation of SMPs and sustainability of MFIs in Afghanistan established that poor corporate governance affected the sustainability of MFIs. Mutamimah et al., (2022) study on risk management practices and financial performance and sustainability of MFIs in Indonesia established a positive and significant association. Sarker & Rahman (2018) on SMPs and financial performance of Non-Governmental Organizations (NGOS) in Bangladesh demonstrated that strategy evaluation and control positively and significantly influenced financial performance. A survey by Wediawati et al., (2018) on sustainability of Islamic microfinance in Indonesia concluded that financial, social and spiritual intermediation positively and significantly influenced Islamic MFI's sustainability.

A study by Ayayi & Sene (2010) confirmed that the quality of the loan portfolio, higher levels of interest rates and effective management practices positively influenced the financial sustainability of MFIs globally. Pollinger et al., (2007) established that to achieve sustainability, most of the MFIs in the United States sought for more financial resources from grants and other donors as they could not solely depend on income generated from offering loans and other related operations. The studies cited above have highlighted conceptual, methodological contextual gaps. Most of the studies investigated SMPs influence on financial performance only, other studies only documented SMPs without establishing their influence on sustainability, while others adopted other independent variables to establish the relationship with financial performance. Lastly the studies were conducted in different countries.

A study by Nkundabanyanga et al., (2017) on the link between financial management practices and competitive advantage of MFIs in Uganda concluded that sound financial management practices improved the loan performance of MFIs. Kinde (2012) on financial sustainability of MFIs in Ethiopia found out that cost per borrower, outreach, and dependency ratio influenced the financial sustainability of MFIs. They also established that capital structure and productivity of staff did not influence financial sustainability. However, Nyamsogoro (2010) study covering financial sustainability of rural MFIs in Tanzania confirmed that capital structure and staff productivity had a positive and significant effect on financial sustainability. Diete – Spif (2015) on the development of sustainable strategies for microfinance Banks in Nigeria identified the need for SMPs that focus on maintaining growth through effective strategy implementations, savings mobilization, adoption of technology and expansion of micro - lending services. These studies cited above contain conceptual and contextual gaps since most focused on the influence of specific organizational strategies on financial performance and they were done in different countries whose findings cannot apply to this present study.

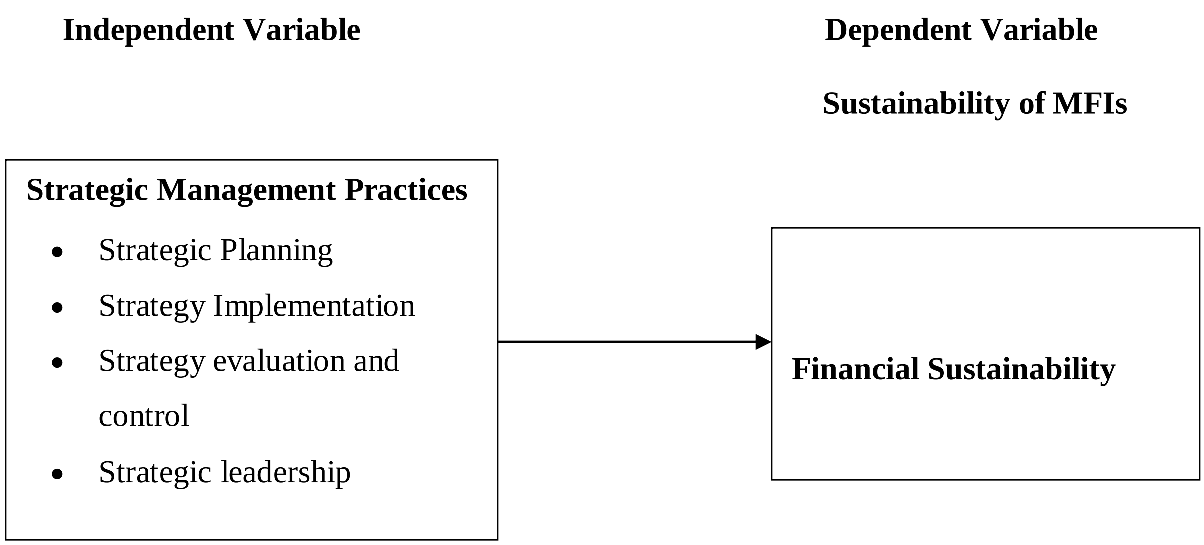
In the Kenyan context various studies have been done on MFIs. Kianda & Kitur (2021) indicated that during the strategy implementation phase, organizational structure moderately and significantly influenced performance of MFIs in Nairobi County, Kenya. Muli (2017) on SMPs and financial performance of MFIs in Nakuru County, Kenya, established that SMPs positively and significantly influenced financial performance. Owino & Kibera (2019) study on the influence of market culture and performance of MFIs in Kenya concluded that a market oriented culture enhanced financial independence and sustainability of MFIs. Njihia (2017) on SMPs and credit performance of MFIs in Kenya, concluded that MFIs that adopted situational analysis, strategy formulation, implementation and evaluation attained high levels of credit performance. Kela (2018) study confirmed competitive strategies of cost, focus, differentiation and product development positively and moderately influenced sustainability of MFI in the County of Murang'a, Kenya. On the other hand, Kaiganaine (2015) established that MFIs in Kenya that pursued a differentiation strategy achieved a better sustainable competitive advantage that those that adopted a cost leadership strategy. The studies cited above have conceptual, methodological and contextual gaps. Majority of researches concentrated on the effects of various variables such as culture and competitive strategies and not SMPs on financial performance, other studies adopted case study designs and were done in different counties.

2.4. Summary of the Literature and Knowledge Gaps

The studies reviewed have showed a number of methodological, conceptual, and theoretical gaps. Studies by Nkundabanyanga et al., (2017), Sarker & Rahman (2018) and Muli (2017) reported a positive corelation between SMPs and financial performance, but these studies differed from the current study as they focused on financial performance in different contextual settings, thus raising conceptual, methodological and contextual gaps. Some studies focused on one organization and not several organizations that this study intends to investigate. While studies by Kela (2018) and Kaiganaine (2015) found that organizational strategies influenced sustainability, they differ with the present study in terms of conceptualization of the independent variable. Studies by Mutamimah et al., (2022) and Nkundabanyanga et al., (2017) adopted different conceptual relationships and contexts in which they were conducted.

2.5 Conceptual Framework

This study's independent variable was SMPs that include strategic planning, strategy implementation, evaluation and control and strategic leadership. The independent variable was expected to influence the dependent variable, sustainability which encompasses financial constructs.



Source: Author (2022)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter three described the research methodology employed in the research study which was organized chronologically from the design, collection of data and their analysis.

3.2 Research Design

A descriptive cross sectional survey design was deployed in this research work. Bougie & Sekaran (2019) argue that a study is decriptive if it is concerned with establishing a phenomena in terms of what, when and how much at a particular moment in time. This design enables the researcher to target the total population or a part of which will be selected. Since this research is to established the influence of SMPs on sustainability, a survey is the most appropriate design to gather the data among the different MFIs and test their relationship.

Since data collection was gathered at a specific moment in time across the MFIs, a cross-sectional survey was appropriate as it offered the appropriate situation to profile and understand a population's descriptive data and quantitatively test the relationship and came up with objective conclusions (Creswell 2014). This design has succesfuuly been used in similar studies (Muli 2017; Njihia 2017)

3.3 Population of the Study

The study population were all the the registered 54 micro finance institutions in Kenya. There are 54 MFIs in Kenya according to the Association of Micro Finance Institutions (AMFI) website as at 13th July 2022 (See Appendix II). The need to study these MFIs were that the variables were likely to manifest through SMPs and sustainability. A census survey was used given that all the organizations were contacted and requested to participate in the interview. This approach leads to a high degree of statistical confidence, ensuring adequate representation, accuracy and reliability.

3.4. Data Collection

This study collected quantitative primary data through a self administered questionnaire. The data was collected based on a 5-point Likert scale tool ranging from 1 (not at all) to 5 (very large extent). The instrument comprises of statements expressing agreement or disagreement with the subject matter (Cooper & Schindler 2014). By use of likert, the responder indicated the level of agreement or disagreement with each statement. The research instrument comprises of questions that have been generated from previous empirical studies.

This study collection instrument was designed in three sections; whereby section A captured demographics data of the organization, section B on strategic management practices, while section C captures sustainability. Data was collected via emailing of the questionnaires or drop-and-pick system where circumstances allowed. The respondents were senior managers responsible for strategy formulation or head of department as they are in a better situation to answer the research questions given their knowledge and involvement in executive decisons and execution at the corporate level. To avoid duplication of information, one respondent from each organization filled the questionnaire (Cooper and Schindler 2014). The data collection procedures included contacting and gaining access to the organization's respondents by first emailing an introduction letter stating the purpose of the study and assuring them of confidentiality. This was followed by the researcher emailing the questionnaires to the respondents.

3.5 Data Analysis

Data collected were analyzed both descriptively and inferentially. Descriptive statistics with regard to frequency distribution, measures of central tendency and dispersion, and percentages calculated out to analyze data to ascertain normality of data as a prelude to undertaking linear regression analysis. To test the hypotheses, inferential statistics was done in terms of correlation, as well as regression analysis. To establish the correlation between two variables to determine the magnitude and direction, the reseacher used Pearson's correlation coefficient (r) (Cooper & Schindler, 2014). When the coefficient approaches -1 or +1, the stronger is the correlation. To test the kind and magnitude of relationship of the variables, multiple linear regression analysis were used. The coefficient of determination (R^2) was the main output of the regression analysis as it explained the amount of variance in the dependent variable explained by the predictor variable combination (Cooper & Schindler 2014). Linear regression performed at 95% confidence level and the its equation shown as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mathcal{E}$$

Where: Y = Sustainability of MFI's in Kenya

β_0 = Constant

β_1, β_2 & β_3 = Regression coefficients

X_1 = Strategic Planning

X_2 = Strategy implementation

X_3 = Strategy Evaluation and control

X_4 = Strategic Leadership

$\mathcal{E}$ = Error term

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter entailed reporting on the questionnaire return rate, data analysis in terms of background information, descriptive statistics, inferential statistics, as well as the discussion of the findings.

4.2 Questionnaire Return Rate

A sum of 54 data collection research instruments was administered to the respondents, and all the 54 were filled and resubmitted giving a 100% response rate. Fincham (2010) guides that a return level of 60% and over is applicable for data analysis, thus a return rate of 100% was deemed fit for the study. The researcher achieved this high return rate via continuous engagements with the respondents through phone calls and physical meetings to encourage the respondents to complete filling the questionnaire. Analysis of the level of the instruments returned was as presented in table 4.1.

Table 4.1: Questionnaire Return Rate Analysis

No. of Questionnaire administered	No. of Questionnaire Returned	Response Rate
54	54	100%

Source: The Researcher (2022)

4.3 Background Information

This section was organized into subsections presenting analysis on the year the MFI was established, MFIs classification, respondent's level of management, number of years the respondent has served in the current position, as well as in the organization.

4.3.1 Year of Establishment

Respondents were tasked to provide the year when the MFI they are working in was established and the analysis report provided in table 4.2.

Table 4.2 Year of Organization's Establishment

Years	Frequency	Valid Percentage
1995	2	4.0
1998	2	4.0
1999	1	2.0
2000	4	8.0
2001	1	2.0
2002	2	4.0
2005	2	4.0
2006	4	8.0
2007	2	4.0
2008	2	4.0
2009	8	15.0
2010	4	8.0
2011	5	10.0
2012	1	2.0
2013	3	6.0
2014	1	2.0
2015	2	4.0
2016	2	4.0
2017	2	4.0
2018	1	2.0
2019	2	4.0
2020	1	2.0
Total	**54**	**100.0**

The analysis output in table 4.2 reports the earliest MFIs under study was registered in the year 1995. Majority of the MFIs were found to be registered in the years between 2009 and 2011. This could be attributed to the emerging opportunities brought customer's searching for customized financial services not being offered by the traditional banking institutions.

4.3.2 Organization (MFI) Category

The study sought to find out MFIs classification under study and the analysis of the feedback were communicated vide table 4.3

Table 4.3: Category of Organizations (MFI)

Category	Frequency	Valid Percent
Micro-Finance Banks	31	57.4
Credit Only MFI	23	42.6
Total	**54**	**100.0**

Source; Researcher (2022)

Table 4.3 presents feedback of the respondents on category of their organizations (MFI). Two broad category were identified, Micro-finance banks and Credit only MFIs. The results revealed that 31 (57.4%) MFIs were registered under Micro-Finance banks while 23 (42.6%) were categorized under Credit Only MFI. This could be as a result of diversification of business functions, for there exists flexibility under Micro-Finance banks category

4.3.3 Level of Management

Respondents level of management were captured, analyzed and the analysis outcome revealed in table 4.4.

Table 4.4: Respondents Level of Management

Level of Management	Frequency	Valid Percent
Top Level	28	51.9
Middle Level	17	31.5
First/Entry Level	9	16.7
Total	**54**	**100.0**

Table 4.4 analysis results indicates that 28 (51.9%) were in top level management, 17 (31.5%) were in middle level management, whereas 9 (16.7%) were in first level of management. The results show that the majority 28 (51.9%) were top managers, revealing that the respondents had good understanding of the organization performance to provide accurate information for the study.

4.3.4 Years Served in Current Position

The study sought to capture the duration the respondents have served in the position they are currently holding. The results obtained were presented in table 4.5

Table 4.5: Years Served in Current Position

Duration	Frequency	Valid Percent
Below 5 years	19	35.2
5 - 10 years	33	61.1
Above 10 years	2	3.7
Total	**54**	**100.0**

Results in table 4.5 shows that 19 (35.2%) had served below 5 years, 33 (61.1%) served between 5 to 10 years, while 2 (3.7%) had served for above ten (10) years. The analysis outcome reveals that majority of the responders had served from 5 to 10 years. Implying that responders were well experienced hence stood a better position to provide accurate information for use in the research.

4.3.5 Duration Taken in the Organization (MFI)

The researcher intended to find out the time frame that the responder had taken while in the same MFI. The results obtained were as shown in table 4.6.

Table 4.6: Years Served in the same Organization (MFI)

Duration	Frequency	Valid Percent
Below 5 years	16	29.6
5 - 10 years	23	42.6
10 – 15 years	13	24.1
Above 15 years	2	3.7
Total	**54**	**100.0**

Analysis results in table 4.5 indicates that 16 (29.6%) had taken below 5 years, 23 (42.6%) taken 5 to 10 years, 13 (24.1%) had taken 10 to 15 years, whereas 2 (3.7%) served for 16 years and over. The analysis results exhibit that most of the respondents had been serving in the same organization for over 5 years thus were well knowledgeable about the MFI to provide reliable information for the study.

4.4 Descriptive Statistics on Strategic Management Practices and Sustainability

This sub-section describes the frequency of use of SMPs on decision making, and descriptive statistics on strategic formulation, strategic implementation, strategic evaluation and control, and strategic leadership practices under study.

4.4.1 Adoption of Strategic Management Practices (SMPs)

The research intended to find out the degree at which the practices of SMPs has been adopted in MFIs. The analysis results obtained were as per in table 4.7.

Table 4.7: SMPs and Decision Making

	Strategy Formulation	**Strategy Implementation**	**Strategy Evaluation and Control**	**Strategic Leadership Practices**
Not at All	3	3	2	4
Less Extent	4	5	3	5
Moderate Extent	7	8	5	7
Large Extent	18	19	16	16
Very Large Extent	22	19	28	22
Total	**54**	**54**	**54**	**54**

Source; Researcher (2022)

Analysis results in table 4.7 revealed that adoption of strategy formulation, strategy implementation, strategy evaluation and control, and strategic leadership respectively were to a very large extent being the most critical to MFIs sustainability.

4.4.2 Strategy Formulation and Sustainability of MFIs

Descriptive statistics of strategy formulation was carried by use of mean and standard deviation and the results were as presented in table 4.8.

Table 4.8: Descriptive Analysis on Strategy Formulation and Sustainability of MFIs

Statement	Mean	Std. Deviation
Stakeholders are included in the establishment of the firm's strategy	3.91	1.120
Information is gathered on the organization's internal factors	3.70	1.436
Resources are issued in aid of collecting information on the organization's external surrounding	3.83	1.145
The collected information is analyzed for making decisions purposes surrounding the organization's strategy	3.89	1.254
Involved in the development and review of mission, vision and goals	3.52	1.177
Selection of strategy undertaken	3.78	1.176
Average Mean	**3.77**	**1.218**

Source (Researcher, 2022)

The study results presented in table 4.8 showed a composite mean of 3.77and a standard deviation = 1.218. This reveals that strategy formulation to a large extent impacts on the sustainability of MFIs. Further, respondents agreed that stakeholders are included in the establishment of the firm's strategy with a mean of 3.91 and a standards deviation of 1.120. On whether Information is gathered on the organization's internal factors, respondents scored a mean = 3.70 and a standard deviation = 1.436. On whether resources are offered to aide collection of information concerning the organization's external surrounding, a score of 3.83 and 1.145 for mean and standard deviation respectively was recorded. On whether the information collected was analyzed for making decisions purposes about the organization's strategy, respondents feedback shown a mean = 3.89 and standard deviation = 1.254. On whether Involved in the development and review of mission, vision and goals, the feedback scored 3.52 and 1.177 for mean and standard deviation respectively. Finally, selection of strategy undertaken was awarded a mean = 3.78 and a standard deviation = 1.176.

4.4.3 Strategy Implementation and Sustainability of MFIs in Kenya

Strategy implementation and sustainability of MFIs in Kenya was analyzed descriptively by use of mean and standard deviation and the results provided in table 4.9.

Table 4.9: Descriptive Statistics on Strategy Implementation and Sustainability

Statement	Mean	Std. Deviation
Enough resources are allotted for sustainability of duty and activities	3.91	1.137
Resource allocation is matched with the organization's objectives	3.69	1.241
Staff skills are matched with their responsibilities	3.81	1.275
The structures are put in line with the firm's objectives, strategies and plans	4.00	1.149
Action plans are collectively developed	3.85	1.172
There exist clear communication on who is responsible for a given set of activities	3.85	1.265
Composite Mean	**3.85**	**1.207**

Source; Researcher (2022)

Table 4.9 indicates that the average mean = 3.85 and 1.207 = standard deviation. This indicates that strategy implementation influences the sustainability of MFIs to a great extent. On whether enough resources are allotted for sustainability of duties and events, the respondents scored a mean = 3.91 and 1.137 for standard deviation. Whether the resource allocation is matched with the organization's objectives, the respondents scored a mean = 3.69 and 1.241 standard deviation. On whether Staff skills matched with their responsibilities, the respondents scored 3.81 and 1.275 for mean and standard deviation respectively. On whether the systems are put in line with the firm's objectives, strategies and plans, a mean = 4.00 and a standard deviation = 1.149. On whether the action plans are collectively developed, a mean score of 3.85 and a standard deviation of 1.172. On whether there is clear communication on who is responsible for a given set of activities, the respondents' feedback corded a mean of 3.85 and a standard deviation of 1.265.

4.4.4 Strategy Evaluation and Control on Sustainability of MFIs in Kenya

Strategy evaluation and control on sustainability of MFIs in Kenya was analyzed descriptively by use of mean and standard deviation and the results provided in table 4.10

Table 4.10: Descriptive Statistics on Evaluation and Control on Sustainability

Statement	Mean	Std. Deviation
A clear communication exist on the expectation activities execution level with stakeholders	3.52	1.255
Targets derived out of the organization's objectives are mutually developed	3.44	1.341
The real level of activities execution is monitored continuously	3.76	1.258
Contrasting real and anticipated level of activities execution is carried out continuously	3.63	1.233
Continuous appraisal of stakeholders on their extent of activities implementation	3.94	1.188
Corrective measures are undertaken in a timely manner to resolve any shortfall identified	3.65	1.261
Composite Mean	**3.66**	**1.256**

Source: Researcher (2022)

Table 4.10 indicates that the average mean was 3.66 and standard deviation was 1.256. This reveals that strategy evaluation and control influences the sustainability of MFIs to a large extent. On whether A clear communication exist on the expectation activities execution level with stakeholders, the respondents gave a mean = 3.52 and a standard deviation = 1.255. On whether targets derived out of the organization's objectives are mutually developed, the score was mean 3.44 and a standard deviation of 1.341. On whether The real level of activities execution is monitored continuously, the respondents mean =3.76 and a standard deviation = 1.258. On whether contrasting real and anticipated level of activities execution is carried out continuously, the mean scored = 3.63 and a standard deviation = 1.233. On whether continuous appraisal of stakeholders on their extent of activities implementation, a mean score = 3.94 and a standard deviation = 1.188. On whether corrective measures are undertaken in a timely manner to resolve any shortfall identified, the respondents' feedback recorded 3.65 mean and 1.261 standard deviation.

4.4.5 Strategic Leadership Practices and Sustainability of MFIs in Kenya

Strategic leadership practices on sustainability of MFIs in Kenya was analyzed descriptively by use of mean and standard deviation and the results provided in table 4.11

Table 4.11: Descriptive Statistics on Strategic Leadership Practices and Sustainability

Statement	Mean	Std. Deviation
The organization's strategic direction is determined through a written mission and vision statement that clearly outline who we are, what we do and for whom	3.85	1.188
The organization continuously exploits and maintain its core competencies	3.72	1.140
The organization continuously develops its staff through formal human resource training and development planning	3.74	1.102
There is a code of ethics that is enforced	4.06	1.089
The organization uses the Sustainable Balance Scorecard to monitor both the strategic, financial, and social dimensions	3.85	1.071
Employees are encouraged to follow the laid down ethical codes/standard/policies	3.65	.974
Composite Mean	**3.81**	**1.094**

Source; Researcher (2022)

Table 4.11 indicates that the average mean = 3.81 and standard deviation = 1.094. This reveals that strategic leadership practices influence the sustainability of MFIs to a large extent. The respondents agreed that the organization's strategic direction is determined through a written mission and vision statement that clearly outline who we are, what we do and for whom, by scoring a mean = 3.85 and 1.188 standard deviation. Respondents reaction on the organization continuously exploits and maintain its core competencies, agreed with a mean = 3.72 and a standard deviation = 1.140. Whether the organization continuously develops its staff through formal human resource training and development planning, the response had a mean = 3.74 and a standard deviation = 1.102. On whether there is a code of ethics that is enforced, the responders gave 4.06 of mean score and 1.089 standard deviation. The organization uses the sustainable Balance Scorecard to monitor both the strategic, financial, and social dimensions, a mean = 3.85 and a standard deviation = 1.071. Employees are encouraged to follow the laid down ethical codes/standard/policies, the respondents' feedback recorded a mean of 3.65 and a standard deviation of 0.974.

4.6 Inferential Statistics of SMPs and Sustainability of Micro-Finance Institutions

Inferential statistics on SMPs and sustainability of MFIs was conducted by use of correlation and regression analysis

4.6.1 Pearson Correlation Analysis

Pearson's correlation establishes whether there is an existing strong or weak correlation connecting the two variables. The Pearson correlation analysis communicated vide Table 4.12

Table 4.12 Pearson Correlation Analysis

		Strategy Evaluation and Control	Strategic Leadership Practices	Strategy Formulation	Strategy Implementation	Sustainability of MFIs
Strategy Evaluation and Control	Pearson Correlation	1	.990**	.993**	.982**	.992**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	54	54	54	54	54
Strategic Leadership Practices	Pearson Correlation	.990**	1	.991**	.980**	.993**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	54	54	54	54	54
Strategy Formulation	Pearson Correlation	.993**	.991**	1	.989**	.992**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	54	54	54	54	54
Strategy Implementation	Pearson Correlation	.982**	.980**	.989**	1	.975**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	54	54	54	54	54
Sustainability of MFIs	Pearson Correlation	.992**	.993**	.992**	.975**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	54	54	54	54	54

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

Pearson correlation analysis results in table 4.12 showed a positive and strong correlation linking strategy formulation, strategy implementation, strategy evaluation and control, and strategic leadership practices and sustainability of MFIs. Results showed formulation of strategy (r= .992, p=0.000), implementation of strategy (.975, p=0.000), evaluation and control of strategy (r= .992, p=0.000), thus strategic leadership practices are significantly and positively related to sustainability of MFIs in Kenya.

4.6.2 Regression Analysis of SMPs and Sustainability of MFIs

The research study intended to establish the disparity in the sustainability of Micro-Finance Institutions that can be explained by SMPs. The analysis results obtained were as presented in Table 4.8.

Table 4.13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.996[a]	.991	.991	.64367

a. Predictors: (Constant), Strategic Leadership Practices, Strategy Implementation, Strategy Evaluation and Control, Strategy Formulation

Table 4.13 results shows the model fitness as applied on the regression model in describing the study subject matter. The value of R Square shows the level of the total variation in the sustainability of Micro-Finance Institutions can be explained by the SMPs. Meaning, strategy formulation, strategy implementation, strategy evaluation and control, and strategic leadership practices explains 99.1% of the variations in the Sustainability of Micro-Finance Institutions in Kenya. Further, the analysis results reveals that the applied model in linking variables was satisfactory.

The ANOVA was applied to determine the existence of any significant contrast within the variables. SMPs were probed to establish whether any significance variation existed with the sustainability of Micro-Finance Institutions in Kenya and the analysis results was as shown in Table 4.14

Table 4.14 Analysis of Variance (ANOVA)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2358.292	4	589.573	1423.032	.000[b]
	Residual	20.301	49	.414		
	Total	2378.593	53			

a. Dependent Variable: Sustainability of MFIs

b. Predictors: (Constant), Strategic Leadership Practices, Strategy Implementation, Strategy Evaluation and Control, Strategy Formulation

The ANOVA analysis results presented in Table 4.14 shows that the overall model was statistically significant. Additionally, the analysis outcome show that strategic management practices used were good predictors of sustainability of MFIs. The results were backed by an F-statistic of 1423.032 and the a0.000 of p value, which was lower than the 0.05 significance level. Meaning, the findings from the ANOVA results revealed an existing significant difference between the study's independent and dependent variables.

The ANOVA analysis results communicated vide table 4.14 reveals a statistical significance of the regression model that was run. P value (0.000), lower than 0.05 significance level, implying that, overall, the model of the regression statistically significantly predicts the variable outcome.

The regression of coefficients table 4.15 shown provides the necessary information to predict sustainability of Micro-Finance Institutions from SMPs, also determining whether SMPs contribution to the model was statistically significant.

Table 4.15: Regression of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.644	.506		1.273	.209
	Strategy Formulation	.474	.144	.503	3.295	.002
	Strategy Implementation	-.234	.082	-.248	-2.839	.007
	Strategy Evaluation and Control	.268	.108	.294	2.487	.016
	Strategic Leadership Practices	.472	.114	.446	4.125	.000

a. Dependent Variable: Sustainability of MFIs

Table 4.15 shows that when strategy formulation, strategy implementation, strategy evaluation and control, and strategic leadership practices are held constant; the sustainability of MFIs would be 0.644. The regression coefficients analysis results established regression equation in the study was as follows:

$Y = 0.644 + 0.474X_1 - 0.234X_2 + 0.268X_3 + 0.474X_4 + \varepsilon$

Where:

Y = Sustainability of MFIs

$\beta 0$ is the constant

X_1 = Strategy Formulation

X_2 = Strategy Implementation

X_3 = Strategy Evaluation and Control

X_4 = Strategic Leadership Practices

ε is the error term

Whereas the coefficient of determination results reveal that strategy formulation enhances sustainability of MFIs by 0.474 units, strategy implementation decreases sustainability of MFIs by -0.234 units. Additionally, strategy evaluation and control will increase the sustainability of MFIs by 0.268 units, as well as strategic leadership practices which will increase sustainability of MFIs by 0.472 units.

4.7 Discussion of the Findings

The research intended to find out SMPs influence on sustainability of MFIs in Kenya. The analysis results show that majority 17 (33%) of the MFIs were established between the year 2009 and 2011. A larger percentage of the MFIs 31 (57.4%) are MFBs while only 23 (42.6%) are credit only Institution. Similarly, a larger percentage 28 (51.9%) of the respondents were top level managers. Most of the respondents 33 (61.1%) had served in their respective MFIs for 5 to 10 years, and a larger percentage 38 (70.4%) had been in those respective organizations for 5 years and above.

The study descriptive analysis on SMPs and sustainability of MFIs in Kenya revealed a mean score and standard deviation of 3.77 and 1.218 respectively for strategy formulation, 3.85 and 1.207 respectively for strategy implementation, 3.66 and 1.256 respectively for strategy evaluation and control, and 3.81 and 1.094 for strategic leadership and practices. It is evident that all the mean is above 3.5 implying that there was variation in the performance of the organizations.

Pearson correlation analysis was applied to realize the objective of the research work. The objective of the research work was to determine the influence of SMPs on the sustainability of MFI's in Kenya. The analysis outcome showed that formulation of strategy ($r = .992$, $p = 0.000$), implementation of the strategy ($r = .975$, $p = 0.000$), evaluation and control of strategy ($r = .992$, $p = 0.000$) and strategic leadership practices ($r =.993$, $p = 0.000$) were significant and positively associated to sustainability of MFIs in Kenya

Formulation of strategy garnered 0.474 for coefficient of correlation and 0.002 for the p-value. A positive coefficient shows that formulation of the strategy attracted a positive impact on sustainability of MFIs. This was an indication that practicing strategy formulation enhances the sustainability of MFIs. The value of $p=0.002$, found lower than 0.05 shows that strategy formulation influence on sustainability of MFIs is statistically significant. On the contrary, Implementation of strategy and sustainability of MFIs is negative and significantly associated ($r= -.234$, $p=0.007$). This shows strategy implementation impact is negative but statistically significant. Strategy evaluation and control had a beta coefficient of 0.268 and p-value of 0.016. This results reveals that evaluation of strategy and control correlate positively and significantly to sustainability of MFIs in Kenya. This establishes that the application of strategy evaluation and control will improve the sustainability of MFIs. The association between strategic leadership practices and sustainability of MFIs was equally positive and significant at ($r=0.472$, $p=0.000$).

These study findings agreed to Issack and Muathe (2017) study establishment which revealed positive and significant association between formulation, evaluation of strategies and performance. However, this research results contradict findings of a positive correlation attracted by strategy implementation on performance in Issack and Muathe (2017) study. The study agreed with Njihia (2017) findings that strategy formulation, and evaluation had a positive effect and statistically significant effect on credit performance of MFIs in Kenya. The study also disagreed with Kianda & Kitur (2021) who found a positive influence in the middle of implementation of strategy and MFIs performance in Kenya.

CHAPTER FIVE: SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Chapter five illustrates summary of study finding, conclusion made out of the findings of the study and the necessary recommendations for considerations by various authorities. The study sought to establish the SMPs and sustainability of MFIs in Kenya.

5.2 Summary of the Findings

The research revealed the first MFIs was established in 1995, whereas majority were established between the year 2009 and 2011. The MFIs were categorized into MFBs and credit Only Institution and the majority were registered in the MFBs category. It was also noted that majority of those in various management levels had served in their current positions for five (5) years and above, and a larger percentage were well conversant with their organizations operations since they had served in the same organization for over five (5) years. It was also evident that SMPs (strategy formulation, strategy implementation, strategy evaluation and control, and strategic leadership) were critical to a large extent on the decision making in the respective organizations.

Strategy formulation practices were put into use to a large extent as shown with an average mean score = 3.77 and standard deviation = 1.218. The respondents agreed that stakeholders were engaged in formulation of the organization's strategy, information is collected on the organization's internal element resources are offered to aid collection of information on the organization's external environment, the information collected is analyzed for decision making purpose concerning the organization's strategy. The analysis results of Pearson correlation reported a positive and strong relation in strategy formulation and sustainability of MFIs. Further, the study regression analysis explained that formulation of strategy attracted a positive and statistically significant correlation on sustainability of MFIs. Thus strategy formulation influences sustainability of MFIs in Kenya.

The research reported that the strategy implementation had a variation with a high mean = 3.85 and 1.207 of standard deviation. The respondents were in agreement with the statement that not enough resources were allocated for sustainability events, resource assignment were limited to the organization's objectives, staff expertise were not paired with their roles, firm objectives, tactics and scheme of the organization, schemes were not well developed collectively, and an ineffective channel of relying of information on the person accountable for a given set of actions. Additionally, the study regression analysis revealed that strategy implementation had a negative but statistically significant relationship with sustainability of MFIs.

Similarly, strategy evaluation and control practices were applied and respondents scored an average mean of 3.66 and a standard deviation of 1.256. The respondents were in agreement with statements; a well-defined communication channel on the anticipated level of activities execution within interested parties, targets derived out of the organization's objectives are developed all together, the real level of activities accomplishment monitored in a continuous manner, contrast among real and anticipated level of activities accomplishment is undertaken on a continuous basis, appraisal of stakeholders on their level of activities accomplishment is continuous and timely mitigation remedies are carried out to resolve any shortfall experienced. The study found an existing positive and strong relationship between strategy evaluation and control and sustainability of MFIs. Similarly, a positive and statistically significant relationship was recorded between strategy evaluation and control and sustainability of MFIs, implying that strategy evaluation and control influences sustainability of MFIs in Kenya.

Lastly, the study proves that strategic leadership practices were put into use by a score of mean 3.81 and standard deviation on 1.094. The respondents largely concurred that The organization's strategic direction is determined through a written mission and vision statement that clearly outline who we are, what we do and for whom, the organization continuously exploits and maintain its core competencies, the organization continuously develops its staff through formal human resource training and development planning, There is a code of ethics that is enforced, The organization uses the Sustainable Balance Scorecard to monitor both the strategic, financial, and social dimensions, and Employees are encouraged to follow the laid down ethical codes/standard/policies. In terms of the relationship to sustainability of MFIs in Kenya, the finding shows a positive and strong correlation. Lastly, a positive and statistically significant relationship was reported as well, thus strategic leadership practices influences sustainability of MFIs in Kenya.

5.3 Conclusions

The researcher drew a number of conclusions pegged on study findings. SMPs are critical in the sustainability of MFIs in Kenya. Strategy formulation practices positively and significantly impacts on sustainability of MFIs in Kenya. MFIs management need to actively be involved in strategy formulation for sustainability. On the contrary, strategy implementation practices negatively and significantly influence sustainability of MFIs in Kenya. Additionally, the study concluded that both strategy evaluation and control practices, and strategic leadership practices positively and significantly affects sustainability of MFIs in Kenya, hence need to be addressed by management to realize the sustainability of the MFIs.

5.4 Recommendations for Practice and Policy

A number of study recommendations were raised pegged on the study findings. The proposed recommendations were intended to enhance the overall sustainability of MFIs in Kenya. In realization of sustainability of MFIs in Kenya, the study recommendation is that MFIs should formulate strategic management practices that would enable them to establish and achieve their business vision, mission, measurable objectives, design tactics and putting in place guidelines on policy. Effective strategy formulation which is efficient will make it possible to hint what the organization is presenting to the community, and objectives for accomplishment.

MFIs should adopt strategy formulation. MFIs need to undertake further research strategy formulation approaches that will enable them enhance the practices. Secondly, MFIs need to relook at strategy implementation and a strategic management practice to enable them sustainability. This practice reported a negative impact but significant to the sustainability of MFIs in Kenya.

To ensure strategy implementation positively influences sustainability of MFIs in Kenya, it recommended a policy framework is developed by MFI’s to the continuous monitoring and evaluation of strategic management practices. Strategy evaluation and control updates the management on the reasons likely to lead to a given point of flop in achieving a given mission and goal. Lastly, there is need for MFIs to continue applying strategic leadership practices in realization of sustainability of MFIs in Kenya. MFIs to devise simple approaches to help in putting into use the practice of strategic leadership.

5.5 Limitations of the Study

This research work focused on establishing the influence of SMPs and sustainability of MFIs in Kenya. It concentrated on how constructs: strategy formulation, strategy implementation, strategy evaluation and control, and strategic leadership practices influences financial sustainability of MFIs. Additionally, the study was limited to Kenya as the context in which all the 54 MFIs were studied. This was a broader context, and the result might vary if the context changes to a specific region or county or when the focus is on one category of MFIs.

5.6 Suggestion for Further Research

Research work studied the influence of SMPS on sustainability of MFIs in Kenya and narrowed sustainability measures to financial indicators only. Since the mandates of MFIs involve attainment of both social and environmental measures of sustainability, this study suggests that an investigation be undertaken to establish SMPs on the social and environmental sustainability indicators of MFIs.

Researcher suggests that other studies need to be undertaken on each one of the different categories of MFI's in Kenya on SMPs and sustainability to establish whether there are significant variations in their SMPs and sustainability

REFERENCES

Aboelmaged, M. (2018). The drivers of sustainable manufacturing practices in Egyptian SMEs and their impact on competitive capabilities: A PLS-SEM model. *Journal of Cleaner Production*, *175*, 207-221.

Amit, R., & Kedar, B. (2014). An Analysis of Sustainability of Microfinance Institutions and its Determinants: Using Institutionalists Approach. *Ganpat University-Faculty of Management Studies Journal of Management and Research*, *8*, 34-54.

Association of Microfinance Institutions (2020). *Annual Report on the Microfinance Sector in Kenya.* Nairobi Press

Ayayi, A. G., & Sene, M. (2010). What drives microfinance institution's financial sustainability. *The Journal of Developing Areas*, 303-324.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, *17*(1), 99-120.

Behn, R. D. (2003). Why measure performance? Different purposes require different measures. *Public administration review*, *63*(5), 586-606.

Bhatt, N., & Tang, S. Y. (2001). Delivering microfinance in developing countries: Controversies and policy perspectives. *Policy studies journal*, *29*(2), 319-333.

Carcano, L. (2013). Strategic management and sustainability in luxury companies: The IWC case. *Journal of Corporate Citizenship*, (52), 36-54.

Diete-Spiff, J. A., & Doll, Y. (2016). Exploring Sustainable Strategies for Executives of Microfinance Banks in Nigeria.

Flores-Hernández, E. R., García-Alonso, C. R., & Hervás-Martínez, C. (2022). Strategic management practices in Central American micro family enterprises: The case of the commercial sector in El Salvador. *Managerial and Decision Economics*.

Freeman, R. E. (2001). A stakeholder theory of the modern corporation. *Perspectives in Business Ethics Sie*, *3*(144), 38-48.

Galpin, T., & Hebard, J. (2018). Strategic management and sustainability. In *Business Strategies for Sustainability* (pp. 163-178). Routledge.

Gatimu, E. M. (2022). *Effect of Management Practices on Non-Performing Loans in Deposit Taking Savings and Credit Cooperatives in Kenya-Management Perspective* (Doctoral dissertation, JKUAT-COHRED).

Greenwood, M. (2007). Stakeholder engagement: Beyond the myth of corporate responsibility. *Journal of Business ethics*, *74*(4), 315-327.

Hambrick, D. C., & Finkelstein, S. (1987). Managerial discretion: A bridge between polar views of organizational outcomes. *Research in organizational behavior*.

Hristov, I., Chirico, A., & Ranalli, F. (2022). Corporate strategies oriented towards sustainable governance: advantages, managerial practices and main challenges. *Journal of Management and Governance*, *26*(1), 75-97.

Hubbard, G. (2009). Measuring organizational performance: beyond the triple bottom line. *Business strategy and the environment*, *18*(3), 177-191.

Ioannou, I., & Serafeim, G. (2019). Corporate sustainability: a strategy?. *Harvard Business School Accounting & Management Unit Working Paper*, (19-065).

Issack, I. A., & Muathe, S. M. (2017). Strategic management practices and performance of public health institutions in Mandera County, Kenya. International journal for innovation education and research, 5, 12.

Joseph, O. O., & Kibera, F. (2019). Organizational culture and performance: Evidence from microfinance institutions in Kenya. *SAGE open*, *9*(1), 2158244019835934.

Joseph, O. O., & Kibera, F. (2019). Organizational culture and performance: Evidence from microfinance institutions in Kenya. *SAGE open*, *9*(1), 2158244019835934.

Kaiganaine, M. (2015). *Strategies that Deposit Taking Microfinance Institutions Use to Gain Sustainable Competitive Advantage in Kenya* (Doctoral dissertation, United States International University Africa).

Kaplan, R. S., & Norton, D. P. (2001). Transforming the balanced scorecard from performance measurement to strategic management: Part 1. *Accounting horizons*, *15*(1), 87-104.

Kela, K. C. M. (2018). *Competitive Strategies and Sustainability of Microfinance Institutions in Murang'a County, Kenya* (Doctoral Dissertation, School Of Business, Kenyatta University).

Kianda, J. M., & Kitur, B. (2021). Strategy Implementation and Performance of Micro Finance Institutions in Kenya: A Case of MFIs in Nairobi. *International Journal of Research Publication*, *87*(1), 16-16.

Kinde, B. A. (2012). Financial sustainability of microfinance institutions (MFIs) in Ethiopia. *European Journal of Business and Management*, *4*(15), 1-10.

Kurter, O., & Husseini, I. A. (2021). Evaluation of Strategic Management Issues Related to the Microfinance Industry and Small and Medium Enterprises in Afghanistan. *Uluslararası Finansal Ekonomi Ve Bankacılık Uygulamaları Dergisi*, *2*(2), 34-67.

MacKay, R., Masrani, S., & McKiernan, P. (2006). Strategy options and cognitive freezing: The case of the Dundee jute industry in Scotland. *Futures, 38*(8), 925-941.

Masanyiwa, Z. S., Chusi, T. N., & Haji, A. U. (2022). Determinants for Sustainability of Microfinance Institutions in North "A" District in Zanzibar. *Open Journal of Business and Management*, *10*(4), 1583-1600.

Miles, J. A. (2012). *Management and organization theory: A Jossey-Bass reader* (Vol. 9). John Wiley & Sons.

Muli, H. N. (2017). *Influence of Strategic Management Practices on Performance of Financial Organizations in Kenya: a Case of Microfinances in Nakuru County* (Doctoral dissertation, University of Nairobi).

Muriuki, J. W., Cheruiyot, T., & Komen, J. (2017). Strategic management practices and sustainability of state corporations. *European Journal of Business and Social Sciences*, *6*(6), 38-49.

Mutamimah, M., Zaenudin, Z., & Cokrohadisumarto, W. B. M. (2022). Risk management practices of Islamic microfinance institutions to improve their financial performance and sustainability: a study on Baitut Tamwil Muhammadiyah, Indonesia. *Qualitative Research in Financial Markets*.

Neubaum, D. O., & Zahra, S. A. (2006). Institutional ownership and corporate social performance: The moderating effects of investment horizon, activism, and coordination. *Journal of Management*, *32*(1), 108-131.

Njihia, H. K. (2017). *Strategic Management Practices And Credit Performance Of Microfinance Institutions In Kenya* (Doctoral dissertation, University of Nairobi).

Nkundabanyanga, S. K., Akankunda, B., Nalukenge, I., & Tusiime, I. (2017). The impact of financial management practices and competitive advantage on the loan performance of MFIs. *International Journal of Social Economics*.

Nyamsogoro, G. D. (2010). *Financial Sustainability of Rural Micro Finance Institutions (MFIs) in Tanzania* (Doctoral dissertation, University of Greenwich).

Palladan, A. A., & Adamu, M. A. (2018). An overview of strategic management practices. *Austin Journal of Business Administration and Management*, *2*(3), 1033.

Pearce, J. A., Robinson, R. B., & Subramanian, R. (2000). *Strategic management: Formulation, implementation, and control*. Columbus, OH: Irwin/McGraw-Hill.

Pemberton, J. & Stonehouse, G., (2004). The organizational characteristics of knowledge centricity, in B. Montano (ed.), Innovations of knowledge management, pp. 99–123, IRM Press, London

Peteraf, M. A., & Barney, J. B. (2003). Unraveling the resource-based tangle. *Managerial and decision economics*, *24*(4), 309-323.

Pfeffer, J. and Salancik, G. (1978) The External Control of Organizations: A Resource Dependence Perspective. Harper & Row, New York

Poister, T.H., (2010). The future of strategic planning in the public sector: Linking strategic management and performance', *Public Administration Review* 70(Suppl. 1), pp 246 – 254

Pollinger, J. J., Outhwaite, J., & Cordero-Guzmán, H. (2007). The question of sustainability for microfinance institutions. *Journal of Small Business Management*, *45*(1), 23-41.

Porter, M. E. (1980). Industry structure and competitive strategy: Keys to profitability. *Financial analysts journal*, *36*(4), 30-41.

Priem, R. L., & Butler, J. E. (2001). Is the resource-based "view" a useful perspective for strategic management research? *Academy of management review*, *26*(1), 22-40.

Rosenberg, R. (2009). *Measuring results of microfinance institutions: Minimum indicators that donors and investors should track-A technical guide*. The World Bank.

Sarker, M. S. I., & Rahman, M. A. (2019). The Relationship between Strategic Management and Financial Performance of Non-Governmental Organizations (NGOS): Evidence from RDRS Bangladesh. *Global Journal of Management and Business Research*.

Szymczyk, K. (2019). Towards Sustainable Strategic Management: A Theoretical Review of the Evolution of Management Perception. *Research in World Economy*, *10*(4), 58-64.

Thaher, Y. A., & Jaaron, A. A. (2022). The impact of sustainability strategic planning and management on the organizational sustainable performance: A developing-country perspective. *Journal of Environmental Management*, *305*, 114381.

Thompson, A., Peteraf, M., Gamble, J., Strickland III, A. J., & Jain, A. K. (2013). *Crafting & executing strategy 19/e: The quest for competitive advantage: Concepts and cases*. McGraw-Hill Education.

Wagner Mainardes, E., Ferreira, J. J., & Raposo, M. L. (2014). Strategy and strategic management concepts: are they recognized by management students?

Wediawati, B., Effendi, N., Herwany, A., & Masyita, D. (2018). Sustainability of Islamic microfinance in Indonesia: A holistic approach. *Academy of Strategic Management Journal*, *17*(3), 1-14.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, *5*(2), 171-180.

Yeboah, T., Antoh, E. F., & Kumi, E. (2022). Strategic responses of microfinance institutions to the Coronavirus disease (COVID-19) crisis in Ghana. *Development in Practice*, *32*(1), 112-127.

APPENDIX I: RESEARCH QUESTIONNAIRE

Dear Respondent,

This questionnaire seeks to collect data on various dimensions of the study and the data shall be collected for academic use only and will be treated in strict confidence. This questionnaire is divided into three sections and each section covers various objectives of the study. Kindly answer the questions precisely and exhaustively as possible and return the completed questionnair. Where you don't understand, kindly seek for clarification from the researcher.

SECTION A: BACKGROUND INFORMATION

1. What year was your organization established? ____________

2. Classification of your MFI organization (Tick (√) as appropriate

    Micro-Finance Banks [ ]

    Credit Only Institution [ ]

3. What is your level in management in this organization?

    First Level Management [ ]

    Middle level Management [ ]

    First/Entry level Management [ ]

4. How long have you served in the current position?

    Below 5 years [ ]

    5 - 10 years [ ]

    10 – 15 years [ ]

    Above 15 years [ ]

5. How long have you been with the organization?

    Below 5 years [ ]

    5 - 10 years [ ]

    10 – 15 years [ ]

    Above 15 years [ ]

SECTION B: STRATEGIC MANAGEMENT PRACTICES

One aspect of this study is that strategic management practices provide a framework for controlling managerial activities, allocating better resources, supporting objectives and decisions and enhancing sustainability. On the basis of the implications of the strategic management practices to your organization, kindly provide answers to the questions in this section

6. The primary responsibility for effective strategic management practices rests at the top of the organization. Please indicate the extent to which each of the following practices of strategic management practices has been the most critical on the decion making in your organization. **TICK (√)** as appropriate using the key below.

Key:

1. Not at all**; 2-**Less extent; **3-** Moderate extent; **4** -Large extent; **5-** Very large extent

	Statement	**1**	**2**	**3**	**4**	**5**
1	Strategy formulation					
2	Strategy implementation					
3	Strategy evaluation and control					
4	Strategic leadership					

7. The following statements refer to how your organization determines its strategic management practices. **TICK (√)** as appropriate

Key:

1. Not at all**; 2-**Less extent; **3-** Moderate extent; **4** -Large extent; **5-** Very large extent

	Statement	**1**	**2**	**3**	**4**	**5**
1. Strategy Formulation						
1.1	Stakeholders are involved in the formulation of the organization's strategy					
1.2	Information is gathered of the organization's internal factors					
1.3	Resources are provided to support gathering of information about the organization's external environment					
1.4	The information gathered is analyzed for the purpose of making decisions about the organization's strategy					

1.5	Involved in the development and review of mission, vision and goals					
1.6	Selection of strategy undertaken					
2. Strategy Implementation						
2.1	Adequate resources are allocated for sustainability of tasks and activities					
2.2	Resource allocation is matched with the organization's objectives					
2.3	Staff skills are matched with their responsibilities					
2.4	The systems are aligned with objectives, strategies and plans of the organization					
2.5	Action plans are collectively developed					
2.6	There is clear communication on who is responsible for a given set of activities					
3. Strategy Evaluation and Control						
3.1	There is clear communication on the expected level of execution of activities amongst stakeholders					
3.2	Targets derived from the organization's objectives are mutually developed					
3.3	Actual level of execution of activities is continuously monitored					
3.4	Comparison amongst actual and expected level of execution of activities is continuously undertaken					
3.5	Stakeholders are continuously appraised on their level of execution of activities					
3.6	Timely corrective measure are undertaken to address any shortcoming identified					
4. Strategic Leadership Practices						
4.1	The organization's strategic direction is determined through a written mission and vision statement that clearly outline who we are, what we do and for whom.					
4.2	The organization continuously exploits and maintain its core competencies					
4.3	The organization continuously develops its staff through formal human resource training and development planning					
4.4	There is a code of ethics that is enforced					
4.5	The organization uses the Sustainable Balance Scorecard to monitor both the strategic, financial, and social dimensions					
4.6	Employees are encouraged to follow the laid down ethical codes/standard/policies.					

SECTION E: ORGANIZATIONAL SUSTAINABILITY

8. Kindly indicate the extent to which the following statements describe your organization's sustainability over the past five years (2014 – 2019). **TICK (√)** as appropriate

Key:

1 - Not at all**; 2-**Less extent; **3-** Moderate extent; **4** -Large extent; **5-** Very large extent

	Statement	**1**	**2**	**3**	**4**	**5**
Financial Sustainability						
1.1	The organization's investments and revenues have increased					
1.2	The organization is able to meet its financial obligations					
1.3	The organization has achieved good returns on investment by improving its asset utilization					
1.4	The organization's cost control measures have contributed to increased operational efficiency					
1.5	The organization's debt level has reduced					
1.6	The organization has improved the quality and appropriateness of financial services					

Thank You for Your Cooperation in Filling this Questionnaire

APPENDIX II: LIST OF MICRO – FINANCE INSTITUTIONS IN KENYA - AMFI REGISTERED MEMBERS

1. Co-operative Bank of Kenya Ltd
2. Kenya Post Office Savings Bank
3. Micro Enterprises Support Programme Trust (MESPT)
4. Oiko Credit
5. Soluti Finance East Africa
6. Eclof Kenya
7. Vision Fund Kenya Limited
8. BIMAS
9. Letshego Kenya Ltd
10. Zenka Finance Ltd
11. YEHU Microfinance Trust
12. Jitegemea Credit Scheme
13. Fincredit Services Ltd
14. Juhudi Kilimo Co.Ltd
15. Musoni Kenya Ltd
16. Select Management Services Ltd
17. Greenland Fedha Ltd
18. Platinum Credit Limited
19. Habitat for Humanity International
20. Real People Ltd
21. Neema Health Educational & Empowerment Programme (NEEMA – HEEP Ltd)
22. Ushindi Bora Ltd
23. Hand in Hand Eastern Africa
24. Nyali Capital Limited
25. Premier Credit Limited
26. MoneyWorth Investment Limited
27. Hazina Development Trust Limited
28. SpringBoard Capital
29. Progressive Credit Ltd
30. Longitude Finance

31. Jiweze Ltd
32. ASA Ltd
33. Kipepeo Microcredit Limited
34. Liberty Afrika Technologies Limited
35. Diversity Microcredit Ltd
36. My Credit Ltd
37. PAWDEP
38. Momentum Credit
39. Weighbridge Ventures ltd
40. Karibu Kenya Ventures Ltd
41. Kenya Women Microfinance Bank Ltd
42. Faulu Kenya Microfinance Bank Ltd
43. Rafiki Microfinance Bank Ltd
44. SMEP Microfinance Bank Ltd
45. Key Microfinance Bank Ltd
46. Century Microfinance Bank Ltd
47. Sumac Microfinance Bank Ltd
48. U&I Microfinance Bank Ltd
49. Caritas Microfinance Bank Ltd
50. Daraja Microfinance Bank
51. Maisha Microfinance Bank
52. Uwezo Microfinance Bank
53. Stima Sacco Society Ltd
54. Swisscontact – Swiss Foundation for Technical Cooperation

Source: Association of Micro – Finance Institutions (AMFI) Website as at 13th July 2022