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STRATEGIC PLANNING PROCESS AND ORGANIZATIONAL PERFORMANCE OF DEPOSIT TAKING SACCOS IN MACHAKOS SUB-COUNTY

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A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS AND LEADERSHIP STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF ST. PAUL'S UNIVERSITY

MARCH, 2026

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DECLARATION

This dissertation is my original work and has not been presented to any university or institution of higher learning for the award of any degree.

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DEDICATION

I dedicate this dissertation to my dear wife, Juliet Mwikali Nzimbi, for her unmerited support, encouragement, love and prayers during this time of study.

I also dedicate my scholarly work to my children Brenda, Angel and Lucky for their understanding during the course of the research.

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ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
BOSA	Back Office Saving Activities
BSC	Balanced Scorecard
DT	Deposit Taking
FOSA	Front Office Savings Activities
SACCOS	Savings and Credit Co-operative Societies
SASRA	SACCO Societies Regulatory Authority
SPP	Strategic Planning Process
SPSS	Statistical Package for the Social Sciences
SWOT	Strengths, Weaknesses, Opportunities, and Threats
RBV	Resource-Based View
VIF	Variance Inflation Factor

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OPERATIONAL DEFINITION OF TERMS

Deposit-taking SACCO is a SACCO that accepts demand deposits from members and provides savings accounts that are comparable to those provided by traditional banks. (Mwai & Mukanzi (Ph.D), 2020).

Taking deposits like banks, SACCOs accept deposits and provide services for withdrawable savings accounts. These services are FOSA, Front Office Services, and BOSA, Back Office Services.

Strategic planning process, according to Gutterman (2023a), the process entails methodically matching a company's internal business skills with the opportunities present in its selected business environment.

It is a series of steps that involve strategic visioning, strategy formulation, strategic choice, strategy implementation, and evaluation and control. These processes guide the management and stakeholders of the SACCO in determining their vision, mission, and goals, developing an operational plan, and choosing the appropriate strategies, which will guide them in realizing their organizational goals.

Strategic visioning is a clear and concise summary of the company's objectives and plan for reaching them. It must represent the values and goals of management, staff, and stakeholders and be realistic about the market, competitive, economic, and regulatory realities. Wilson (1992).

This is a process that involves assessing the current situation of the SACCO and its resources, defining the vision, setting goals and objectives, identifying gaps, allocating resources, and communicating the vision and its rationale to stakeholders.

Strategic formulation is the process of creating an organization's vision and mission, determining its environmental analysis, setting goals, coming up with alternative plans, and selecting specific tactics to achieve those goals. (David, 2011).

It is a process where a SACCO meticulously analyses its internal and external environments, defines clear objectives and vision statements, sets achievable objectives, and develops robust strategies.

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Strategic choice is a procedure that evaluates and, after considering stakeholder expectations and realizing the opportunities available, selects the best strategic solutions for execution. (Johnson et al., 2009).

This is a process in which the SACCO management will make decisions to generate sustainable competitive advantage by coordinating its actions, capabilities, and resources with the long-term goals. It will involve selecting the best strategy from a set of options to achieve the organization's goals.

Organizational performance is the degree to which a business uses its financial, human, and informational resources to successfully position itself in the business market. Conţu (2020)

The performance of a SACCO is the ability of the SACCO to accomplish its mission. It is measured by the ability of the SACCO to recruit and retain new members, diversify its products, make a profit in return on assets and investments, and being able to minimize member withdrawals.

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ABSTRACT

Savings and Credit Cooperative Societies (SACCOs) are organizations that pool resources from their members to economically empower and grow them. To achieve this, SACCOs have invested heavily in strategic planning processes to improve their organizational performance. Despite significant investment and consistent efforts in developing strategic plans, many SACCOs have experienced poor performance, caused by poor and unsynchronised strategic planning processes. Therefore, this study investigated how strategic planning processes, specifically strategic visioning, strategic formulation, and strategic choice, affect the organizational performance of DT SACCOs in Machakos Sub-County. Organizational performance measurement was based on Balance Score Card perspectives.The Resource-Based View theory, the Dynamic Capabilities theory, the Contingency theory, and the Balanced Scorecard model formed the foundation for the study. A descriptive survey research design was used in the study. Chief executive officers, human resource managers, operations managers, financial staff, line managers, and supervisors of the four DT SACCOs in Machakos Sub-County formed the target group. Stratified random sampling was used to obtain 62 respondents from this targeted population. The instruments applied in the study were found to be reliable, as the Cronbach alpha, $\alpha \geq 0.7$. Descriptive statistics indicated that perceptions were high in all the variables with strategic visioning ($M = 4.405$), strategic formulation ($M = 4.419$), and strategic choice ($M = 4.509$), depicting high agreement among the respondents as to their contribution towards organizational performance. Correlation analysis showed that there are positive and significant relationships between organizational performance and strategic visioning ($r = 0.472$, $p < 0.05$), strategic formulation ($r = 0.695$, $p < 0.05$), and strategic choice ($r = 0.569$, $p < 0.05$). The regression results strategic visioning ($\beta = -0.041$, $t = -0.198$, $p = 0.844$), formulation ($\beta = 0.810$, $t = 3.589$, $p = 0.001$) and choice ($\beta = 0.119$, $t = 0.730$, $p = 0.469$) suggest that their shared variance is accounted for, formulation is the dominant active ingredient while visioning and choice do not add unique explanatory power. This study has found that the primary source of performance was strategic formulation, and greater attention should be paid to its implementation. Adjusted R2 stood at 0.477, and further research is recommended to identify leadership styles, external environment, and digital transformation as explanatory factors for the remaining 52.3 percent variation in performance.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Deposit-Taking Savings and Cooperative Societies are financial organizations that, like banks, take deposits and provide services for withdrawable savings accounts. They are member-owned, member-controlled, and member-run organizations that offer low-interest loans, encourage wealth accumulation, and offer alternative financial services. The SACCOs are essential to Kenya's economic growth. The regulated SACCOs contributed 6.43% to Kenya's nominal Gross Domestic Product and recorded notable improvements in their financial performance, according to the SASRA 2023 report.

SACCOs, though growing rapidly, are facing a myriad of challenges, including regulatory changes, increased competition from commercial banks, technological evolution, demand for sound management practices, and evolving member needs, which are affecting their performance. (Karuoya & Waithaka, 2023). Therefore, for the DT SACCOs to thrive in the rapidly changing and challenging financial landscape in Kenya, they need to adopt an effective strategic planning process to ensure continued good financial and non-financial performance. (Umar et al, 2020).

According to Umar et al, (2020), the strategic planning process is a crucial management tool that affects the longevity and performance of organisations. While some SACCOs have gone bankrupt, the majority have poor performance due to their inefficient strategic planning process. The degree to which an organization uses strategic planning procedures to ensure the successful execution of its mission and defined goals determines how well it performs (Desta, 2019). Upper-level management of a corporation must give the strategic planning process a great deal of attention and preparation. Strategic planning, according to Jayawarna and Dissanayake (2019), is a component of management that entails examining the future and developing a cooperative action plan to assist the company in reaching that goal in a sustainable manner. According to (Johnsen, 2023) Strategic planning enables organizations to sail through economic difficulty, turbulence, and an unpredictable future, as it provides a guided approach to overcome the economic turbulence and uncertainty of the future, making them sustainable and profitable.

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The relationship between strategic planning and organizational performance has been the subject of prior research, but the relationship between certain strategic planning processes and their impact on organizational performance has not received enough attention. This study aims to examine how DT SACCOs in Machakos Sub-County perform better financially and non-financially when they use an efficient strategic planning process that includes strategic visioning, strategic formulation, and strategic decision-making. The study will advance knowledge of the crucial role strategic planning processes play in DT SACCO's success, ultimately guiding best practices for managing them and promoting regional financial development.

1.2 Strategic Planning Processes

The process of strategic planning entails establishing and maintaining alignment between the organization's goals, its capabilities, and the opportunities that present themselves and evolve, claim Hohnen and Potts (2007). Strategic planning, according to Barry (1997), is the process by which company executives develop a vision to guide an organization's future and determine the activities, procedures, and priorities necessary to assist the firm in achieving the goal.

According to Gutterman, (2023b), the essential components of the strategic planning process are constant, providing business owners and other members of the management team with a roadmap for starting and continuing their strategic planning initiatives. (Gutterman, 2023b) states that the procedures include establishing the company's mission, carrying out a thorough SWOT analysis to create the framework for the strategic plan, establishing strategic goals and objectives, creating tactical and operational plans, and creating procedures for regularly assessing the plan's efficacy and spotting shifts in the business environment.

The strategic planning process is an organizational tool that provides a structured framework for an organization to guide it towards excellent organizational performance. (De Freitas et al., 2024). Nonetheless, in order for the strategic planning process to be successful, management must be vigilant and cognizant of unanticipated changes in the business environment. These changes will present both opportunities and threats, forcing them to make strategic decisions that will steer the company toward sustainability and profitability (Gutterman, 2023b).

The fundamental function of strategic planning is to direct stakeholders and management in identifying the institution's purpose, vision, goals, and objectives so that they can carry out their duties with concentration and contribute to the company's value (Guyo, 2016). The strategic planning process is typically created based on the company's requirement to

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concentrate attention and give management and staff guidance to achieve goals, as stated by Kumar et al. (2016). To achieve the desired outcomes, the organization's strategic plan and planning procedures must be carefully designed. For an organization to function effectively, its vision and objectives must be well-defined, its action plan must be well-formulated, and the right decisions must be made.

This study looked at three strategic planning processes: strategic visioning, strategic formulation, and strategic choice, and their effects on organizational performance. The three strategic planning processes are interwoven, and a slight change in one affects the other, greatly influencing the overall organizational performance. This is because strategic visioning gives the vision statement, which provides the foundation of the strategy; strategy formulation gives the strategy or the road map that outlines how to achieve the vision, and strategic choices are made based on the vision statement and the strategy, all of which, when well aligned and synchronized, enhance organizational performance.

1.2.1 Strategic Visioning

Strategic visioning is a process where organizations define their long-term goals and direction, and communicate that vision to stakeholders. It involves assessing the current situation where organisation is and what resources it has, defining the vision, which involves creating a forward-looking statement that outlines the organisation's goals and aspirations. In addition, it involves setting goals and objectives which includes setting specific, measurable outcomes to achieve over a given period of time, identifying gaps to establish where the organization needs to improve, allocating resources which involves determining how to use resources to achieve goals and finally communicating the vision and its rationale to the stakeholders Kimani, J. K. (2022).

The process of strategic visioning produces a strategic vision. A strategic vision is a compelling and unambiguous statement of what the organization should aim to achieve (Wilson, 1992). It must represent the values and goals of management, staff, and stakeholders and be realistic about the market, competitive, economic, and regulatory realities. Organizations must convey their strategic visions to all relevant parties, emphasizing the rationale for the intended future state. Having a clear vision with aligned goals and objectives can serve as a significant motivator for progress. The company's fundamental beliefs, or what it stands for and why it exists, as well as its future goals, or what it hopes to become or accomplish, must be articulated in the vision statement (Gahonzire & Mulyungi, 2020).

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Strategic visions indicate the future direction and scope that an organization aims to achieve; they are specific, tangible, and grounded in reality. They provide measurable outcomes achievable over a given period of time, ranging from 3 to 6 months for smaller initiatives to 3 to 10 years for long-term initiatives. Vision statements assist firms in focusing, enabling the development of core skills, inspiring current and potential employees, and helping them stand out from the competition (Darbi, 2012). They also serve as the cornerstones of a larger strategic plan.

According to (Madsen & Ulhøi, 2021) Strategic visioning plays a significant function in an organization's performance and in the ways listed below: it spurs innovation and new technologies that reduce the cost of operations, grows the business and its investment portfolio, and attracts financing and increases its competitive positioning in the business environment.

Kimani (2022) did research on the influence of mission and vision on the financial sustainability of nonprofit organizations in Kenya. He concluded from the study that continued competitive advantage, more sales, excellent leadership, more devoted employees, and increased shareholder value are all signs that an organization's vision and purpose are working.

1.2.2 Strategy Formulation

The act of identifying an organization's long-term goals and creating a plan to reach them is known as strategy formulation (Sookchok Thongsookularn, 2019). The process of establishing the organization's goals and creating a particular strategic plan includes the processes of planning and decision-making (Bordean et al., 2010). According to David (2011), strategy formulation encompasses the following processes: developing a vision and mission, assessing an organization's environment, establishing goals, devising additional strategies, and choosing particular techniques to achieve success. According to Sookchok Thongsookularn (2019), strategic formulation comprises four components: developing mission and vision statements, conducting strategic environment analysis, establishing long-term objectives, creating strategic options, and selecting specific tactics to implement.

Strategy formulation is a process grounded in comprehensive research and analysis, where the organization can employ various analytical techniques, such as PESTEL (Political, Economic, Social, Technological, Legal, and Environmental), VRIO (Value, Rarity, Imitability, Organization), SWOT (strengths, weaknesses, opportunities, and threats), etc. It is done to analyse and dissect market dynamics and pinpoint opportunities. Strategy formulation enables an organization to develop actionable plans, align organizational efforts and resources, foster

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a culture of innovation and adaptability, and pave a roadmap for sustainable growth and success. According to Mashingaidze et al. (2021), strategic formulation positively predicts organizational financial performance. It can help organizations improve their performance by capitalizing on their strengths, identifying their weakness and addressing them, identifying opportunities and taking advantage of them, identifying threats and defending against them, responding proactively to change, and initiating positive changes.

For strategic formulation to improve organizational performance (Maina et al., 2020), pointed out that more emphasis should placed on leadership and environmental scanning, as they are key indicators in strategy formulation. While good environmental scanning enables firms to create better configurations in response to rapidly changing external factors, improving their outputs and giving them a competitive edge, effective leadership provides employees with direction so they can accomplish the required goals.

Strategic formulation plays a key role in influencing organizational performance. (Hagoug, 2024), emphasizes that the formulation of strategy is positively correlated with organizational performance. According to Mashaidze et al. (2021), there is a positive and significant relationship between strategy design and an organization's financial performance over the long and short terms. Karuoya and Waithaka's (2023) study, Strategic Planning and Performance of Savings and Credit Cooperatives in Nairobi City County, Kenya, found that the development of strategies had a positive and significant impact on SACCO performance.

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1.2.3 Strategic Choice

Making strategic decisions is essential (Njuguna & Muathe, 2020). Strategic choice, according to Johnson et al. (2009), is a process that considers stakeholder expectations, identifies available options, evaluates those options, and chooses the best strategic options for execution. A strategy can be implemented in a variety of ways and directions, as indicated by the strategic option (Johnson et al., 2009). Strategic choice is a process where the management of an organization aligns its resources, capabilities, and actions with long-term objectives, weighing the external opportunities and risks in its surroundings as well as its internal strengths and shortcomings (Ogunbukola, 2023).

Strategic choices significantly impact an organization's performance by helping it to adapt to change, where it helps the organization respond to change and initiate positive changes, which can lead to long-term success, and help the organization become more competitive. Also, it enables an organization to gain a competitive advantage by allowing it to learn faster than its

competitors and survive by using innovation, product positioning, and chain relationship development to inform strategic decisions.

An organization's success or failure is largely determined by the decisions it makes on its strategies. A carefully thought-out and successfully implemented plan can result in greater market share, long-term growth, and improved competitive advantage, according to Ogunbukola (2023). However, bad strategic decisions might lead to lost opportunities, financial distress, and even organizational decline (Ogunbukola, 2023). According to (Awino et al., 2017) They established that strategic choice influences organizational performance in their study of Strategic Choice and Performance.

The way top managers understand environmental challenges and make appropriate decisions determines the nature of strategic decisions and their effectiveness (Duncan & Dutton, 1987). The selection of workable strategies is based on the top managers' perceptions of environmental changes (Tushman & Romanelli, 1985). In the competitive, uncertain business world, businesses must make strategic decisions to adapt to environmental changes and gain a competitive edge, according to Kahenda et al. (2023).

1.2.4 Organizational performance

Conţu (2020) defines organizational performance as the degree to which a business uses its financial, human, and informational resources to successfully position itself in the business market. Organizational performance, according to Bozic (2023), gauges how well a company uses both human and non-human resources to achieve its goals. It can also be defined as the discrepancy between the actual and anticipated production of an organization. Financial outcomes, shareholder returns, and product performance are the three main recognizable, quantifiable, and precise outcome categories that make up organizational success, according to Richard et al. (2008). According to Richard et al. (2009), the construct is extremely multifaceted since it centers on the various stakeholder needs and diverse market conditions.

According to Richard et al. (2009), organizational performance is made up of three different aspects of firm outcomes: financial performance, which is determined by metrics like profits, return on assets, and return on investment; product market performance, which is assessed by metrics like market share and sales; and shareholder return, which is determined by metrics like economic value added and total shareholder return.

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According to Kaplan (2009), the balanced scorecard approach has been used to manage and monitor the performance of the organization. Financial results, client satisfaction, the efficacy and efficiency of internal operations, and staff satisfaction are all utilized to analyze and measure performance. The BSC's primary goal is to score various parameters while balancing short-term and long-term goals as determined by lagging and leading indicators. The same standards apply to internal and external performance metrics (Brito & Santos, 2012). Organizational performance of DT SACCO was measured using the BSC performance perspectives of return on investments, market share, operational efficiency, and learning and growth.

1.2.5 Strategic Planning Processes and Organizational Performance

Businesses that successfully use strategic planning procedures are thought to perform better, both financially and non-financially, than those that don't (Mousa et al., 2024). Businesses are increasingly implementing strategic planning processes to improve performance, according to Desta (2019). George et al. (2019) assert that strategic planning helps management achieve its objectives by giving them a roadmap for coordinating the organization's functional activities. Additionally, it helps management determine the resources needed to achieve specific goals (de la Ossa et al. 2019).

According to Abdul (2019), an organization's commitment is increased through strategic planning, which facilitates participation and communication, ensures accountability, fosters efficient operations based on reasonable analysis through environmental scanning, and successfully implements and improves ongoing learning. It has also been shown that managers of many organizations have employed strategies that hinder the organization's achievement of its strategic objectives because they are unaware of the link between strategic planning and organizational performance (DeCaro et al. 2017).

In the increasingly competitive business environment of SACCOs, those that fail to have a proper strategic planning process will not survive. This is because they will lose their strategic vision, make poor strategic choices, fail in strategic implementation, and lose strategic control as they try to adjust to market dynamics, leading to underperformance. Many SACCOs have invested in areas not in their strategic plan and have performed poorly, due to strategic drift. This was occasioned by poor strategic visioning, which resulted in making strategic plans that were not sensitive to the changing business environment, leading to the managers making wrong strategic choices, which led the organization away from its goals and mission, resulting

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in the SACCOs finding themselves in an economic maze that resulted in huge losses and underperforming economically.

According to Shepherd (2005), strategic drift happens when an organization's strategy progressively becomes less relevant to the forces operating in its surroundings. (Tourangeau, 1981) agrees, but warns that strategic business planning is only a partial answer to management issues and cannot be expected to solve all of an organization's difficulties, such as addressing other flaws in the management process. Any management method, including strategic planning, has limited value on its own and must be used in conjunction with other management techniques to be effective and achieve goals.

Many SACCOs have a periodical strategic planning, but they rarely look at how the strategic planning processes of strategic visioning, strategic formulation, and strategic choice combined affect their organizational performance. This informed the reason for undertaking this study, to establish how strategic planning processes of strategic visioning, strategic formulation, and strategic choice affect the organizational performance of selected DT SACCOs in Machakos Sub-County.

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1.2.6 History and Performance of Savings and Credit Co-operative Societies in Kenya

The Lumbwa Co-operative Society, established in 1908 by European farmers, was Kenya's first cooperative. Its goal was to use economies of scale to sell their commodities collectively after purchasing farm inputs as a group (Kenya Union of Saving and Credit Co-operatives, 2006). After Lumbwa Cooperative was registered as a cooperative association in 1930, its operations were taken over by the Kenya Farmers Association (KFA) (Gardeklint, 2009). The introduction, approval, and regulation of cooperatives by the Kenyan government are noteworthy (KUSCCO, 2006). They are financial institutions that are essential to financial intermediation in the financial landscape, with a primary focus on personal growth (SACCOs Review, 2012).

Also, SACCOs are a significant part of Kenya's economic landscape, serving a large percentage of the Kenyan population who derive their income, either directly or indirectly, through SACCO initiatives. According to the 2023 annual SASRA supervision report, the SACCO Sector in Kenya has been growing, hitting over a trillion in assets in 2023 and savings growing by 15.6% from sh906 billion to sh1.047 trillion in the year to June 2023, marking a major milestone for Kenya's cooperative movement. The total membership of the 357-regulated SACCOs rose by 6.57% from 6.42 million in 2022 to 6.84 million in 2023, according to the

2023 annual SASRA oversight report. With an 11.50% rise, the loan portfolio for regulated SACCOs reached KShs 758 billion in 2023. Although loans increased at an impressive rate, deposits grew at a slower 9.95% compared with 9.84% the year before.

Despite this good performance, some big SACCOs, such as Metropolitan SACCO and Machakos Teachers SACCO, among others, have found themselves underperforming and in a bottomless financial abyss due to poor, unsynchronised strategic planning processes. Their underperformance affected the financial stability of their members and the country's economic growth. As the main cooperative funding source for social and economic development in Kenya, SACCOs continue to obstruct the attainment of Vision 2030 and the Millennium Development Goals (MDGs) due to their high failure rate (Karuoya and Waithaka, 2023).

The SACCO Society Regulation Authority was established in 2008 as a result of legislation passed by the Kenyan government through a parliamentary act to oversee and control the formation and activities of SACCO Kamau Antony Gatu, (2023) The organization has been instrumental in developing appropriate frameworks and guidelines for overseeing the nation's SACCOs and SACCOs that adhere to the regulatory record to improve performance Kamau Antony Gatu, (2023). However, despite the government's efforts to enact regulations to guide SACCOs, SACCOs need to be alive to their business environment and develop a well-synchronised strategic planning process for sustainability and improved performance.

1.2.7 SACCOs in Machakos Sub-County

SACCOs in Machakos Sub-County are located within Machakos town. Machakos Sub-County has SACCOs that can be categorised into local, regional and national SACCOs. The local SACCOs are SACCOs owned, managed, and operated by members of a given locality or area. They are only found in a given locality to serve the unique needs of that community and have their headquarters there. In this case, the members are from Machakos County. They include Kwetu SACCO and Universal Traders Sacco. The regional SACCOs are SACCOs that have members drawn from a wider area but not the whole country. Their headquarters are mostly in the area where they were established. They include Kitui Teachers, which has rebranded as Univision SACCO, and the national SACCOs, whose membership is drawn from the whole nation. Their headquarters are in Nairobi, the capital city. They include Mwalimu National DT SACCO and Stima SACCO, among others.

Deposit-taking SACCOs in Machakos Sub-County offer Front Office Services (FOSA), which allows the SACCO to expand its business model and operate as a fully-fledged financial

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institution, and Back Office Services Activities (BOSA) Musyoki (2013). BOSA enables members to make deposits and borrow against them at very competitive rates. Under these services, they have different products tailored to customer demands. Depending on how fast the market is changing and the survey reports, the SACCOs have made deliberate choices and adjusted accordingly. Those that haven't, performed poorly as their products are not patronised, which has affected their returns, profits, and dividend payouts.

These SACCOs, whether having a local, regional, or national outlook, have all been formed to help people cultivate a savings habit and investment culture. The presence of many SACCOs has created highly competitive business environment, and only those with strong strategic planning have been able to thrive. This is because their strategic vision was attractive to the customers, thus increasing their membership. Also, they made the right strategic decisions based on the prevailing business environment, which led to strong performance. Finally, they were also able to implement their strategic choices appropriately, control and adjust their business investments and plans as per the prevailing business internal and external environment, giving them a competitive advantage.

The competitive business environment has made the SACCOS adopt a robust strategic planning process. Some SACCOs, like Machakos Teachers SACCO, which used to do well according to Musyoki, (2013), became insolvent due to poor strategic choice and lack of proper strategic control. Others like Mwalimu National DT SACCO had financial instability due to poor strategic implementation process and having overly ambitious strategic visions, like buying the Spire bank and investing in real estate, which were not part of SACCO mandates. These Strategic choices were good for Mwalimu National to invest in; however, poor strategic formulation and strategic choices drove it into a financial pitfall, which negatively affected its organizational performance. However, in the current times, most SACCOs have adopted continuous strategic planning processes, continually assessing their strategies with reference to their vision and mission, the prevailing internal and external business environment, and taking corrective measures to forestall any unforeseen challenges.

Some SACCOs have made some strategic choices like investing in technology for efficiency in operations, opening up their membership bonds to enhance membership growth, rebranding to shed their history, and rejuvenating as an organization. For example, Kitui Teachers DT SACCO rebranded to become Univision SACCO and opened its membership bond, Mwalimu National DT has invested in a digital application; Mwalimu Hela opened its membership bond;

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and Masaku Teachers SACCO rebranded to become Kwetu SACCO to shed its past bad history of financial mismanagement. Therefore, the unstable performance of DT SACCOs in Machakos Sub-County can be associated with a lack of proper strategic planning, in which the processes were not linked to enhance their seamless functionality. Thus, this necessitated the undertaking of this study to help the SACCOs understand that having synchronised strategic planning processes enhanced organizational performance.

1.3 Statement of Problem

The establishment and growth of SACCOs in Kenya, both in the rural and urban areas, has been phenomenal. This is because SACCOs are easier to establish and can pool capital more easily for the development and economic empowerment of their members. According to the annual SASRA report 2023, SACCOs play a crucial role in Kenya's economic development, accounting for 6.43% of Kenya's nominal Gross Domestic Product. Despite the good performance, SACCOs are facing a myriad of challenges, such as underperformance, lack of loyalty, and lack of competitiveness in the market, caused by poor strategic visioning. Other challenges, such as operational inefficiency, employee satisfaction issues, and loan defaults, have been brought about by poor strategic formulation, while wrong investment decisions, inefficient resource allocation, and lack of preparedness for technological and genealogical change are a result of poor strategic choice. Most of these challenges emanate from poor strategic planning processes and unsynchronised strategic planning processes, which make their actualization very difficult, culminating in their overall poor performance.

The Kenyan government passed legislation through a parliamentary act in 2008 to establish the SACCO Society Regulation Authority in order to guarantee the organization's sustained expansion, member savings security, and sound financial performance. Its main functions were to regulate, supervise, and develop the SACCO industry, promote prudent practices to protect members' interests, enhance financial access, and foster financial stability.

The connection between organizational performance and the strategic planning process has been the subject of numerous studies. Guyo (2020) focused on competitive positioning as the only effect of the strategic planning process on the DT SACCOs in Marsabit County, omitting to address its effect on the organisation's overall performance. An investigation was conducted on how strategic planning techniques affected the organizational performance of pharmaceutical companies in Kenya (Atinos et al., 2022). The strategic planning process was omitted from the study because it concentrated on strategic planning techniques. Other studies

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(Bonn et al., 2018; Manyang, 2022; Mabuka et al., 2022; Vita, 2023) examined multiple firms and focused on only one strategic planning process. They discovered that strategic planning practices had a major influence on the company's performance. With a focus on the manufacturing sector specifically, Mousa et al. (2024) investigated the relationship between strategic planning and organizational performance in the context of Iraqi manufacturing. In Rwanda, Iradukunda (2023) connected organizational performance to strategic planning rather than the strategic planning processes themselves.

Some of the previous research focused on the impact of a specific strategic planning process on organizational performance without looking at the combined effects of multiple strategic planning processes, which leaves gaps in the context and understanding of these studies. Other studies were conducted in non-financial institutions, creating a gap in financial institutions classified as DT SACCOs, and others were conducted in other nations whose economic levels may differ from Kenya's. As a result, according to the research, no study examined how the organizational performance of DT SACCOs in Machakos Sub-County was impacted by the three strategic planning processes of strategic visioning, strategic formulation, and strategic choice taken together. Therefore, the purpose of the study was to evaluate how the organizational performance of DT SACCOs in Machakos Sub-County was affected by the three combined strategic planning processes of strategic visioning, strategic formulation, and strategic choice.

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1.4 Objectives of the Study

1.4.1 General Objective

To establish how strategic planning processes influence the organizational performance of DT SACCOs in Machakos Sub-County, Kenya.

1.4.2 Specific Objectives

i) To investigate the effects of strategic visioning on the organizational performance of DT SACCOs in Machakos Sub-County, Kenya.

ii) To determine how strategic formulation affects the performance of DT SACCOs in Machakos Sub-County, Kenya

iii) To assess how strategic choice affects the performance of DT SACCOs in Machakos Sub-County, Kenya.

1.5 Research Questions

The study will seek to answer the following general questions.

i. How does strategic visioning affect the organizational performance of DT SACCOs in Machakos Sub-County, Kenya?
ii. To what extent does strategic formulation affect the performance of DT SACCOs in Machakos Sub-County, Kenya?
iii. What is the effect of strategic choice on the organizational performance of DT SACCOs in Machakos Sub-County, Kenya?

1.6 Justification for the Study

The purpose of this study was to fill a gap in the literature regarding how strategic planning processes affect DT SACCOs' organizational performance. Only those SACCOs with synchronized strategic planning processes will be profitable and sustainable, and they are constantly under pressure to adjust to the evolving business environment. SACCOs may find the study's findings helpful in figuring out how to connect and integrate strategic planning processes within their companies in order to enhance their financial and non-financial organizational performance.

According to the Kenya Vision 2030, SACCOs are crucial to Kenya's economic growth. They serve as an integral part of microfinance by providing savings and credit facilities to the middle-income, low-income, and poor households. Therefore, this study will offer significant insights into how strategic planning processes impact SACCO organizational performance in order to inform current and prospective members, SACCO decision-making bodies, the government, and the public at large.

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1.7 Significance of the Study

Policy makers. The study will assist SACCO management in understanding and appreciating the critical aspects of strategic planning processes and their impact on the overall firm's performance. In addition, it will help them seek ways to support and facilitate strategic planning processes and eradicate bottlenecks for its effectiveness and efficiency, leading to improved organizational performance.

Institutions. The study will assist the SACCOs to develop better strategic planning processes, which will enhance their financial and non-financial performance.

Stakeholders. Stakeholders will gain knowledge from the study on how strategic planning procedures impact DT SACCO's performance, including its growth and profitability potential. This information will help the stakeholders make informed decisions on investing in DT SACCOs.

Researchers. The study will pinpoint the areas where strategy planning processes and organizational performance in SACCOs are lacking and where additional research can be conducted. Additionally, it will contribute to the existing corpus of knowledge on management in SACCOs at the local and international levels. Furthermore, it will encourage scholars to conduct similar studies in other fields and institutions.

1.8 Scope of the study

The research study focused on the impact of the strategic planning process on the organizational performance of DT SACCOs in the Machakos Sub-County of Kenya. This is because, Machakos Sub-County provided a concentrated, relevant, and well-documented environment for investigating the intricate relationship between strategic planning processes and the organizational performance of DT SACCO. Also, due to its close proximity to the capital city, it is an upcoming business hub which provided a good study area for the research. It examined the effects that the strategic visioning, strategic formulation, and strategic choice had on the organizational performance of DT SACCOs in Machakos Sub-County, Kenya. The study employed a descriptive survey research design to gather respondents' opinions regarding how the strategic planning processes affected the DT SACCOs' organizational performance.

A special group of 62 respondents was selected through stratified random sampling, with at least 3 respondents selected from each department of the targeted population within the four DT SACCOs of the Machakos Sub-County. The sample selected was appropriate for this study because they are involved in defining the organization's vision and mission, formulating strategies, making strategic choices, and implementing the SACCO policies. Also, they have a better understanding of the intricate strategic planning processes and their strategic vision, strategies and choices have a direct impact on organizational performance of the DT SACCO.

1.9 Limitations of the Study

The research concentrated on three strategic planning processes, namely strategic visioning, strategic formulation, and strategic choice, which did not cover other processes of strategic planning that influence the performance of the organization. The researchers conducted an in-

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depth study to ensure the factors remained relevant and that they could elaborate on the topic in the future.

Strategic planning processes development included all the stakeholders of DT SACCO within Machakos Sub-County in Kenya. But as it was practically impossible to sample the whole population, only a sample of the population, the management personnel, was sampled in the study. The respondents are likely to overestimate the quality of their strategic planning processes. The study mitigated this through triangulation with documentary evidence.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents an overview of prior research and current theories that were crucial in directing this investigation. It examines the strategic planning process and the organizational performance of various organizations. The literature on the variables, the conceptual and operational framework, and an overview of the research gaps identified in this study are also included.

2.2 Theoretical Framework

This section outlines and discusses in detail the theories on which the study was anchored, with the aim of developing an appropriate operational framework for variable measurement. The study was anchored on resource-based view theory as the lead theory, dynamic capabilities theory, contingency theory, and balanced scorecard model.

2.2.1 Resource-Based View Theory

The idea was based on Penrose's (1959) research, which revealed that unused management resources were the primary driver of growth. Penrose acknowledged that a company's internal managerial resources can both propel and constrain its growth. In the 1970s and early 1980s, the literature corpus grew following substantial diversification and company expansion (Rubin, 1973; Teece, 1980, 1982). Penrose (2009) conceived of the firm as a coordinated bundle of resources to explain how firms accomplish their goals and exhibit strategic behaviour. The Resource-Based Theory (RBT), which builds on this viewpoint, offers a framework for figuring out and forecasting the key factors that affect an organization's success.

The resource-based view of the firm has received significant support in the business literature since it was initially proposed by Wernfelt (1984) and subsequently developed and refined by Barney (1991) and other scholars. The central tenet of resource-based theory is that the firm determines its competitive advantage (Wernerfelt, 1984; Conner, 1991; Peteraf, 1993). Value, scarcity, imperfect imitability, and lack of substitutability are the four characteristics that Barney (1991) identified as potentially contributing to a firm's competitive advantage. With the help of valuable resources, a business can create and/or execute plans to boost productivity

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and effectiveness (Capron & Hulland, 1999), seize opportunities, and avoid environmental risks (Barney, 1991).

It is challenging to reproduce a company's strategic assets, including managerial prowess, client relationships, brand reputation, and tacit knowledge. These can be blended and mobilized in a particular way to help the company grow and diversify and to provide it a competitive edge, which will improve the organization's overall performance. When DT SACCOs identify their strategic resources, they will be able to develop their strategic vision and formulate their strategy, and make appropriate strategic choices. This, will enable them to mitigate the threats from both their internal and external business environment, exploit opportunities, maximise their strengths while guarding against their weaknesses, so that they can gain a competitive edge that will lead to improved organisational performance.

The resource-based perspective theory of the company is predicated on two fundamental tenets: that a business's resources are static and that resource heterogeneity implies that firm resources are fundamentally distinct (Fiet, 2025). Bhasin (2022) asserts that the assumption of resource heterogeneity typically holds in a market with perfect competition, which is not the case in the real world, where businesses differ from one another. (Bhasin, 2022) notes that it is challenging for businesses to replicate their rivals' distinctive tactics, assuming that a firm's resources are immobile.

Peteraf (1993) has challenged the theory, claiming that even though he acknowledged the importance of a firm's resources in shaping its competitiveness, resource-based views tend to overlook the role of the external market forces in the performance of the organization. Wernerfelt in 1994 argued that some resources in an organization may not have value at all, and therefore, not all resources in an organization are important when it comes to the competitiveness of the organization.

The theory was significant to the study since it paid attention to the firm's resources and how organizations leveraged them to make strategic choices like adopting new technology, choosing marketing strategies, collaborating with agencies, and empowering their employees to develop a competitive edge that led to higher revenue turnover, increased customer satisfaction, and the widening of the customer base. It also highlighted how a firm can build on its existing resources through environmental scanning to help it in goal setting and defining its mission and vision, which made the organization develop a sustained competitive advantage, leading to superior performance. Therefore, this theory was appropriate for this study since

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SACCOs are organizations that have enormous resources, which include financial, human, physical, intellectual, and informational resources, which they have utilized and developed, in strategic visioning, strategic formulation, and making strategic choices for superior performance.

2.2.2 Dynamic Capabilities Theory

In response to the resource-based view theory's failure to account for the development and redevelopment of resources and abilities in rapidly changing environments, David Teece (1997) developed the theory (Arndt & Pierce, 2018). In addition to including uncommon, valuable, non-replaceable, and non-imitable resource traits, the strategy integrates and reconfigures the current resources and capabilities for the evolving contexts (Teece, 2018). According to the path-dependent processes outlined by dynamic capabilities theory, companies can adapt to rapidly changing environments by expanding, integrating, and reorganizing their resource and capabilities portfolio (Teece et al., 1997). A company can proactively restructure its plans, capabilities, and resources to obtain a competitive edge in rapidly changing environments, according to the dynamic capability hypothesis. The idea also emphasizes how easily and quickly an organization can realign its resources to accommodate the opportunities and demands of the business environment.

According to the notion of dynamic capabilities, a company with strong dynamic capabilities can achieve high and unusual returns because markets do not fully value its assets (Teece, 2018). Three components of dynamic capabilities are distinguished by Teece (2007): reconfiguration, sensing, and seizing. The practice of adapting external and internal resources to the changing environment or consistently updating and changing internal procedures to stay relevant in a changing environment is known as reconfiguration. Sensing is the process of identifying and evaluating opportunities, and seizing is the mobilization of resources to take advantage of the opportunities.

Intense criticisms have been levelled against the theory, such as the term itself and the difficulty in assessing the theory's findings (Zahra et al., 2006), the difficulty in understanding dynamic capabilities, and the absence of clear models to measure these capabilities and how they impact organizations' performance (Zott, 2003), the fact that the theory is repetitive (Zollo & Winter, 2002), it fails to provide a thorough explanation of dynamic capabilities and how they operate (Schreyögg & Kliesch-Eberl, 2007) and the ambiguity surrounding its core concepts (Ambrosini & Bowman, 2009).

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The fundamental premise of dynamic capabilities theory, according to Tate et al (2022), is the interplay between a company's resource base and its capacity to expand and alter current resources or develop new ones to preserve or gain a competitive edge.

Therefore, the theory was important to this study as it focuses on a firm's dynamic capabilities and how firms can integrate, build, and reconfigure them to develop new value-creating strategies that shape the market during the strategic planning process to achieve superior performance. To add on, it formed the anchoring of the independent variables since capabilities distinguish an organization from others and therefore include the procedures and processes in strategic planning that enhance the organization's core competencies, resulting in better performance.

2.2.3 Contingency Theory

The proponents of the contingency theory were Lawrence and Lorsch (1967). Contingency theory states that an organization's structures and strategies should be modified to adapt to the internal and external environment (context) in order for it to survive or perform better (Jamalnia et al., 2023). Fred Fielder was the main proponent and developer of the theory during the 1960s. There is no one ideal organizational structure or management style, according to contingency theory, and contextual circumstances influence both (Lawrence & Lorsch, 1967). Consequently, the theory is predicated on the idea that there is no one optimal approach to dealing with the board (Otley, 2016), but that the hierarchical components of organizing, classifying, motivating, and regulating must be tailored to the unique circumstances that an association encounters.

The contingency theory, which focuses on how organizations accomplish their objectives by evaluating their performance, was initially embraced by Hannan & Freeman (1984). The idea of ecology is linked to an organization's efficacy in the business environment in which it functions (Hannan & Freeman, 1984). According to the theory, an organization performs better in a demanding environment than one without any problems. Hannan and Freeman (1984) broke the idea down into limitations, adaptability, inertia, and selection.

In business, constraints can be categorized as either internal or external factors, which are often referred to as the business environment or ecology. Internal constraints are factors within the business itself that limit its operations, while external constraints are forces outside of the company that can affect its activities. An efficient organization can nonetheless operate by adjusting to its environment, even in the face of these limitations that prevent it from doing so

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(Hannan & Freedman, 1984). Inertia is a barrier to adaptation, according to Hannan and Freeman (1984), and it can only be removed by a selection process that entails fostering organizational traits that enable the organization to readily adjust to conditions and changes.

The notion is based on the understanding that an organization's internal qualities need to be most appropriate for the environment in which it functions. According to the principle, businesses should constantly adapt their plans and strategies to meet their needs and goals. Businesses that employ a variety of tactics are better equipped to handle changing conditions.

The first explicit premise, according to Galbraith (1974), is that there is no one ideal method of organization; the second is that no method of organization is equally effective in every situation. The contingency theory has drawn criticism for its rigidity, reactive character, and uncertainty in its theoretical and methodological foundations. Furthermore, the approach emphasizes what managers may do in specific circumstances (Abba et al., 2018).

The theory was relevant to the research because organizations are open systems that must balance, establish strategic goals, meet internal demands, and simultaneously adapt to the external environment. Achieving strong fit and alignment is its main goal, and this can be accomplished through efficient strategic planning procedures for strategic visioning, strategic formulation, and strategic decision-making.

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2.2.4 Balanced Scorecard model

The Balanced Scorecard (BSC) is a strategic management tool that integrates financial and non-financial data to give a thorough picture of an organization's performance. The idea was introduced by Norton and Kaplan (1992) as a performance-evaluation paradigm.

The Balanced Scorecard, according to Salem et al. (2012), focuses on four important areas of performance measurement: internal processes, learning and growth initiatives, customers, and finances. The following are some ways that BSC affects an organization's performance, citing Sibarani (2023): it makes it easier to reach organizational goals and visions, improves organizational performance, puts strategies into action, measures performance, manages risks, and makes decisions.

The causal links between the BSC measurement areas are unidirectional and overly simplified, as noted by Salem et al. (2012). According to (Salem et al., 2012) Other limitations of BSC are that BSC disregards the time factor, lacks clear integration of top-level and operational level measures, and lacks validation.

The balanced scorecard provided a grounding for this study, as it is a strategic management framework that translates SACCO's strategic visioning, strategy formulation, and strategic choice into measurable performance metrics in financial, customer, internal processes, learning, and development areas, offering a comprehensive perspective on performance. During strategic visioning it enabled SACCOs identify key performance areas that align with the desired future of the organization, by ensuring the goals, vision and mission are measurable and actionable. Also, in strategy formulation it facilitated the selection of strategic initiatives by evaluating which options were most likely to achieve desired outcomes across the different perspectives and when making strategic choices, the balance score card provided a framework to compare different options based on their potential impact on key performance metrics across all dimensions.

Therefore, the BSC's four perspectives of performance measurement were important in this study because they enabled DT SACCOs in Machakos Sub-County to measure and evaluate their performance across different dimensions using different performance indicators. This enabled them to determine whether they were moving toward their strategic vision and goals, and to assess progress against their vision, mission, and set goals by looking at indicators such as increased customer satisfaction, higher returns, higher dividend payments, and increased market share. In addition, it enabled them to establish whether the strategies formulated were effective, in providing a good roadmap and enhancing the SACCOs' performance through marketing strategies and stakeholder involvement that led to market penetration, higher market share, operational efficiency, customer loyalty, and increased revenue generation. Lastly, it helped them find out whether the strategic choices made, such as technology adoption, collaborations with agencies and increased resource allocation, enhanced customer loyalty, generated high return on investment, created employee satisfaction, promoted innovation and creativity, all of which resulted in the organisation developing a competitive edge, which led to superior performance.

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2.3 Empirical Literature Review

Strategic visioning, strategic formulation, and strategic choice are the independent variables under review in this section, which will offer an overview of previous research findings to identify knowledge gaps in the field and inform the current analysis on strategy planning processes and organizational performance.

2.3.1 Strategic Visioning and Organizational Performance

Strategic visioning is a process where organizations define their long-term goals and direction, and communicate that vision to stakeholders. It involves some steps, which begin with assessing the current situation, which involves determining where the organization is and what resources are available Kimani, (2022). Then, there is the definition of the vision, which involves creating a declaration outlining the organization's objectives and aspirations for the future. This is then followed by setting goals and objectives, which involve defining the target that will enable the organization to achieve its vision. This is followed by the identification of gaps, which involves identifying any areas that need improvement. Moreover, allocation of resources will be done, which involves determining how to use the resources to achieve the organizational goals. The last step is vision communication, which entails sharing the vision with interested parties and outlining the organization's goals for reaching the intended future state. Strategic visioning and planning can help an organization's performance by clarifying its strategy, aligning its team, and creating a roadmap to success. A clear strategic vision can help an organization perform better and improve its long-term health

Truong et al., (2025) studied how competitive advantage, strategic vision development, and organizational culture affect the success of small and medium-sized businesses in Vietnam. Information from 224 department and business managers was used in the study. The study looked at the correlations between the variables using structural equation modeling (SEM) methodologies, analysis of moment structures (AMOS) software, and the Statistical Package for the Social Sciences (SPSS). The study discovered that organizational culture, strategic vision creation, and competitive advantage all positively impacted small and medium-sized business performance. There was a likelihood that the outcomes would change because the independent factors in this investigation are different. The study's independent variables will be strategic formulation, strategic selection, and strategic visioning. Additionally, because the study focused on SMEs, the findings regarding DT SACCOs in Machakos Sub-County were not broadly applicable.

Gahonzire and Mulyungi (2020) conducted a study on the Rwanda Development Board's Strategic Vision and Mission Practices on Service Delivery. The study used a descriptive method and the Slovin formula to obtain a sample of 89. According to the report, improved service delivery may be achieved by embracing employee skill development, mentorship, delegating, and motivation. The prior study focused on how vision and mission practices affect service delivery, but the current study will focus on how strategic visioning, strategy

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formulation, and strategic choice affect the performance of DT SACCOs in Machakos Sub-County. The study didn't show how strategic visioning influences performance at the Rwanda Development Board. Additionally, the study is based on the Rwanda Development Board, which is based in Rwanda; therefore, their findings may not be generalized to DT SACCOs in Machakos Sub-County in Kenya.

Kimani (2022) conducted a study to determine the Influence of Mission and Vision on the Financial Sustainability of NGOs in Kenya. The study findings showed that effective vision and mission directly translated into good performance. The research recognised that vision and mission content, communication, implementation, and contribution were equally important in determining organizational performance. While the prior study showed how vision and purpose affect organizational performance, this study will focus on how strategic visioning, formulation, and decision-making affect performance. The results may not apply to the current study because the research was conducted in NGOs, whose operations differ from those of DT SACCOs.

2.3.2 Strategic Formulation and Organizational Performance

The strategy formulation process helps organizations document their intended direction and the steps to follow to achieve it. Strategic formulation provides a structured roadmap that enables an organization to accomplish its long-term objectives by spotting opportunities, reducing risks, and coordinating resources; in the end, this allows a business to obtain a competitive edge by making well-informed decisions based on its internal capabilities and the external market.

(Ahmad Tajuddin & Musa, 2024) Conducted a study to examine the effects of strategy formulation components of mission, objective, strategy, and policy on the performance of Local Authorities in Malaysia. Data was collected from 150 Local Authorities listed in Malaysia using questionnaires. The findings revealed that while the mission significantly influences performance, the objectives, strategy, and policy do not have the same impact. The performance of DT SACCO Machakos Sub-County will be evaluated in this study in relation to the strategic formulation process. Furthermore, because the study focused on local authorities in Malaysia, its conclusions might not apply to DT SACCOs in Kenya's Machakos subcounty.

(Manyang, 2022) did a study on formulation strategy as a strategic management practice and performance of Non-Profit Organisations in Renk County, South Sudan. The aim of the study

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was to determine how the formulation technique affects performance. Semi-structured questionnaires were used to collect data for the study, which included 79 participants from 24 non-profit organizations. The study concludes that strategy design improves organizational performance. Strategic formulation will be examined as a strategic planning process in the current study, whereas the research examined formulation strategy as a management practice. In addition, the survey was conducted in Sudan, a country with weak economic regulatory policies, whereas this study will be conducted in Kenya, which has strong economic regulatory policies.

In their investigation of how strategy formulation techniques affect the success of organisations, Airtel Limited in Kenya, Mabuka, and Kaluyu (2022) identified the target population by a consensus survey. The study used inferential statistics for data analysis. Airtel's organizational effectiveness in Kenya is significantly impacted by environmental analysis and stakeholder interaction policies, according to the findings. The study examined Airtel Kenya's strategy formulation processes to ascertain the extent to which DT SACCO's performance is impacted by these processes. Furthermore, since this research will focus on DT SACCOs, the results might not apply to other situations, as the earlier study was a case study of Airtel Limited, Kenya.

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2.3.3 Strategic Choice and Organizational Performance

Strategic choices are decisions that organizations make to ensure their resources and actions align with long-term goals. These choices are significant in an organization because they determine its future success and sustainability by enabling proactive opportunity identification, resource optimization, and performance improvements. Strategic choices are influenced by a variety of factors; internal factors like management styles and the role of human resources, external factors like institutional contexts and the role of network, competitive forces like the strategy the organization adopts, management control systems like the strategy chosen, research and endowment funds, internal restructuring, and strategy communication (Ogunbukola, 2023) .

(Zhang & Liang, 2023) Conducted a study on strategic choices for sustainable competitive advantage, marketization degree, and the executive-employee compensation gap. The study, which employed empirical analysis, focused on 3,900 companies listed in China's manufacturing sectors on the Shanghai and Shenzhen A-share markets between 2008 and 2017. The findings demonstrated that the differentiation approach has a positive effect on EECG,

whereas the cost leadership strategy has an inhibiting effect. Both of these effects were shown to be strengthened by the level of marketization. The current study will examine the impact of strategic choices as a strategic planning process on organizational performance, whereas the previous study concentrated on the implications of strategic choices on the executive-employee compensation gap and their influence on organizational performance. Additionally, the study was based on businesses listed in the manufacturing sectors of the A-share markets in Shanghai and Shenzhen, China; therefore, the findings of DT SACCOs in Machakos sub-county might not be broadly applicable.

A study by Junqueira et al. (2016) examined how management control systems and strategic decisions impacted the way large and medium-sized companies in Espírito Santo, Brazil, are organized. 73 participants were polled for this study. After that, structural equation modeling, or SEM, was used to examine the data. The findings demonstrated that management control mechanisms and strategic choices improved performance. The study was carried out in manufacturing firms, while this study will be in financial cooperatives; therefore, the results of DT SACCOs in Machakos sub-county may not be generalized. Also, the study focused on generic strategic choices, whereas the current study will examine strategic choice as a strategic planning process.

Njuguna and Muathe (2020) studied strategic choice and performance empirical evidence from mission hospitals in Kiambu County, Kenya. The study's descriptive research design included surveying 80 operational, middle, and senior managers. There is a gap, as the current study focuses on the strategic planning process and organisational performance, whereas the previous study ignored strategic choice and organisational performance in favour of empirical evidence on strategic choice and performance.

(Muli, 2023) Carried out a descriptive research design on strategic choice and organizational performance of SMEs in Mombasa County, Kenya. To choose participants, the study employed proportionate sampling and a descriptive research methodology. The study found that positioning, innovation, and knowledge-acquisition techniques all improved SME performance in Mombasa County. While the previous research focused on assessing how choice affects the performance of Mombasa County SMEs, specifically assessing how innovation, relationship development, and product positioning influence the performance of Mombasa-based SMEs, the goal of the current study is to determine how organizational performance is impacted by strategic choices made as part of the strategic process.

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Vita and Muathe (2023) studied how the KRA's organizational effectiveness was affected by customer service, strategy communication, taxpayer education, tax base expansion, and technology adoption. The study's goal was to ascertain whether adopting strategic decisions affected performance. The study employed proportionate and random stratified sampling to obtain its sample. According to this report, the Kenya Revenue Authority was greatly impacted by the strategic decisions. The current study and the study variable differ, so there is a high likelihood that the results will differ. Three independent variables are the subject of the current study: strategic visioning, strategy development, and strategic decision-making. Additionally, as the study is on the Kenya Revenue Authority and the current research is focused on DT SACCOs in Machakos Sub-County, the findings might not be generalizable.

2.4 Summary of Literature Review and Research Gaps

Table 2.1 gives an overview of the reviewed literature and the research gaps identified in the study variables. The study intends to close the gaps in DT SACCOs' organizational performance and strategic planning procedures in Machakos Sub-County.

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Table 2.1: Summary of Literature Review and Research Gaps

General Theme	Authors	Study Focus	Research findings	Research Gaps	Focus of the current study
Strategic visioning and organizational performance.	Truong et al., (2025)	Examined impact of competitive advantage, strategic vision development, and organizational culture on the success of small and medium-sized businesses in Vietnam.	The study found that competitive advantage, strategic vision development, and organizational culture all had a favorable impact on the performance of small and medium-sized businesses.	The study focused on mission and vision content (strategic vision development) but did not conceptually link strategic visioning as a full planning process (scanning, goal setting, alignment, communication) to organizational performance The study used interviews as research method The research was conducted in SMEs, and this will be done in DT SACCOs in Machakos sub-county.	The study examines strategic visioning as a structured strategic planning process and its effect on organizational performance DT SACCOs . The study will evaluate how the performance of DT SACCOs in Machakos sub-county is affected by strategic visioning, strategy design, and strategic choice. The study will use descriptive survey research method The present study will be carried out at Machakos Sub-County's DT SACCOs.
	Gahonzire, Y. & Mulyungi, M. P. (2020)	The effect of mission and strategic vision practices on service delivery by the Rwanda Development Board	According to the report, the Rwanda Development Board should embrace employee skill development, mentoring, delegation, and motivation to improve service delivery.	The research didn't show how strategic visioning influences performance in the Rwanda development board. Study used Census method as its sampling technique The study is based on the Rwanda Development Board in Rwanda, whereas the current study is on DT SACCOs in Machakos Sub-County, Kenya.	. The study will evaluate how DT SACCOs in Machakos Sub-County perform in relation to strategic visioning, strategy creation, and strategic decision-making. The study will use stratified random sampling technique DT SACCOs in Kenya's Machakos Sub-County will be the subject of the current study.
	Kimani, J. K. (2022)	Impact of Mission and Vision on Kenyan NGOs' Financial Sustainability	The research recognised that vision and mission content, communication, implementation, and contribution were equally important in determining	The study focused on vision and mission, and only one aspect of performance, financial outcome. The study used desktop literature review research method.	The current study will have a wider focus and evaluate how DT SACCOs in Machakos Sub-County perform in relation to strategic visioning, strategy

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			organizational performance. They've also revealed that effective vision and mission directly translate into good performance.		creation, and strategic decision-making. The study will use descriptive survey research method.
Strategic formulation and organizational performance	Ahmad Tajuddin & Musa, (2024)	Assesssed effects of strategy formulation components of mission, objective, strategy, and policy on the performance of Local Authorities in Malaysia	Strategic formulation elements have an impact on organizational performance; mission significantly influences performance, but the objectives, strategy, and policy do not demonstrate the same impact.	The study treated formulation as isolated management components, not as an integrated strategic planning process, and did not directly model its effect on organizational performance in SACCOs The study used literature review research method. The study was conducted on Local Authorities in Malaysia, whereas the current study will be conducted on DT SACCOs in Machakos sub-county, Kenya.	The study will evaluate strategic formulation as a coordinated planning process and its influence on DT SACCO performance Machakos sub-county, Kenya. The study will use descriptive survey research method. The study will evaluate how DT SACCOs in Machakos sub-county perform in relation to strategic visioning, strategy creation, and strategic choice.
	Manyang (2022)	Impact of strategy development as a strategic management approach on non-profit organizations' performance in South Sudan's Renk County	The study found that strategy formulation and organizational performance in non-profit organizations in South Sudan's Renk County were significantly positively correlated.	While the prior study concentrated on non-profit organizations in Renk County, Sudan, the current study will concentrate on DT SACCOs in Machakos Sub-County, Kenya. The study focused on the management technique of strategy formulation.	The DT SACCOs in Kenya's Machakos Sub-County shall be the subject of the current investigation. As a process of strategic planning, the study will evaluate strategic formulation.
	Mabuka, S. R., & Kaluyu (PhD), Dr. V. (2022)	The impact of strategy development techniques on Airtel Limited's organizational performance in Kenya	The survey's findings indicate that Airtel's organizational success in Kenya is significantly impacted by its environmental analysis and stakeholder interaction procedures.	The last study focused on strategy formulation methods and their effects on organizational performance at Airtel Kenya, whereas the current study will focus on the strategic formulation process and its effects on the performance of DT SACCOs in Machakos Sub-County.	The study will be done in DT SACCOs in Machakos sub-county. The study will focus on the effects of strategy formulation as a strategic planning process. The study will use descriptive survey research design.

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				The study used descriptive correlational research design	
Strategic Choice and organizational performance	(Zhang & Liang, 2023)	Investigated consequences of the connections between marketization level, executive-employee compensation gap (EECG), and strategic decisions of sustainable competitive advantage.	The results of the study showed that whilst the cost leadership approach had an inhibiting influence on EECG, the differentiation strategy had favorable effects. Both of these effects were strengthened by the level of marketization.	The study focused on specific decision outcomes (innovation, compensation gap, controls) rather than strategic choice as a formal strategic planning stage influencing performance of DT SACCOs. While the current study will be carried out on DT SACCOs in Machakos sub-county, Kenya, the research was based on listed businesses in China's Shanghai and Shenzhen A-share manufacturing industries.	The study will examine strategic choice as part of the strategic planning process and its effect on the organizational performance of DT SACCOs The study will be carried out at Machakos sub-county's DT SACCOs.
	Junqueira et al., 2016	The impact of management control systems and strategic decisions on the performance of organizations.	According to the research findings, Performance was positively impacted by management control mechanisms and strategic decisions.	While the last study was conducted in manufacturing firms, the present investigation will be conducted in Kenya's financial cooperative. The results of this study may therefore not apply to the ongoing inquiry.	The current study will be conducted on DT SACCOs in Machakos sub-county, Kenya
	Njuguna & Muathe, 2020)	Strategic Decisions' Effect on Mission Hospitals' Performance in Kiambu County, Kenya .	The results of the study showed that the operation of mission hospitals in Kiambu County, Kenya, was significantly impacted by organizational structure, technology, leadership, and resource acquisition.	While the last study focused on strategic decision and performance empirical data on health institutions in Kiambu County, the current study will focus on the effects of the strategic planning process and performance on DT SACCOs in Machakos sub-county.	The study will be more comprehensive in evaluating how the success of DT SACCOs in Machakos sub-county is impacted by strategic visioning, strategic formulation, and strategic choice.
	Muli (2023)	Effects of strategic choice and organizational performance of SMEs in Mombasa County,	The results of the study showed that the performance of SMEs in Mombasa County was positively impacted by innovation strategy, positioning strategy, and knowledge acquisition strategy.	While the current study focuses on the effects of the strategic planning process and performance on DT SACCOs in Machakos Sub-County, the previous study examined the	The focus of the current study will be on the financial sector of DT SACCOs in Machakos Sub-County. The study will use stratified random sampling.

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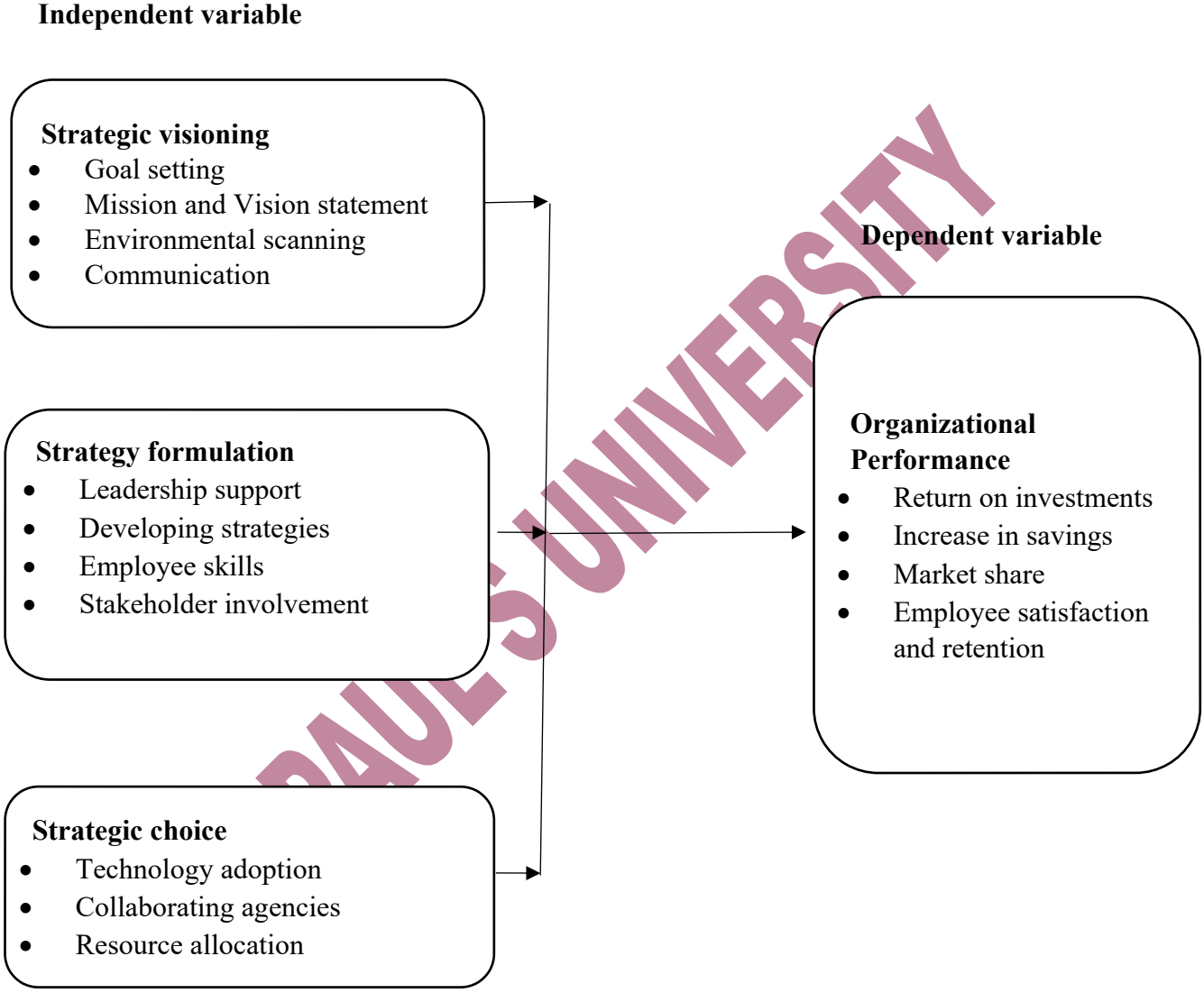
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	Vita & Muathe, (2023)	Kenya. The effects of technology adoption, tax base expansion, taxpayers' education, customer service, and strategic communication on the Kenya Revenue Authority's performance	The study found that the Kenya Revenue Authority's performance was greatly impacted by strategic decisions about technology adoption, tax base development, taxpayer education, customer service, and strategy communication. .	effects of strategic choice on the performance of SMEs in Mombasa County. The study employed proportionate sampling. While the current study will concentrate on the strategic planning process and performance of DT SACCOs in Machakos Sub-County, the previous study concentrated on the strategic decisions and performance of the Kenya Revenue Authority.	The strategic visioning, strategic formulation, strategic choice, and performance of DT SACCOs in Machakos Sub-County would be the main topics of the current study. .

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2.5 Conceptual Framework

A survey of the literature and the theoretical underpinnings of the study served as the basis for developing the conceptual framework shown in Figure 2.1. The framework describes the predicted link between the variables and how the study's components will be operationalized.



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Figure 2.1: Conceptual Framework

Source: Researcher (2025)

2.6 Operationalization of Variables

Operationalization of variables involved defining abstract concepts in measurable terms. This enabled the researchers to clearly describe and quantify abstract concepts, providing consistency, accuracy, and reliability in data collection and analysis. It also resulted in more acceptable and repeatable research results since subjectivity and bias in variable interpretation became minimal. Data used in the study were gathered with the help of a 5-item Likert scale questionnaire to rank the answers and informal interviews to dig deeper into certain areas of interest. Both descriptive and inferential statistical analysis, data visualization, and machine learning techniques were utilized to summarize, analyze, identify trends, and assess the significance of the findings. The primary features of the data were described using descriptive statistics, and the results were extrapolated to the full population using inferential statistics.

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Table 2.2: Operationalization of Variables

Objective	Variable	Variable empirical studies review	Measuring indicator	Scale	Tool of analysis	Types of analysis
To investigate the effects of strategic visioning on the organizational performance of DT SACCOs in Machakos Sub-County, Kenya.	Strategic Visioning	Truong et al., (2025) Gahonzire & Mulyungi, (2020) Kimani, J. K. (2022)	• Goal setting • Mission and Vision statement • Environmental scanning • Core values • Communication	Ordinal	• Percentages • Mean score • Standard Deviation	• Descriptive statistics • Regression analysis
To determine how strategic formulation affects the performance of DT SACCOs in Machakos Sub-County, Kenya	Strategic Formulation	Ahmad Tajuddin & Musa (2024) Manyang (2022) Mabuka, S. R., & Kaluyu (PhD), Dr. V. (2022)	• Leadership support • Developing strategies • Employee skills • Organizational structure • SWOT analysis • Stakeholder involvement	Ordinal	• Percentages • Mean score • Standard Deviation	• Descriptive statistics • Regression analysis
To assess how strategic choice affects the performance of DT SACCOs in Machakos Sub-County, Kenya.	Strategic Choice	Zhang & Liang (2023) Junqueira et al. (2016) Njuguna & Muathe, (2020) Muli (2023) Vita & Muathe, 2023	• Technology adoption • Collaborating agencies • Employee empowerment • Marketing strategies • Resource allocation	Ordinal	• Percentages • Mean score • Standard Deviation	• Descriptive statistics • Regression analysis

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology. The target population, sample technique, research instrument, validity and reliability testing, data collection technique, data processing and presentation, and ethical considerations are all covered.

3.2 Research Design

Research design is an approach the researcher uses to logically and consistently combine different parts of the research to make the study effective in addressing the research problem. It is a framework that helps in directing the entire process of data collection, calculations, and organization in a structure that makes sense (Mugenda and Mugenda 2003). According to Thoya (2020), a properly organized research design can be used to provide internal consistency in the objectives, methods, and analysis of a study. Deposit-Taking SACCOs in Machakos Sub-County were considered in this research to find out how the performance of organizations is related to the strategic planning processes using a descriptive survey research method. According to Ledford and Gast (2018), the descriptive survey design is particularly appropriate when the objective involves collecting both quantitative and qualitative data to outline the current state of affairs, identify trends, and examine correlations among variables. Such a mixed-method approach was needed because strategic planning processes, including strategic visioning, formulation, and strategic choices, are multidimensional phenomena that cannot be adequately described using numerical data. Therefore, quantitative and qualitative methodologies contributed to the validity of the findings and enrichment of the findings.

In the qualitative part, an open-ended question was used to gather participants' views, experiences, and opinions in greater detail on strategic planning practices. Then, a thematic analysis was conducted to identify recurring themes that gave the data contextual depth and meaning (Braun & Clarke, 2019). The quantitative component involved a designed questionnaire that was used to measure characteristics, trends, and correlations between the key variables that were subsequently analyzed statistically to ascertain their role in organizational performance. Combining the two procedures facilitated the triangulation whereby the results of one method were confirmed or further enhanced by the other, hence adding more strength and validity to the outcomes (Creswell & Plano Clark, 2018). The use of

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descriptive survey design was thus appropriate because it facilitated thorough and systematic analysis of the existing practices and perceptions, besides providing both statistical generalization and the in-depth insights of how strategic planning processes condition the performance of Deposit-Taking SACCOs in the Machakos Sub-County.

3.3 Target Population

The target population refers to a group of individuals with one or more characteristics of interest to the researcher (Bailley, 2011). The population size used in this study was 73 people, which included chief executives, human resource managers, operations managers, finance staff, line managers, and supervisors in charge of recruitment, SACCO product, and service delivery of Mwalimu National Deposit-Taking SACCO, Kwetu Deposit-Taking SACCO, Universal Traders Deposit-Taking SACCO, and Univision Deposit-Taking SACCO in Machakos Sub-County. They formed a unit of observation because they are the source of primary data that is used to be analysed. But the unit of analysis was in the form of the DT-SACCOs themselves because the study aimed to determine how the strategic planning processes influence the performance of organizations. To avoid ecological fallacy, where the conclusions regarding organization are misguided based on the information on the individual level, to provide methodological correctness, the individual responses were summarized to the organizational level, e.g., by making composite scores of strategic visioning and other dimensions of strategic planning of a strategic organization, where the data about the organization are drawn at an individual level. Table 3.1 shows the distribution of the target population.

Table 3.1 Target Population

Management staff	Mwalimu National DT	Univisio n DT	Kwetu DT	Universal Traders DT	Total populatio n	Percentage
Chief Executive Officer	1	1	1	1	4	5.48%
Human Resource Managers	1	1	1	0	3	4.11%
Operations manager	9	1	1	1	12	16.44%
Finance personnel	1	1	5	1	8	10.96%
Line manager	1	1	7	10	19	26.03%
Supervisors	1	1	15	10	27	36.98%

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Total	73	100%

Source: Machakos County Ministry of Cooperatives (2025)

3.4 Sampling Technique and Framework

Sampling is the process of selecting a small group of units that provides sufficient information to make inferences about a larger population (Jankowicz, 2010). According to Etikan, Musa, and Alkassim (2016), a sample is a representative part of the entire population whose results can be generalized to the entire population. Kothari (2004) stresses that when determining the appropriate sample size, it is critical to consider factors that ensure representativeness, efficiency, and reliability. Stratified random sampling was used in the current research since it guaranteed that the respondents were sampled proportionally among the various management levels within each SACCO; that is, top, middle, and operational, thus reducing the chances of selection bias and maximizing representativeness. Stratified random sampling was also suitable, as it ensured that each staff member had an equal opportunity to be included in the sample and that different opinions on the strategic planning process were not missed. The sample size of 62 out of a maximum population of 73 was sampled by the study to achieve reliability and validity of the findings because it was calculated by the formula of Kothari (2004) with a confidence level of 95 percent and a margin of error of 0.05.

Kothari formula for computing sample size

$n = N / (1 + Ne^2)$

Where,

n is the required sample size

N is the population size

e is the margin of error (expressed as a decimal 0.05 (5%)

$n = 73 / (1 + 73* 0.05^2)$

$= 62$

Therefore, the sample size was 62.

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Table 3.2: Sample Size

Management staff	Mwalimu National DT	Univisio n DT	Kwetu DT	Universal Traders DT	Total population	Sample size
Chief Executive Officer	1	1	1	1	4	3
Human Resource Managers	1	1	1	0	3	3
Operations manager	9	1	1	1	12	10
Finance personnel	1	1	5	1	8	7
Line manager	1	1	7	10	19	16
Supervisors	1	1	15	10	27	23
Total					73	62

Source: Author (2025)

3.5 Research Instrument

Questionnaires were the research tool utilized in this study to collect both quantitative and qualitative data from primary and secondary sources. The questionnaire used a structured set of questions or prompts to collect data from participants. Both closed-ended and open-ended questions were used to diversify the data gathered. A research tool is centered on specific goals to provide data to address research questions or to test concepts for acceptance or rejection, as claimed by Kothari (2004).

The survey employed a traditional five-point Likert scale to assess respondents' agreement or disagreement with a statement. The scale offered a variety of options, starting with "strongly disagree", "disagree", "neutral", "agree", and "strongly agree". This allowed for capturing nuanced opinions and converting subjective responses into quantifiable data. According to Mugenda & Mugenda (2003), the Likert scale is perfect for gauging attitudes and beliefs and measures the degree to which a respondent agrees or disagrees with a certain opinion or question.

The study was triangulated to enhance the validity and reliability of the results; this involved analysis of the same phenomenon using different sources of data, methods, and perspectives. The method made it easier to identify differences, cross-check data, and gain deeper insight

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into the research subject. Meydan and Akkas (2024) argue that this approach would allow researchers to verify and authenticate their results by using a variety of perspectives and data, thereby making research conclusions more valid. In this research, quantitative survey data were used alongside informal interviews with selected respondents, which served as a triangulation tool. The informal interviews were recorded methodically in terms of field notes and summarized transcripts, which were coded and analyzed thematically in an effort to supplement and strengthen the quantitative findings. This systematic methodology ensured that the qualitative knowledge was observed to go hand in hand with the quantitative results and thus enhanced the validity and reliability of the entire study

3.6 Pilot Study and Reliability of Research Instrument

A pilot study is a simulated investigation that precedes the primary study (In, 2017). A pilot study is defined as a rehearsal and duplicate of the primary survey (Kothari, 2004). At least six respondents were selected to represent each level of management for each SACCO in the pilot project, which was conducted among the DT SACCOs in Makueni Sub-County. This ensured good representativeness of the sample (Kothari, 2004). The results' dependability and generalizability to the entire population were guaranteed. The findings helped identify and address potential problems with the research designs and the reliability of the research methods, and provided data that helped refine research questions and objectives before the main study was conducted. This ensured that the instruments were refined, improving their reliability and validity and ensuring their data quality before the actual study. A well-conducted pilot study will help researchers design a clear roadmap for their research, enhancing its feasibility and reliability. (Hazzi & Maldaon, 2015).

Instrument dependability is the extent to which an instrument produces reproducible and consistent results when used repeatedly with the same subject in the same circumstances. This implies that the constructs being measured should be reflected in the instrument's consistency. According to Taylor et al. (2016), it is the extent to which it reliably assesses the variables for which it was intended. After data collection, the questionnaire's internal consistency was established and validated using a benchmark Cronbach's alpha of 0.7 (70%). According to Mugenda & Mugenda (2003), the reliability of the entire instrument and the research variables can be confirmed with a Cronbach's Alpha of 0.7 or higher.

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3.7 Validity Test

Validity can be described as the degree to which inferences are accurate and significant based on the research results. (Golafshani, 2015). Validity tests were conducted to ensure that measurement tools accurately reflected their intended purposes, were meaningful, and were reliable. To evaluate discriminant validity, the study employed Pearson's correlation, which measures the magnitude and direction of the linear relationship between constructs. A weak correlation indicates they are distinct and unrelated, while a strong correlation suggests they are more closely related than originally assumed, requiring a re-evaluation of the study's theoretical framework.

Content validity assessment sought expert opinions to assess if the items are essential or not in measuring the constructs, calculating the content validity ratio (CVR) to assess the agreement among experts on the necessity of each item, and calculating the content validity index (CVI) to assess the overall relevance and representativeness of the assessment. Construct validity was established multiple methods, including factor analysis, correlation analysis, hypothesis testing, and examination of convergent and discriminant validity. This ensured the measurement tool accurately reflected the theoretical constructs it measured, thereby preventing inaccurate or biased conclusions.

3.8 Data Collection Procedure

The study used a self-administered methodology in which participants filled out the research instrument on their own, with the researcher and research assistants assisting as drop-off and pick-up points. The respondents were guided by instructions to mark their responses in the appropriate box representing their answer and provide a narrative for open-ended questions.

Informal interviews were conducted in a natural conversational approach with unstructured interaction to gather rich qualitative data. According to (Swain & King, 2022) They often produce naturalistic data, which may be missed in a formal interview. The respondents' consent was sought before the interview was conducted. Note-taking and audio recording were used to record the data during the research. To find patterns, themes, and sub-themes in the collected data, methods such as thematic analysis, coding, content analysis, and discourse analysis were employed.

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3.9 Data Processing and Analysis

Data processing is the conversion of raw data into a useful form. When processed data are interpreted to identify trends, relationships, and insights important to the study's objectives, this is known as data analysis. According to Vaughan, Cook, and Foster (2021), meaningful knowledge is only obtained after the data has been subjected to systematic processing, analysis, and interpretation. Both descriptive and inferential statistics were applied to analyze the data in the study.

3.9.1 Data Preparation

The instruments were reviewed after data collection to ensure they were complete and accurate in terms of the responses. The duly completed questionnaires were inputted into Statistical Package of the Social Sciences (SPSS) Version 25 to analyze them. It was done in data entry, data coding, editing, and cleaning to guarantee consistency and accuracy.

3.9.2 Diagnostic Testing

Diagnostic tests were conducted to ensure that the statistical conditions of linear regression were satisfied before conducting the regression analysis. Those were the tests of normality, linearity, heteroscedasticity, and multicollinearity.

a) Normality Test

A test of normality is used to determine whether a dataset is well modelled by a normal distribution (Khatun, 2021). The reason for using the Shapiro-Wilk test was its good power to detect non-normality (Mishra, Pandey, Singh, Gupta, and Sahu, 2019). A p-value more than 0.05 corresponded to a normal distribution of the data, whereas a p-value less than 0.05 was an indicator of non-normality. The data distribution was also visually evaluated by the use of the graphical techniques, including histograms, Q-Q plots, and box plots. Normality was established through a bell-shaped histogram, linear Q-Q plot, and symmetrical boxplot.

b) Linearity Test

The concept of linearity implies a straight line relationship between the independent and dependent variables (Hair et al., 2022). This was evaluated by means of scatter plots of the values that are expected against the residual values. Any p-value that was more than 0.05 ($p > 0.05$) was taken to be linear because there was no significant deviation from linearity. In the case of non-linearity, the researcher used variable transformation to get linear relationships.

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c) Heteroscedasticity Test

Heteroscedasticity is the lack of constant residual variance across levels of the independent variables. A scatter plot of standardised residues and standardised predicted values was used to evaluate it. Breusch-Pagan and White tests were also performed to identify the variance irregularities. In the instances where heteroscedasticity was observed, corrective action was taken to stabilize the variance through the application of heteroscedasticity-robust standard error or variable transformation (e.g., logarithmic transformation).

d) Multicollinearity Test

Multicollinearity is the large-scale intercorrelation among independent variables (Vatcheva & Lee, 2016). The testing was conducted using the Variance Inflation Factor (VIF) and tolerance values generated in SPSS. Tolerances greater than 0.1 and VIFs less than 10 were taken as indicating no multicollinearity (Garson, 2012). In cases where multicollinearity was identified, the concerned variables were further checked, and one of the highly correlated variables was dropped to ensure model stability.

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3.10 Data Analysis Methods

3.10.1 Descriptive Analysis

The essential peculiarities of the data collected were summarized and described with the help of descriptive statistics. SPSS was used to calculate means, percentages, and standard deviations to show overall patterns in the answers. The distributions and relationships among variables were depicted using graphical tools (histograms, box plots, and bar charts).

3.10.2 Inferential Analysis

The study variables and test hypotheses were determined through inferential analysis, which revealed a relationship between the study variables and the hypothesis tests. The key inferential statistics in the study were correlation, Analysis of Variance (ANOVA), and linear regression.

a) Correlation Analysis

The correlation analysis was used to find out the strength and direction of the relationship between the independent variables (strategic visioning, strategic formulation, and strategic choice) and the dependent variable (organizational performance). The Pearson correlation coefficient (r) was used, with values ranging from -1 to 1. Positive value indicated a direct

relationship, negative value indicated an inverse relationship, and a value near zero indicated a weak relationship or no relationship at all (Janse, 2021; Senthilnathan, 2019).

b) Analysis of Variance (ANOVA)

ANOVA was used to reject or accept the hypothesis that there is a significant difference in the mean of the independent variables against the dependent variable. This test was employed because it assumes normally distributed data, homogeneity of variances, and independence of observations (Sawyer, 2009). A p-value of less than 0.05 indicated statistically significant differences in the means between the variables.

c) Linear Regression Analysis

A linear regression analysis was used to investigate how strategic visioning, strategic formulation, and strategic choice influence the performance of the organization of DT SACCOs. It was expressed through the coefficient of determination (R2), which demonstrated the rate of variation in the performance of the organization that the independent variables were capable of explaining (Gupta, Singh, and Kumar, 2024). The adjusted R2 was used assess the number of predictors in the model and provides a more precise measure of model fit (Karch, 2020). The large value of R2 and high regression coefficients implied that the strategic planning variables could explain the performance of organizations very well.

Model 1

$Y1 = \beta0 + \beta1X1 + \varepsilon$

Model 2

$Y2 = \beta0 + \beta2X2 + \varepsilon$

Model 3

$Y3 = \beta0 + \beta3X3 + \varepsilon$

Model 4

$Y=\beta0+\beta1X1+ \beta2X2 + \beta3X3 + \varepsilon$

Where:

Y = Dependent variable (performance)

Y1,Y2, Y3 = Dependent variables (performance)

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X =Independent variables

X1 = strategic visioning

X2 = strategic formulation

X3 = strategic choice

β0 = Constant

β1, β2, β3 = Coefficients of independent variables

ε = Error term

3.11 Ethical Considerations

In doing the study, the researcher considered ethics, whereby informed consent, respondent privacy, and the observation of protocols were addressed and complied with the stipulations of the codes of ethics of research outlined in St. Paul's University, Kenya, and the Data Protection Act, 2019, as contained in the Constitution of Kenya. The respondents were made aware of their rights, including the right to participate or not, the right to drop out at any time, and the right to exclude certain items from the questionnaire. In addition, they were briefed on the possible benefits of the study in improving their state and assured that it would not harm them. Everyone was treated equally, and the advantages of the research were shared equally.

The research also assured the respondents of confidentiality, anonymity, and non-traceability. This included identifying and altering or eliminating them, and re-evaluating the data to determine whether it contained residual risk that could link it to individuals. Encryption and password protection were used to secure the received data, and only authorized personnel could gain access. The redundant data was safely discarded and retrieved by creating backups whenever the data might have been lost or damaged. Moreover, antivirus and other software were kept up to date, files were transferred securely, and storage devices were physically secured.

Throughout the study, respondents received information and provided their informed consent. Each participant received a permission paper detailing the objectives, procedures, risks, and benefits of the study, after which the researcher gave them an explanation. The participants also had the opportunity to raise questions and seek clarifications, which the researcher answered. After receiving full understanding and free voluntary consent to take part, written consent was obtained, and each participant signed and dated the consent form.

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Before fieldwork, an introductory letter and research permit were requested from St. Paul's University, the NACOSTI, and the Kenya Revenue Authority. The findings were used exclusively for scholarly purposes, and the study was conducted in compliance with research standards. To be innovative, appropriate references were used, and plagiarism-checking software was used to verify the work.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION, AND DISCUSSION

4.1 Introduction

The study provides a comprehensive analysis, synthesis, and interpretation of the data gathered in this chapter, taking into account the pilot study's outcomes, the response rate, and the respondents' demographic background. To completely comprehend the research study's findings about the impact of the strategic planning process on organizational performance at Deposit Taking Saccos in Machakos Sub-County, both descriptive statistics, diagnostic tests, and inferential analysis are employed.

4.2 Pilot Test Results

A pilot study is a mock study conducted before the main study to test the data instrument. The pilot study was conducted in DT SACCOs of Makueni Sub-County, where 6 respondents were selected to represent each level of management from the sample SACCOs. This pilot was crucial for assessing the reliability, consistency, and clarity of the study instruments before the primary data collection. Saunders, Lewis, and Thornhill (2019) claim that a pilot study can be conducted to make sure the questionnaire is free of design flaws and that it is a good idea to streamline the tools to make them as accurate and consistent as possible. In order to increase the credibility and dependability of the final findings, this pilot was designed to ensure that the research tools were appropriate and relevant to the DT SACCOs of Machakos Sub-County target demographic (Creswell & Creswell, 2018).

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4.2.1 Reliability Test Results

The researcher used SPSS Cronbach's to determine the study instrument's reliability concerning the independent and dependent characteristics. As postulated in Table 4.1.

Table 4.1 Reliability Test Results

Items	No. of Items	Cronbach's Alpha	Comment
Strategic Visioning	11	.694	Accepted
Strategic Formulation	13	.830	Accepted
Strategic Choice	10	.866	Accepted
Organizational Performance	15	.854	Accepted

Source: Research Data (2025)

The results of the reliability study, as shown in Table 4.1, indicate that Strategic Choice (α=.866) exhibited excellent internal consistency, followed by Organisational Performance (α=.854) and Strategic Formulation (α=.830), both of which had strong and acceptable internal consistency. The Strategic Visioning (α =.694) was slightly less than the traditional 0.70 mark, yet was still acceptable as exploratory research, as attested by Hair et al. (2019), Taber (2018), and DeVellis and Thorpe (2021), who claim that these values are tolerable when accompanied by adequate content validity and item diagnostics. On the whole, the three constructs satisfied the $\alpha \geq 0.70$ cronbach alpha standard, and the fourth was close to acceptable ranges.

The outcomes of the pilot study were used to refine the questionnaire, making it more precise and understandable. The respondent feedback indicated that some items in Strategic Visioning needed to be reworded to make them less ambiguous and easier to understand. On the same note, certain scale descriptors in Strategic Formulation were tweaked to ensure consistent interpretation among participants. These improvements enhanced the overall reliability and ensured that each construct effectively measured the desired dimensions of the strategic planning process and organisational performance. These amendments gave the final instrument reliability to be used in the main study, and it was likely to give consistent and valid results when data collection is done extensively.

4.2.2 Validity Test Results

The researcher employed a variety of strategies to ensure the validity of the study, that the instruments assessed what they were intended to test, and that the results were reliable. To lessen the possibility of measuring overlap, the discriminant validity was assessed using both Pearson correlation and the independence of the constructs (Babbie, 2020). The other content

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validity indicator was grounded in consultation with scholars who identified the relevance of each item and inter-scholar agreement of Content Validity Ratio (CVR) and Content Validity Index (CVI) generated data of representativeness and relevance (Kumar, 2019). Statistical tests (factor analysis, correlation analysis, hypothesis testing, etc.) were used to enhance construct validity so that the tools could present theoretical constructs that the researcher intends to test (Creswell and Creswell, 2018). The research has succeeded in overcoming the possible bias to an extent such that they cannot be misinterpreted, and therefore have reached valid and reliable research findings. The researcher used the least possible in the research to carry out the expert judgment and statistical validation (Surkan, 2021).

4.3 Response Rate

The researcher distributed 62 questionnaires to 62 respondents for data collection. The results are indicated in Table 4.2.

Table 4.2 Response Rate

Questionnaires	Frequency	Percentage (%)
Response	53	85.4
Non-response	9	14.6
Total	**62**	**100**

Source: Research Data (2025)

Table 4.2 shows that of the 62 questionnaires, 53 were returned and 9 were not; hence the response rate was 85.4% and the non-response rate was 14.6%. Babbie (2020) states that a 70 percent response rate suffices to conduct a survey study, which means that the response rate in the given study was higher than the acceptable level. The high response rate also reduces the risk of non-response bias and ensures that the data gathered are highly reliable and representative of the target population (Creswell & Creswell, 2018). To reduce potential bias, non-respondents were sent follow-up reminders, and preliminary checks were conducted to ensure that their demographic attributes were not systematically dissimilar to those of the respondents. The results are, therefore, valid and can be generalized to the population of deposit-taking SACCOs in Machakos Sub-County, and meaningful conclusions can be made on how strategic visioning, formulation, and choice affect organizational performance. It is also through strong responses that recommendations based on studies are robust and can be used by practitioners and policymakers (Surkan, 2021; Kumar, 2019).

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4.4 Demographic Analysis

This section aims to understand the respondent's profile, and the study examined their demographic information. These factors included age, gender, employment status, level of management, and service duration.

4.4.1 Gender of Respondents

The study aimed to determine the gender of the respondents. The results are shown in Figure 4.1.

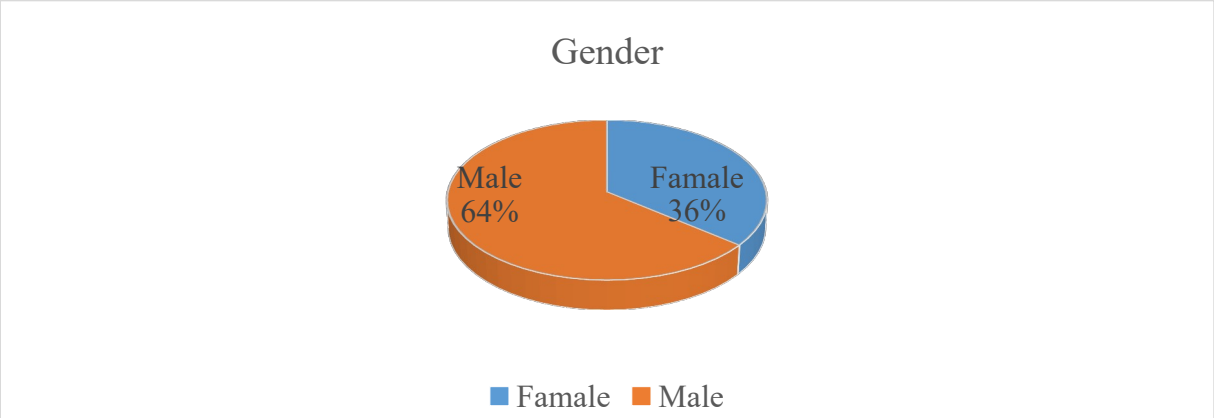


Figure 4.1: Gender Distribution

Source: Research Data (2025)

Figure 4.1 shows that the study findings demonstrate that 19 of the 53 respondents (35.8%) are female and 34 are male (64.2). This distribution shows that male respondents were the largest group in the sample, and women were slightly more than a third of the respondents. Demographic characteristics reports enable the researcher to show the balance and representativeness of the sample (Creswell & Creswell, 2018). Since the gender breakout relies a high response rate of 85.4%, the demographic data is valid and reliable and meets the acceptable standards of the survey (Babbie, 2020).

Although the sample was mainly comprised of men, the gender ratio gives the contextual background on the makeup of the respondents when it comes to research into strategic planning processes and organizational performance of deposit-taking SACCOs in Machakos Sub-County. Nevertheless, they did not carry out a gender-based analysis, and the research does not present any statements about the differences in the perceptions or the results of the respondents of both genders.

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4.4.2 Age Bracket

The study aimed to determine respondents' experiences. The results are shown in Table 4.3.

Table 4.3 Age Distribution

Bracket	No. of Respondents	Percentage (%)
Less than 5 years	26	49.1
6- 10 years	9	17.0
11 – 15 years	11	20.8
16- 19 years	4	7.5
20 years & above	3	5.7
Total	**53**	**100**

Source: Research Data (2025)

The findings, as shown in Table 4.3, show that the majority of respondents (n = 26; 49.1) had fewer than five years of work experience, while others (n = 11; 20.8) and (n = 9; 17.0) had eleven to fifteen years and six to ten years of work experience, respectively. The number of respondents who had served 16-19 years and 20 years and older was smaller (7.5%, n = 4, and 5.7%, n = 3, respectively). The sample comprises early to mid-career professionals, with long-term employees making up a minority. This distribution reveals that nearly half of the participants were relatively new employees with less than five years of experience (Creswell & Creswell, 2018; Babbie, 2020).

Results of the research on the strategic planning process and the performance of the organisations of deposit-taking SACCOs in Machakos Sub-County explain the nature of the respondents, including their years of service in the organisation. Although data indicate a difference in employee tenure, there was no analysis made in relation to the tenure and perceptions on strategic visioning, formulation, choice, or performance of the organisation. Consequently, no conclusions can be drawn regarding the role that length of service plays in influencing employees' understanding and application of strategic planning processes. The results merely provide the contextual data on the workforce structure relevant to the research.

4.4.3 Level of Management

The study determined the respondents' level of management at deposit-taking SACCOs in Machakos Sub-County. The results are shown in Table 4.4.

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Table 4.4 Level Management

Level of Management	No. of Respondents	Percentage (%)
Lower Management	29	54.7
Middle Management	16	30.2
Top Management	8	15.1
Total	**53**	**100**

Source: Research Data (2025)

Table 4.4 shows that among the 53 respondents, most (n = 29; 54.7%) belonged to lower management, (n=16; 30.2%) to middle management, and (n=8; 15.1%) to top management. This demonstrates that the lower management staff constituted more than half of the sample, and senior leaders were the smallest group. As noted by Saunders et al. (2019), reporting demographic data at multiple organisational levels matters in ensuring that the data obtained captures the organizational hierarchy.

Similarly, Sekaran and Bougie (2020) note that a sample size which is more inclusive of respondents at varying levels of organisational hierarchy is more informative about the organizational viewpoints. Although a greater percentage of responses came from lower-level employees, they still had to be included as they are the direct implementers of the strategic plans and day-to-day operations. At the operational level, these perspectives are integrated with middle and senior management, enabling the study to capture the formulation and implementation of the strategy. Such a multi-level representation thus increases the validity of the findings by demonstrating the perception, interpretation, and implementation of strategic practices across various levels of authority in SACCOs. Of the targeted respondents, 9 did not return the questionnaires, representing a small proportion of the total sample. This level of non-response was considered minimal and unlikely to significantly bias the findings, given responses across all levels of management (Babbie, 2020).

This finding is relevant to the study on the strategic planning process and organizational performance of deposit-taking SACCOs in Machakos Sub-County because it suggests that the findings largely rely on insights at the operational level since the lower-management level is most involved with daily operations and customer service. It indicates the strategy's practical implementation problems are well represented. However, the small sample of top management respondents also suggests that the top-level strategic decision-making perspective maybe underrepresented (Kothari, 2018). In an effort to improve strategic planning, SACCOs must

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ensure that the whole range of management information, i.e., operational level, tactical level, and strategic level, is considered in an effort to have realistic, implementable, and strategic plans, without compromising the long-term performance goals (Mugenda and Mugenda, 2013).

4.4.4 Education

This study's objective was to determine the level of education of the targeted respondents at DT SACCO in Machakos Sub-County. Figure 4.2 presents the results as they were provided.

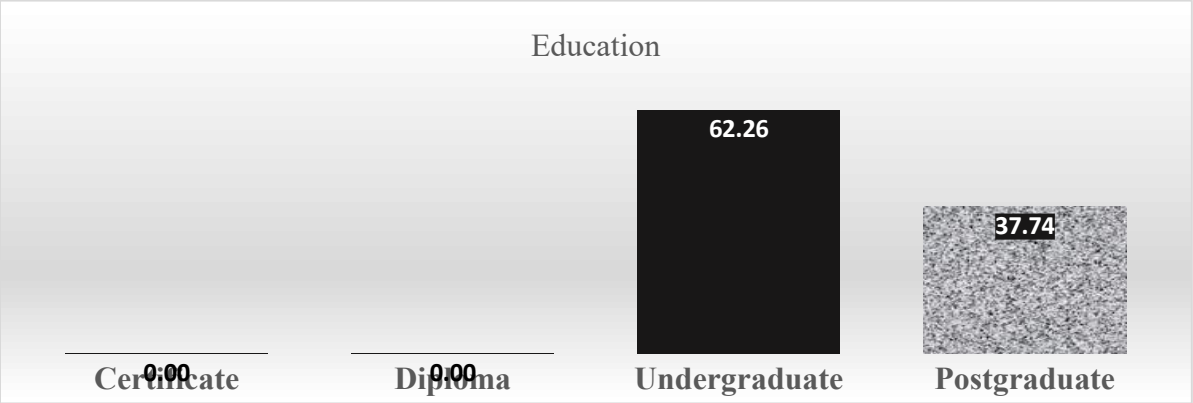


Figure 4.2: Level of Education

Source: Research Data (2025)

The findings reveal that among 53 respondents, most had undergraduate degrees (n = 33; 62.26%), while the others had postgraduate degrees (n = 20; 37.74%). No certificate or diploma qualifications were reported by anyone in the sample, so the sample consisted of all respondents who were at or above the higher education level. As suggested by Saunders et al. (2019), respondents' education levels are reported to support the demonstration of participants' knowledge base and the extent of their insights. Likewise, Sekaran and Bougie (2020) point out that in research connected to organizational strategy and performance, educational attainment tends to influence the quality of feedback.

This result suggests that the study's findings about the strategic planning and organizational performance of the deposit-taking SACCOs in Machakos Sub-County are based on a comparatively high degree of academic knowledge, which enhances the validity and caliber of the results analysis. This educational level implies that the participants were able to critique and analyze processes like strategic visioning, formulation, and choice (Kothari, 2018). To management at SACCO, it means the recommendations made in the study are based on respondents who can connect theoretical knowledge and practical organizational performance,

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thus making solid recommendations that can be used to make strategic planning decisions (Mugenda & Mugenda, 2019).

4.5 Analysis of Study Variables

The results of the descriptive statistics of the main factors influencing organizational performance of DT SACCOs in Machakos Sub-County are shown in this section, including strategic visioning, strategic formulation, and strategic choice. The analysis gives a decent breakdown of the manner in which these strategic planning processes are distributed and the corresponding effects on organizational performance.

4.5.1 Strategic Visioning

The study's objective was to determine the effect of strategic visioning on the organizational performance of DT SACCOs in Machakos Sub-County. Table 4.5 displays the descriptive results.

Table 4.5: Descriptive Statistics for Strategic Visioning

Statement	Mean	Std. D
A clear and well-defined mission and vision statement provides a clear direction, focus, and sense of purpose, which leads to increased efficiency.	4.623	0.627
A clear mission and vision statement acts as a guiding principle that shapes resource allocation, resulting in enhanced financial performance.	4.000	1.000
Effective goal setting fosters a sense of purpose and boosts employee engagement, which enhances employee satisfaction.	4.415	0.633
Effective goal setting provides a clear roadmap for measurement of progress, which fosters innovation.	4.528	0.575
Environmental scanning helps SACCO identify opportunities and threats, enabling it to adapt to the dynamic business landscape, leading to improved performance.	4.359	0.653
Environmental scanning enables the SACCO to align with the changing needs of members and other stakeholders, leading to	4.604	0.494

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improved member satisfaction, loyalty, and overall growth.		
A strong focus on core values leads to membership satisfaction, organizational growth, and increased profitability.	4.302	0.723
Core values help the SACCO to differentiate, leading to membership growth.	4.170	0.849
Effective communication fosters trust, transparency, and better decision-making, which results in overall good performance.	4.679	0.471
Clear and concise communication prevents misunderstanding, reduces errors, and improves efficiency.	4.642	0.484
A clear and well-defined mission and vision statement provides a clear direction, focus, and sense of purpose, which leads to increased efficiency.	4.137	0.480
Overall Mean	**4.405**	**0.635**

Source: Research Data (2025)

Table 4.5 shows that respondents strongly agreed with most statements associated with dynamic capabilities and strategic planning. It was also determined that an efficient mission and vision statement is clear and well defined and gives a sense of direction, focus, and purpose (M = 4.623, SD = 0.627). Equally, respondents agreed that these statements determine resource allocation, leading to improved financial performance (M = 4.000, SD = 1.000). It was also deemed essential to set goals effectively, and participants indicated that it enhances employee engagement and satisfaction (M = 4.415, SD = 0.633) and offers a roadmap for evaluating progress, thus encouraging innovation (M = 4.528, SD = 0.575). Environmental scanning was also emphasized to help SACCOs recognize opportunities and threats to adapt to changing environments and enhance performance (M = 4.359, SD = 0.653), and to adapt to the evolving needs of members and stakeholders to promote satisfaction, loyalty, and growth (M = 4.604, SD = 0.494). Respondents also concurred that good core values improve the membership satisfaction, organizational expansion, and profitability (M = 4.302, SD = 0.723) and aid in the distinction of the SACCOs to secure membership growth (M = 4.170, SD = 0.849). Finally, communication was also a rather crucial criterion, as effective communication resulted in improved work of trust and transparency, and clear communication resulted in nobody being misled, fewer mistakes being made, and more work being done more easily (M = 4.679, SD =

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0.471) and (M = 4.642, SD = 0.484). The second time they measure mission and vision is to repeat its purpose and efficiency (M = 4.137, SD = 0.480).

The overall mean score (M = 4.405, SD = 0.635) also suggests a strong positive view of the roles of strategic vision, communication, environmental scanning, and core values in improving SACCO's performance. This indicates that the respondents are very convinced that the dynamic capabilities inherent in visioning, scanning, goal setting, and communication are not mere administrative activities but important efficiency, satisfaction, profitability, and growth drivers. The high mean values on most items are also indicative of the fact that SACCO employees and managers share the notion that internal processes, coordinated strategically, can be translated into physical ways of improving organizational outputs. Thus, the results suggest the strength of the measurement tool and support that dynamic aspects of strategy are the focus of SACCO performance improvement.

Such results are consistent with those reported by Truong et al (2025), who established that competitive advantage, organisational culture, and strategy vision development were perceived to enhance the performance of SMEs in Vietnam. On the same note, respondents in the current research indicated the presence of clarity of vision and flexibility as the drivers of organizational success. Gahonzire and Mulyungi (2020) also noted that communication, values, and environment scanning are viewed as significant to enhance employee engagement and organizational growth at the Rwanda Development Board, and that mentorship, delegation, and motivation are viewed as crucial to enhancing service delivery in that setting. The current research is based on these observations by looking at how such practices are viewed to be relevant to deposit-taking SACCOs in Machakos Sub-County, and this gives an insight into the perceived strategic planning-performance nexus in the cooperative sector.

These views align with the Dynamic Capabilities Theory that assumes that to sustain performance, organizations keep sensing the opportunities, match resources, and reorganize capabilities in response to the changes in the environment (Teece, 2018). The mean scores of missions and vision clarity, environmental scanning, goal setting, core values, and communication are high, and this is because of how the employees regard their SACCOs as having internal capacity to adapt, innovate, and mobilize resources efficiently. Theoretically, the respondents' opinions indicate that these strategic visioning practices are seen as fostering flexibility, differentiation, and growth, which are among the fundamental components of dynamic capabilities.

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Nevertheless, it should be remembered that such results are anchored on perceptions of the employees and not hard facts of performance. Although the respondents are resolute that mission and vision, communication, and environmental scanning can help improve the performance of SACCO, the study does not directly test the actual financial or operational performance. As such, the findings are to be viewed as the perceived causes of performance and not the established causal influences, which is also a limitation, conforming to the objectives of the study in Chapter One, which focused on employee perceptions.

4.5.2 Strategic Formulation

To ascertain how strategic formulation affects the organizational performance of DT SACCOs in Machakos Sub-County. The outcomes were displayed as indicated in Table 4.6.

Table 4.6: Descriptive Statistics for Strategic Formulation

Statement	Mean	Std. D
Effective leadership creates a collaborative environment that fosters a sense of ownership, thereby enhancing employee satisfaction.	4.491	0.576
Effective leadership provides growth opportunities, development support, and a positive work environment, empowering employees and leading to increased retention.	4.434	0.572
Effective strategies for SACCOs focusing on member satisfaction and financial management lead to organizational growth.	4.623	0.489
Effective strategies allow SACCO to focus on optimizing processes, resource allocation, and technology adoption, which enhances its operational efficiency.	4.604	0.566
Employees with the right strategic skills lead to better strategic alignment and improved financial performance.	4.302	0.463
Employees with the right skills deliver exceptional customer service, driving increased member satisfaction and loyalty.	4.642	0.484
Well-skilled employees contribute to more informed and strategic decision-making for the SACCO, leading to better performance.	4.528	0.504
A well-defined organizational structure provides a clear framework for developing effective strategies that lead to increased efficiency,	4.321	0.779
A well-defined organizational structure allows for efficient resource	4.245	0.897

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and task allocation, leading to improved organizational performance.		
SWOT analysis is a tool that helps SACCOs formulate effective strategies that lead to improved organizational performance.	4.113	0.640
A well-executed SWOT analysis enables the SACCO to gain a competitive advantage, thereby increasing profits.	4.566	0.636
Stakeholder involvement in the decision-making process leads to a better understanding of their needs and preferences, thereby enhancing their commitment and increasing customer satisfaction.	4.321	0.779
Engaging stakeholders in the decision-making process allows the SACCO to consider diverse perspectives and feedback, enabling it to make more informed decisions that lead to improved performance.	4.264	0.858
Overall Mean	4.419	0.634

Source: Research Data (2025)

According to Table 4.6, results indicate that there is a high level of congruence on all the items associated with strategy formulation and organizational performance in DT SACCOs. The respondents affirmed that good leadership will result in a more collaborative workplace that will increase employee satisfaction (M = 4.491, SD = 0.576) and will further offer growth opportunities, development support, and a healthy work atmosphere that will empower employees, increasing retention (M = 4.434, SD = 0.572). Strategies that were perceived to lead to organizational growth involved effective strategies in the area of member satisfaction and financial management (M = 4.623, SD = 0.489), as well as maximizing processes, allocation of resources, and adoption of technologies (M = 4.604, SD = 0.566). Competence of employees was also highlighted, and respondents reported that strategic skills by employees enhance alignment and financial performance (M = 4.302, SD = 0.463) and provide superior customer service, which increases satisfaction and loyalty levels (M = 4.642, SD = 0.484). The employees who rated well were also attributed to making informed, strategic decisions (M = 4.528, SD = 0.504). Regarding organizational design, a clear organizational structure was identified to support the strategy formulation and efficiency (M = 4.321, SD = 0.779), and efficient execution of tasks and allocation of resources to improve performance (M = 4.245, SD = 0.897). Among analytical tools, SWOT analysis was also identified as assisting SACCOs in developing effective strategies (M = 4.113, SD = 0.640) and in facilitating competitive

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advantage to increase profits (M = 4.566, SD = 0.636). Lastly, the role of stakeholder involvement was considered essential, and the respondents shared the opinion that their presence and participation contribute to the increased knowledge about their needs and satisfaction (M = 4.321, SD = 0.779) and that incorporating their views and opinions is helpful in the decision-making process and the overall performance (M = 4.264, SD = 0.858).

The overall mean score (M = 4.419, SD = 0.634) indicates that the respondents strongly believe that the strategic formulation practices, which include leadership, organizational design, analytical tools, as well as stakeholder engagement, are major factors that contribute to SACCO performance. This large mean indicates that the combined aspects of strategic formulation are not merely administrative needs but transformative activities that can impact satisfaction, retention, efficiency, loyalty, and profitability. A high degree of consistency of the agreement between items could also be an indication that the employees and managers know that strategic formulation is holistic and that leadership, skills, processes, and stakeholder input are integrated to influence organizational outcomes in a positive way.

These results are similar to the research by Manyang (2022), who determined that the performance of the non-profit organization in South Sudan is positively affected by strategy formulation. Similarly, in this study, the focus was on the alignment of the strategies and organizational practices in order to increase effectiveness. Similarly, Mabuka and Kaluyu (2022) noted that environmental analysis and involvement of stakeholders play a significant role in the success of organizations in Airtel Kenya, which is also consistent with the current findings that SWOT analysis and stakeholder participation are drivers of quality decision-making and performance. However, the present work extends these results by demonstrating that leadership effectiveness, organizational structure, and employee skills also belong to the strategic creation in DT SACCOs and cumulatively lead to organizational development and performance.

The results can also be interpreted as bolstering the Contingency Theory, which holds that there is no one best way to manage an organization and that the best way to do so is to align strategies, structures, and procedures with situational and environmental factors (Donaldson, 2021). These excellent ratings of agreement with statements on leadership, employee competency, SWOT analysis, and stakeholder involvement depict how SACCOs respond to their strategies in light of internal capabilities and external forces. SACCOs demonstrate the contingency principle of fit by recognizing that every layer of need among members, competition in the

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market, or resource availability requires a different way of doing things. In this regard, the results substantiate the hypothesis that the formulation of effective strategies in SACCOs depends on the ability of the leaders and other skills and structures to match the environmental realities to ensure the best possible performance of the organization is upheld strong perception of these findings.

4.5.3 Strategic Choice

The study focused on the evaluation of the effective results of strategic choice on the organizational performance of DT SACCOs in Machakos Sub-County. All specifics can be seen in Table 4.7.

Table 4.7: Descriptive Statistics for Strategic Choice

Statement	Mean	Std. D
Technology adoption leads to increased efficiency.	4.660	0.553
Technology adoption facilitates better communication with customers, which leads to better service quality and increased member satisfaction.	4.434	0.636
Strategic collaboration with agencies reduces operational costs, which leads to improved profitability.	4.094	0.925
Collaboration with agencies brings about improved service delivery, access to new products, and broader outreach, which results in increased member satisfaction and loyalty.	4.189	0.681
Employee empowerment fosters a more motivated, engaged, and committed workforce, leading to increased job satisfaction and better employee retention.	4.604	0.631
Empowered employees are more creative, innovative, and proactive in their work, leading to overall improved performance.	4.811	0.395
Effective marketing strategies attract new customers and encourage existing customers to save more, leading to an increase in savings.	4.491	0.576
Effective marketing strategies optimize resource allocation and customer engagement, leading to streamlined operations.	4.283	0.907
Effective marketing builds a strong market presence, which enhances members' loyalty.	4.396	0.631
Strategic resource allocation enables SACCO to deliver services effectively and at a lower cost, which leads to increased dividends for	4.415	0.949

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members.		
Overall Mean	**4.509**	**0.639**

Source: Research Data (2025)

Table 4.7 shows that the use of technology was highly rated as a contributor to efficiency (M = 4.660, SD = 0.553) and to more effective communication with customers, resulting in improved service quality and customer satisfaction (M = 4.434, SD = 0.636). It was also believed that strategic cooperation with agencies could help to minimize operational costs and increase profitability (M = 4.094, SD = 0.925), and also facilitate service delivery, product access, and customer outreach, eventually leading to high levels of satisfaction and loyalty (M = 4.189, SD = 0.681). In matters related to employees, the respondents agreed heavily that empowerment results in an engaged, motivated, and committed workforce, which enhances retention and satisfaction (M = 4.604, SD = 0.631). They also noted that empowered employees are more creative, innovative, and proactive to improve performance (M = 4.811, SD = 0.395). Prominent among the marketing strategies was effective marketing, which was associated with attracting new customers and increasing savings (M = 4.491, SD = 0.576), optimization of operations and customer interactions (M = 4.283, SD = 0.907), and great market presence to create loyalty (M = 4.396, SD = 0.631). Finally, the process of strategic resource allocation deemed crucial for reducing service costs and increasing dividends to members (M = 4.415, SD = 0.949).

The respondents strongly agreed with the assertions regarding the importance of resource-based practices and strategic decisions in determining organizational performance, as indicated by the mean score (M = 4.509, SD = 0.639). This overall conclusion implies that the strategic planning procedures, including technology adoption, collaboration, empowerment, marketing, and resource allocation, are perceived as drivers of growth, efficiency, and member satisfaction in DT-SACCOs. Means exceeding 4.0 across the board support the construct reliability in that the respondents not only recognize but are given prominence to these practices in strengthening both operational and financial performance.

The results are in line with previous studies. As Muli (2023) concluded, innovation and positioning strategies have a positive impact on the organizational performance of the SMEs in Mombasa County, which is also evident in the current research due to high employee empowerment, creativity, and marketing effectiveness scores. Likewise, Junqueira et al. (2016) found a high perceived impact of strategic decisions and management control systems in large

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and medium-sized Brazilian firms, which is similar to the high perceived impact of collaboration, resource allocation, and staff empowerment in this research. The frequency of these results in various situations highlights the perceived sensitivity of strategic decisions as the driving force of organizational performance.

In theory, the results confirm the Resource-Based View (RBV) theory, which states that organizational resources and competencies are considered as unique building blocks of competitive advantage in the long run (Barney, 1991; Grant, 2019). The high scores for technology adoption, employee empowerment, and strategic resource allocation reflect strong internal capabilities in the environment, efficiency, innovation, and customer loyalty. With these resources, the DT-SACCOs in the Machakos Sub-County can develop unique competencies that not only enhance performance but also enable long-term sustainability in the competitive financial market.

4.5.4 Organizational Performance

The study sought to ascertain the organizational performance of DTSMSC. The results are displayed in Table 4.8.

Table 4.8: Descriptive Statistics for Organizational Performance

Statement	Mean	Std. D
SACCO's registered profits are due to effective marketing strategies and uptake of SACCO products.	4.453	0.638
Clear communication to members about SACCO's strategic goals has enhanced transparency, engagement, and built trust, leading to an increase in savings.	4.547	0.574
Effective use of environmental scanning to identify opportunities and threats by the SACCO has led to improved earnings and an increase in dividend payouts.	4.302	0.668
SACCO has low employee turnover and increased employee satisfaction due to strong core values that foster a sense of purpose and connection.	3.358	1.210
The SACCO has increased membership and loyalty due to the inspiration of members by clear SACCO vision and mission statements about its future.	3.925	0.937
SACCO has continuous staff training and development due to	4.057	0.989

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leadership that seeks out opportunities to expand their team's knowledge and skills to meet future challenges and opportunities		
The SACCO has enhanced employee satisfaction and retention due to supportive leadership that has developed a supportive and healthy working environment.	4.019	1.009
The well-structured organization of the SACCO has led to timely service delivery due to streamlined processes and reduced redundancy.	4.075	0.781
Effective SWOT analysis has enabled SACCO to tailor its services and products accordingly, leading to greater member satisfaction and loyalty.	4.170	0.802
The SACCO has had increased profitability through higher savings, greater loan demand, and improved operational efficiency due to stakeholder involvement.	4.321	0.779
SACCO has been able to focus on its core business, leading to increased profits, by leveraging the benefits of collaborating with agencies.	3.962	0.733
SACCO's leverage on new technology has attracted new members and retained existing ones, leading to membership growth.	4.245	0.705
Effective marketing and communication have led to membership satisfaction and loyalty due to clarity on SACCO services and products.	4.321	0.803
Strong marketing strategies have enabled the SACCO to differentiate itself, resulting in increased membership growth.	4.113	0.725
Effective resource allocation has improved SACCO profit margins by reducing expenses and maximising the returns on investments.	4.189	0.982
Overall Mean	4.137	0.822

Source: Research Data (2025)

Table 4.8 shows that the highest-rated strategic goals of SACCO were communication of strategic goals (enhancing transparency, engagement, and trust) to increase savings (M = 4.547, SD = 0.574). It was also associated with effective marketing and product uptake (M = 4.453, SD = 0.638). It is stated that environmental scanning enhanced earnings and dividends (M = 4.302, SD = 0.668), and that stakeholder involvement enhanced profitability through increased savings, increased loan demand, and efficiency (M = 4.321, SD = 0.779). In a similar vein, marketing and communication were considered to increase satisfaction and loyalty (M = 4.321, SD = 0.803). The acquisition of technology was viewed as successful in the membership

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development (M = 4.245, SD = 0.705). Tailoring services based on the SWOT analysis contributed to higher levels of satisfaction and loyalty (M = 4.170, SD = 0.802). The allocation of resources was estimated to increase their profits through cost savings and investment returns (M = 4.189, SD = 0.982). Timely service delivery was associated with redundancy reduction (M = 4.075, SD = 0.781). Very good marketing strategies were cited to distinguish the SACCO and increase membership (M = 4.113, SD = 0.725). Staff training was rated more by leadership as improving knowledge and ability to face future challenges (M = 4.057, SD = 0.989), and supportive leadership was rated to improve satisfaction and retention (M = 4.019, SD = 1.009). The collaboration with agencies was rated as not low in profit enhancement (M = 3.962, SD = 0.733) and inspiring via vision and mission as not low in profit loyalty (M = 3.925, SD = 0.937). Core values were the lowest on the employee satisfaction rating, with the lowest degree of agreement (M = 3.358, SD = 1.210).

The respondents tended to agree that strategic planning methods have a considerable impact on the organizational performance of DT-SACCOs, as indicated by the relatively high mean score (M = 4.137, SD = 0.822). This indicates that core operations such as marketing, communication, environmental scanning, technology, and leadership are highly regarded as drivers of growth, profitability, member happiness, and employee retention. Nevertheless, the low scores on core values and the average scores on collaboration and vision-driven loyalty indicate that the culture and values alignment, and leadership practices may require reinforcement by the DT-SACCOs in Machakos Sub-County to fully enjoy the fruits of the strategic planning processes in maintaining the perceived performance.

4.6 Diagnostic Tests

A linearity test was conducted to ensure that the independent and dependent variables were linearly related. To verify that the regression model's residuals were normally distributed, a crucial assumption in regression analysis, normality tests were performed. To determine whether a high degree of correlation among the independent variables could distort regression coefficient estimates, multicollinearity tests were performed. Lastly, because a breach of this condition would render the regression estimates incorrect, a heteroscedasticity test was also performed to determine whether the error variance differed across the observations. The findings are as follows;

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4.6.1 Linearity Test

This study employed the linearity test to ascertain whether the dependent variable, organizational performance, and the independent variables, strategic visioning, strategic formulation, and strategic choice, had a linear connection. This test was used to investigate whether performance changed in the same proportion and in a consistent manner with changes in the independent variables, as regression analysis would presume. It was crucial to establish linearity to effectively and distortion-free model the link between the predictors and organizational performance.

Table 4.9 Linearity Test

			Sum of Squares	df	Mean Square	F	Sig.
Organizational performance * Strategic visioning	Between Groups	(Combined)	5.946	10	.595	4.128	.001
		Linearity	2.670	1	2.670	18.540	.000
		Deviation from Linearity	3.276	9	.364	2.527	.021
	Within Groups		6.049	42	.144		
	Total		**11.995**	**52**			

Source: Research Data (2025)

The research paper used a test of linearity to establish whether there were linear relationships between performance in organisation, strategic visioning, strategic formulation, and strategic choice. The findings indicated a large deviation from perfect linearity, $F(9, 42) = 18.54$, $p = .021$, suggesting that a linear relationship exists. This implies that the enhancement of strategic visioning leads to a constant improvement in the performance of the organization. The findings suggest potential curvilinear effects: the visioning may be most effective at moderate levels, but its marginal contribution at the ends may be lower than expected or a fluctuation.

This linearity reinforces the earlier finding that, although a linear relationship exists between strategic visioning and organizational performance, the effect is not uniform across all levels. In practical terms, SACCOs in Machakos Sub-County should not assume that continuously increasing visionary activities will produce proportional gains in performance. Just as the test results suggested possible curvilinear patterns, excessive long-term visioning that is not grounded in current operational realities can weaken effectiveness. Therefore, modelling the relationship as a curve rather than a straight line provides a more realistic reflection of how

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strategic visioning actually influences performance and will lead to more accurate predictions of organizational outcomes.

			Sum of Squares	df	Mean Square	F	Sig.
Organizational Performance * Strategic formulation	Between Groups	(Combined)	8.765	13	.674	8.143	.000
		Linearity	5.793	1	5.793	69.962	.000
		Deviation from Linearity	2.972	12	.248	2.991	.005
	Within Groups		3.229	39	.083		
	Total		**11.995**	**52**			

Source: Research Data (2025)

The linearity test was used to determine the linear relationship between the strategic formulation and the organizational performance, which was seen to be statistically significant and strong with the value of $F(1, 39) = 69.96$, $p < .001$. It means that the greater the extent to which strategies are formulated through structured planning, goal setting, and resource allocation, the better the performance outcomes they determine. However, the test also indicated substantial non-linearity, $F(12, 39) = 2.99$, $p = .005$, suggesting that although the relationship is mainly linear, non-linear factors contribute to the variation in performance.

Practically, this non-linearity suggests that the benefits of strategic formulation might not necessarily be uniformly increased. An example would be over-planning of the process, or because the strategy is too strict, the point of diminishing returns may be reached where any additional formalization would limit flexibility and adaptability. This demands a compromise between form and nimbleness in SACCOs. Statistically, such diminishing or accelerating effects may be better explained using the regression model with the inclusion of the terms of a poly or interaction effects.

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			Sum of Squares	df	Mean Square	F	Sig.
Organizational Performance * Strategic Choice	Between Groups	(Combined)	8.787	11	.799	10.211	.000
		Linearity	3.888	1	3.888	49.696	.000
		Deviation from Linearity	4.900	10	.490	6.263	.000
	Within Groups		3.207	41	.078		
	Total		**11.995**	**52**			

Source: Research Data (2025)

The correlation between strategic choice and the performance of the organization also showed a significant and positive linear correlation, $F(1, 41) = 49.70$, $p < .001$. This validates the fact that informed and calculated strategic decisions are tightly coupled with improved organizational performance. Nevertheless, the deviation-of-linearity test was also meaningful, $F(10, 41) = 6.26$, $p < .001$, indicating that, even though the relationship is highly linear, other non-linear processes may also affect performance.

The applied significance of this result is that a strategic decision can be influenced by other organizational variables, including commitment of the leaders, culture, or resource limitation, in non-linear and rather complicated ways. As an illustration, at a very high level of strategic decisiveness, the organization may have overconfidence and resistance to change, which will undermine performance results.

In general, the linearity tests show that strategic visioning, strategic formulation, and strategic choice are statistically significant linear variables in the performance of an organization. The strategic visioning demonstrated significant linear effect on performance, $F(1, 42) = 18.54$, $p = .001$, indicating that the better the visioning, the better the performance. Strategic formulation had the greatest linear relationship with the organizational performance, $F(1, 39) = 69.96$, $p < .001$, and it is observed that the organized planning, setting of goals, and allocating resources always improve the performance results. On the same note, strategic choice showed a significant positive linear correlation with organizational performance, $F(1, 41) = 49.70$, $p < .001$, and the concept of sound strategic choice brings commensurate performance increases. In general, the findings confirm the main assumption of regression analysis, which is that the said strategic planning processes are correlated with organizational performance linearly.

4.6.2 Multicollinearity Test

The study sought to test the multicollinearity of the variables against organizational performance as follows;

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Table 4.10. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	Strategic Visioning	.515	1.942
	Strategic formulation	.340	2.943
	Strategic choice	.430	2.327

a. Dependent Variable: organizational performance

Source: Research Data (2025)

The results of the multicollinearity test revealed that all the independent variables such as strategic visioning (Tolerance = 0.515, VIF = 1.94), strategic formulation (Tolerance = .340, VIF = 2.94), and strategic choice (Tolerance = 0.430, VIF = 2.33) were above the acceptable tolerance values of 0.1 and the acceptable variance inflation factor (VIF) value of not exceeding 10. This observation indicates that none of the predictors exhibited severe multicollinearity; that is, none of the variables explained organizational performance overlapped with the rest.

4.6.3 Heteroscedasticity Test

The study sought to test heteroscedasticity of the variables against the organizational performance, and the results are shown in Figure 4.3.

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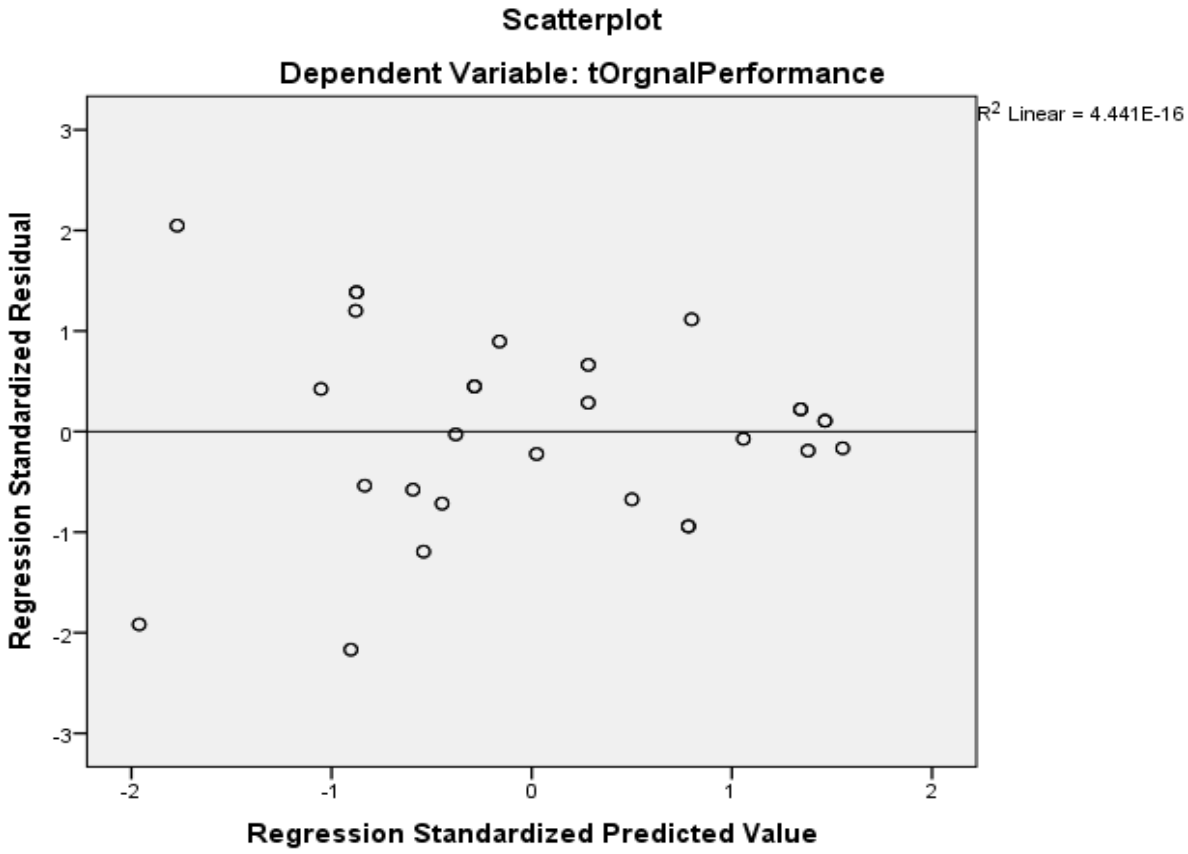


Figure 4.3 Heteroscedasticity Test

A scatterplot of the regression standardized residuals against the standardized expected values was used to assess the heteroscedasticity test. We discovered that the residuals did not take on any particular shape or funnel form, were randomly dispersed with an equal distribution above and below, and were not clustered close to the zero line. This means that the error variance did not vary at the different levels of predicting values and thus, the homoscedasticity assumption of regression analysis was met. Therefore, the study's regression estimations of the association between strategic visioning, strategic formulation, strategic choice, and organizational performance were valid, and heteroscedasticity was not a problem.

4.6.4 Normality Test

The purpose of the study was to compare organizational performance to the variables' normalcy. The findings are displayed in Table 4.11.

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Table 4.11 Normality Test

Tests of Normality			
	Shapiro-Wilk		
	Statistic	df	Sig.
Strategic visioning	.955	53	.045
Strategic formulation	.949	53	.024
Strategic choice	.917	53	.001

Source: Research Data (2025)

To determine whether the data were normally distributed for strategic visioning, strategic formulation, and strategic choice, the Shapiro-Wilk test of normality was used. The findings showed that the strategic visioning (W =.955, p =.045), strategic formulation (W =.949, p =.024) and the strategic choice (W =.917, p =.001) were all not significant (p =.05), meaning that the variables do not follow a normal distribution. This indicates that the data used in all three constructs were not normally distributed. Hair et al, (2022) suggest that in the event of the violation of the normality conditions, the researcher may want to employ data transformation methods or employ less sensitive non-normality estimation procedures. Given the moderate sample size (n = 53), the Shapiro-Wilk test was appropriate, and although slight nonnormality does not nullify the regression analysis, these results warrant careful interpretation of subsequent parametric tests to ensure validity and reliability of the study results.

4.7 Inferential Analysis

Inferential statistics is a test conducted by generalizing sample data to make a drawing or prediction concerning the greater mass. It aids in relationship determination between the strategic planning process and organizational performance, hypothesis testing, and the making of conclusions, even beyond the immediate data set. The common inferential tests are correlation and regression analyses, which differ in the data types and research question combinations they support (Field, 2022; Gravetter). These tests measure the likelihood of observing the observed patterns by chance, providing a decision at an output with a determined degree of confidence.

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4.7.1 Correlation Analysis

The research on the two processes aims to ascertain the direction and magnitude of the relationship between the strategic planning process and organizational performance. Table 4.12 presents the correlation analysis results.

Table 4.12: Correlation Analysis Results

		Strategic visioning	Strategic formulation	Strategic choice	Organizational Performance
Strategic visioning	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	53			
Strategic formulation	Pearson Correlation	.690**	1		
	Sig. (2-tailed)	.000			
	N	53	53		
Strategic choice	Pearson Correlation	.581**	.750**	1	
	Sig. (2-tailed)	.000	.000		
	N	53	53	53	
Organizational Performance	Pearson Correlation	.472**	.695**	.569**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	53	53	53	53

****. Correlation is significant at the 0.05 level (2-tailed)**
Source: Research Data (2025)

Table 4.12 shows that the Pearson correlation test showed that there exists a moderate positive correlation between perceived organizational performance and perceived strategic visioning ($r = 0.472$, $p < 0.05$, $n = 53$). The fact that the coefficient is positive implies that the two variables are moving in the same direction, i.e., the higher the perceptions of strategic visioning, the higher the perceptions of organizational performance. Nevertheless, with the coefficient closer to 0.5 than to 1, the relationship is not strong but medium. The results align with Gahonzire and Mulyungi (2020), who found that clarity of vision and mission was positively associated with perceived service delivery. Notably, this relationship is not causal but an association, as it is based on employees' perceptions

There was a close positive connection between the perceived strategic formulation and perceived organizational performance ($r = 0.690$, $p < 0.05$, $n = 53$). The size of this coefficient, which is close to +1, reflects a high degree of linear association, meaning that the better employees rate the strategic formulation practices, they are also likely to rate the performance of the organization highly. This result supports the findings presented by Manyang (2022), who

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indicated that there is a significant relationship between the perceived strategy formulation and perceived organizational outcomes in non-profit organizations. However, the relationship remains correlational, not a direct causal one.

On the same note, there was a moderate to strong positive relation between perceived strategic choice and perceived organizational performance ($r = 0.569$, $p < 0.05$, $n = 53$). This implies that the respondents who rated strategic decision-making highly also rated organizational performance highly. This positive direction confirms that the two variables are moving in the same direction, whereas the magnitude indicates a significant but not perfect relationship between them. This is in line with the results of Muli (2023), who noted a strong relationship between perceived strategic decision-making and perceived SME performance in Mombasa County. In general, the correlations indicate reliable positive relationships across all three strategic dimensions, but they fail to establish cause-and-effect relationships between actual strategic practices and performance outcomes.

4.7.2 Regression Analysis

A thorough model description demonstrating the connection between the three independent factors being studied and the dependent variable, organizational performance, is given by the regression findings shown in Table 4.13. The results provide valuable analytical insights by highlighting the relative contributions of each element to variances in organizational performance.

Table 4.13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.699[a]	.489	.477	.35380

a. Predictors: (Constant), Strategic choice, Strategic visioning, strategic formulation
Source: Research Data (2025)

The results of the regression analysis are shown in Table 4.13. The adjusted R^2 was 0.477, which indicates that the predictors—strategic visioning, strategic formulation, and strategic choice—accounted for 0.477 of the variance in the organization's performance. Similarly, the R2 was 0.489, meaning that the combined effect of the three strategic variables accounted for about 48.9% of the variation in the organization's performance. The standard error of the estimate (0.35380) showed a reasonable amount of volatility around the regression line, and the R value of 0.699 further demonstrated a very high positive connection between the predictors and organizational performance.

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These results are consistent with prior empirical results. Kamau (2022) conducted a study of the Kenyan manufacturing industry and found that strategic formulation contributed significantly to the improvement of organizational performance, regarding its competitiveness and sustainability. Likewise, in a study carried out in the banking industry in Nairobi, Mutiso (2023) found that the combination of strategic visioning and choice accounted for almost 50 percent of the variation in performance, highlighting the synergy between the two strategic practices. These studies, in combination with the current findings, confirm that strategic visioning, formulation, and choice are mutually significant in terms of organizational performance.

4.7.3 Analysis of Variance

Additionally, the study aimed to develop the Analysis of Variance (ANOVA) to evaluate the regression model's overall significance. Table 4.14 presents the associated results, which offer statistical evidence about the extent to which the independent factors collectively account for variances in organizational performance.

Table 4.14 Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.861	3	1.954	15.609	.000[b]
	Residual	6.133	49	.125		
	Total	11.995	52			

Source: Research Data (2025)

ANOVA findings showed that the regression model described the association between the predictors and the organization's performance significantly ($F(3, 49) = 15.609$, $p < 0.001$). This shows that the aggregate impact of strategic visioning, strategic formulation, and strategic choice was an important predictor of organizational performance differences across DT-SACCOs. Compared to the residual sum of squares (6.133), the regression sum of squares (5.861) was quite large, implying that the model accounted for a significant percentage of organizational performance variance. The results of these studies justified the hypothesis that the strategic planning processes studied gave a good fit in explaining organizational performance results.

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4.7.4 Regression Coefficient

The study's objective was to ascertain the extent of the relationship between organizational performance and the strategic planning process. Specific results are displayed in Table 4.15.

Table 4.15: Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		β	Std. Error	Beta		
1	(Constant)	.207	.680		.305	.762
	Strategic visioning	-.041	.205	-.028	-.198	.844
	Strategic formulation	.810	.226	.629	3.589	.001
	Strategic choice	.119	.163	.114	.730	.469

Source: Research Data (2025)

The regression equation below was constructed using the data in Table 4.15.

$$\mathbf{Y = 0.207 - 0.041X_1 + 0.810X_2 + 0.119X_3}$$

Table 4.13 shows the regression coefficient analysis. The regression results indicate that strategic visioning did not significantly influence organizational performance (b = -0.041, t = -0.198, p = 0.844). The negative, statistically insignificant coefficient suggests that a one-unit increase in strategic visioning is associated with a 0.041unit decline in organizational performance. This indicates that while strategic visioning provides direction and purpose, it does not lead to measurable improvements in performance at DT SACCOs in Machakos Sub-County. However, the high correlation between strategic visioning ($r = 0.472$, $p < 0.05$) and the insignificant regression coefficient (b = -0.041, p = 0.844) raises concerns. This discrepancy could be due to multicollinearity, suggesting that strategic visioning may have overlapped in its explanatory power with other predictors, such as formulation or choice. Although previous arguments indicated that multicollinearity was not an issue, this inconsistency warrants further investigation to validate the regreesults.

Conversely, strategic formulation turned out to be a strong indicator of organizational performance (β = 0.810, t = 3.589, p = 0.001). Since the coefficient was not only positive but also significant, it implied that organizational performance increased by 0.810 units with every one-unit increase in strategy formulation, hence indicating that it is a very important performance factor. This means that firmly established strategies are key to developing a competitive advantage and achieving superior results.

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Strategic choice was also found to have a positive, but not significant, relationship with the organizational performance (β= 0.119, t = 0.730, p = 0.469). This finding meant that a single-unit change in strategic choice would make the organization perform better by 0.119 units, but it was not statistically significant, meaning that it had little impact on its own. Therefore, this indicates that the success of the strategic decisions mostly depends on the strength of the strategy formulation and execution processes. Simply put, the presence of alternative strategies is not what is important, but their quality in terms of formulation and efficiency in terms of their implementation is what mainly determines the organization's performance of strategic choices.

4.8 Discussion of Findings

This section presents an in-depth discussion of the findings from the above data and links them with the literature and theoretical framework.

4.8.1 Interpretation of Key Inferential Results

The regression analysis found that the strategic visioning had no significant effect on the performance of the organization among the DT SACCOs at Machakos Sub-County. Although strategic visioning assists in organizing a direction and projecting organizational objectives, it has no quantifiable impact on performance outcomes. It means that visioning, although desirable for motivation and strategy alignment, might not, by itself, positively influence productivity or operational outcomes. Chege (2023) noted that visioning in Kenyan service firms helped align employees' goals but did not yield performance benefits without the support of strategic formulation and implementation. Equally, Mwangi (2022) found that even with the presence of a sound vision statement, organizations could not achieve concrete outcomes unless the vision was well incorporated into the operational plans. Its strong correlation and weak regression effect may indicate that it has overlapped other strategic constructs (especially formulation), but it may have been overridden by them in the model.

The most notable factor that determined the organizational performance in the regression model was strategic formulation. Companies that have well-established strategies, clear goals, and well-organized policies showed to have shown better operational efficiencies and sustainable performance rates. This observation contributes to the fact that successful formulation is the pragmatic vehicle that puts vision into action. According to Kamau (2022), structured strategic formulation practices that enhance competitiveness and innovativeness are

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found in the manufacturing sector of Nairobi, explaining why they are an essential tool for maintaining growth. Similarly, Otieno (2023) also pointed out that effective and participatory formulation processes resulted in ownership of employees that translated to better organizational results. The findings validate that strategic formulation is the key linking point between visioning and choice, and actual organizational achievement.

The impact of strategy choice on the performance of the organization was positive but statistically not significant, and it was possible to conclude that strategic decision-making based on strategic options, including innovation or collaboration, is relevant, but it does not have a direct impact on performance. This implies that strategic choice can give value when incorporated in a coherent formulation model. Mutiso (2023) found that strategic choice in the Nairobi banking industry had a weak effect on performance, except when accompanied by strategic formulation and implementation. Now, Njoroge (2022) observed that the organizations that used the wrong formulation framework to make independent strategic choices tended to have inconsistent outcomes. Thus, the existing results support the idea that strategic formulation is the primary determinant of performance, and visioning and choice are secondary, yet less important, factors.

4.8.2 Theoretical Implications

The results of this experiment confirm the Contingency Theory that argues that the effectiveness of an organization is attributed to the consistency of internal strategies with the external environmental situations (Donaldson, 2001). The importance of strategic formulation as a tool in improving the performance of the organizations emphasizes the fact that the better the strategies are adjusted to the specific contexts of operation of the DT SACCOs, the better the performance of the organizations in Machakos Sub-County. Independent of strategic visioning and choice, though important, were relatively less significant, and this implies that there is not a universal strategic element that drives performance, but rather effectiveness is achieved by the extent of a strategy that is tailored towards situational factors like market demands, needs of the member individuals, and regulatory requirements. This is in line with the fact presented by Fiedler (1964) that contextual fit is a determinant of the effectiveness of management practice, which underscores the importance of ensuring a blend between environmental scanning and responsive formulation of practices in the SACCOs in order to maximize the outcome.

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The findings are also in line with the Resource-Based View (RBV) that states that sustainable competitive advantage is based on the exploitation of distinct organizational resources and competencies (Barney, 1991). The high impact of strategic formulation indicates that when strategies are well formulated and implemented, internal resources, including human capital, financial resources, and operational routines, can be more effectively leveraged to achieve high performance by the DT SACCOs. Strategic visioning and choice are indirect drivers, as they help in the allocation of resources and prioritization of initiatives, but the primary force of competitive advantage is due to effective utilization of organizational capabilities. In the same manner, Peteraf and Barney (2003) state that the competitive advantage would occur when the resources are valuable, rare, inimitable, and non-substitutable, which validates the results that SACCOs that strategically establish and execute their strategies would be in a better position to realize a high level of performance results.

4.8.3 Limitations of the Findings

The major methodological limitation of the study is that it relies on perceptions of SACCO employees to inform strategic visioning, formulation, and choice. Although these data are a good indicator of the perspectives of the staff on organizational strategies, they do not directly reflect the actual outcomes of organizational performance. Subsequently, the results are more about perceived effectiveness than objective effectiveness, which can create bias or overestimate the effects of strategic practices. Hence, it must be recognised that interpretations must be done with caution, bearing in mind that high scores on perception do not always translate into excellent performance in practice. Any inferences made regarding how strategic visioning, formulation, and choice affect organizational performance are only indicative, but not conclusive.

There is another important limitation that is associated with the unit of analysis and observation. Even though the statistics that were gathered are on the individual managers and members of staff, the main target is the SACCO as an organization. The aggregation of individual perceptions to form organizational-level inferences may pose certain risks, including inferences about organizational performance based on individual-level data. This implies that although the research brings out the general tendencies and associations, the explanations are limited due to the fact that individual perspectives might not be the ideal reflection of the overall organizational phenomenon. Future studies should be used to supplement perception

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data with objective performance measures, in a bid to yield stronger, more generalizable results.

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CHAPTER FIVE
SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Introduction

In this chapter, the study provides an overall conclusion that includes the findings, conclusions, recommendations, implications of the study, and suggestions for the strategic planning process and future research. Each of the insights is premised on the data that has been analyzed, and in particular reflects on how the strategic planning process can influence organizational performance in DT SACCOs.

5.2 Summary of the Findings of the Study

This section provides a summary of the variables and the study's aims.

5.2.1 Demographic Information

The study population's demographics showed that, although balanced, the sample was skewed by gender, with 64.2 per cent of the participants being men and 35.8 per cent being women. The majority of participants had fewer than five years of service, which constituted 49.1 percent of the total population, thus demonstrating a relatively young workforce, with a low percentage of those with experience over 15 years. Regarding management level, 54.7 per cent were lower management, 30.2 per cent were middle management, and 15.1 per cent were top management, suggesting that an operational-level perspective was dominant in the study. All respondents were highly educated, with 62.26 percent having undergraduate qualifications and 37.74 percent having postgraduate qualifications. These results indicate that the data gathered represented views that cut across gender, tenure, management levels, and education, and that the respondents were a diversified yet youthful and academically informed group.

5.2.2 Strategic Visioning

The results show that the respondents featured a strong agreement regarding the significance of dynamic skills in the improvement of the organization's performance and strategic planning of the deposit-taking SACCOs. The average score (M = 4.405, SD = 0.635) is high, indicating that the mission and vision statements made sense in the allocation of resources, environmental scanning helped the SACCOs respond to opportunities and threats, and the core values facilitated growth in membership and profitability. Communication was also found to enhance trust, transparency, and operational efficiency. The outcomes of Pearson correlation further

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suggested that strategic visioning is strongly positively correlated with organizational performance (the correlation coefficient was 0.472, $p < 0.05$), which could be indicative of the existence of a correlation between clear vision and the perceived performance outcomes. Regression analysis, however, indicated that strategic visioning did not have a significant impact on performance ($b = -0.041$, $p = 0.844$), suggesting that vision provides direction but requires other strategies to be formulated and implemented to yield measurable results.

The main drawback of this discovery is that the data corresponds to employee perceptions, i.e., the participants provided high scores concerning the significance and success of these practices, and does not reflect objective indicators of organizational performance or the quality of the strategic processes. Thus, although the findings indicate that visioning, scanning, and communication are considered significant drivers of performance by the staff, the results cannot conclusively demonstrate that these practices positively influence improved performance outcomes, and the responses should be interpreted carefully.

5.2.3 Strategic Formulation

The results show that strategy formulation is a key factor that can help improve the performance of organizations in DT SACCOs. The respondents were firm in their agreement that good leadership fosters collaboration and employee satisfaction and retention, and that member satisfaction, financial management, resource allocation, and technology adoption strategies facilitate growth and efficiency. Employee competence and strategic skills also increased alignment, service delivery, and customer loyalty. Organizational design, such as a well-defined structure and effective resource distribution, was discussed as critical to facilitating performance, and analytical tools, such as SWOT analysis and stakeholder engagement, were detailed as effective sources of competitive advantage, informed decision-making, and member satisfaction. The total mean score ($M = 4.419$, $SD = 0.634$) reflected excellent positive perceptions of strategy formulation as a transformative driver of retention, profitability, and efficiency. The regression analysis also revealed that a one-unit change in formulation improved performance by 0.810 units, and the resulting correlation coefficient indicated a strong positive relationship ($r = 0.695$, $p < 0.05$).

5.2.4 Strategic Choice

The findings indicate that strategic choice, which includes technology implementation, teamwork, empowerment, marketing, and allocation of resources, emerges as a very appealing

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factor of organizational performance in DT SACCOs. Technology was identified as a primary source of efficiency and customer satisfaction (M = 4.660, SD = 0.553), and employee empowerment was identified as the most active factor, increasing motivation, creativity, and innovation (M = 4.811, SD = 0.395). Other reasons given by the respondents included strategic relationships with agencies that lowered operational costs and enhanced service delivery, and the fact that good marketing policies also helped them acquire, retain, and grow their customer base and increase their financial gains. The distribution of resources was seen as a key determinant of cost efficiency and high returns to the members. Since the average scores (M = 4.509, SD = 0.639) show strong consensus that these practices are applicable to fostering growth, satisfaction, and long-term sustainability, this aligns with the perspective of the Resource-Based View (RBV).

The major limitation, however, is that these findings have been made on the basis of perceptions among the employees and not on an objective basis of the performance of the organization or the true quality of strategic implementation. Although the correlation analysis revealed a positive association between the strategic choice and performance (r = 0.569, p = 0.05), the regression analysis showed that strategic choice was not significantly predictive of the performance (b = 0.119, p = 0.469). This meant that, such practices might need to be effectively formulated and implemented to lead to meaningful outcomes. As such, the interpretation of conclusions should be done with caution, bearing in mind that the data indicate perceived efficacy rather than proven results.

5.3 Conclusion of the Research Study

The results of the study suggest that, according to the employees, strategic visioning has been considered a significant process of offering direction and channeling of productive use of resources in DT SACCOs. Respondents largely concurred that the mission and vision statements, environmental scanning, and communication are central to the enhancement of trust, transparency, and efficiency, which enhance satisfaction and loyalty of the members. But regression analysis showed that strategic visioning was not a significant predictor of the performance of the organization. This implies that there is no alignment between the perceptions of the employees and the quantifiable effect of visioning, which brings out the significance of ensuring that visioning is supported with sound formulation and implementation processes to ensure that quantifiable performance results are realized.

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On the same note, strategic formulation was seen by the respondents as being a key force behind organizational performance; high levels of agreement were found on the significance of good leadership, resource allocation, financial management, competence of employees, and technology strategies. Although the respondents considered formulation important in translating the vision into tangible outcomes, it should be noted that the findings are based on perceptions rather than actual performance measurements. The multivariate analysis underscores the importance of formulation as one of the cornerstones of organisational success, but it must be viewed in light of the study's methodological limitations

In the case of strategic choice, employees felt that technology adoption, staff empowerment, teamwork, marketing, and resource allocation were key drivers of performance and long-term sustainability. Empowerment was also identified as an area of concern for boosting motivation, creativity, and innovation, whilst partnerships and marketing tactics were mentioned as contributing to improved service delivery and financial growth. Regression analysis, however, revealed that strategic choice alone was not a significant performance factor; therefore, the perceived benefits would most likely be achieved when coupled with effective strategy formulation and operational implementation. In general, the research shows that visioning, formulation, and choice are considered by employees to be determinants of organisational performance, but the findings should be viewed with caution, as the data indicate perceptions rather than performance indicators.

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5.4 Recommendations of the Research Study

5.4.1 Deposit Taking SACCOs in Machakos Sub-County

The findings are significant for Deposit-Taking SACCOs in Machakos Sub-County, as they underscore the sustainability of performance through proper strategy development, vision, and strategic decisions. To convert these findings into practical steps, SACCOs are advised to introduce a quarterly leadership training course beginning in January 2026 that will train all branch managers and senior employees in strategic planning, formulation, and implementation. Further, it is advised that by March 2026, SACCOs implement a resource allocation model that aligns financial and human resources with organizational goals, regulatory mandates, and member demands, and have quarterly reviews to maintain alignment and effectiveness. To enhance strategic formulation, SACCOs must, invest in member-focused technology solutions, introduce at least 2 diversified products annually, and hold biannual member education workshops starting in June 2026, to enhance retention, satisfaction, and operational efficiency.

These are specific measures that will enable SACCOs to remain competitive, attract new members, and improve financial sustainability in a dynamic environment.

5.4.2 Theories

Theoretically, the study's results are significant because they support two theories: the Resource-Based View Theory and the Dynamic Capabilities Theory. These two theories highlight the importance of leveraging internal forces and staying up to date with changes to gain a competitive advantage. The findings substantiate the claim that strategic visioning gives purpose, and the formulation and choice bring the vision to action and long-term development. The results can inform scholars and researchers as they refine models that explain how cooperative societies use internal capabilities to build resilience and long-term performance. The implication here is that future studies need to expand the application of such theories to SACCOs in Kenya by examining the relationship between specific abilities, such as technology, leadership, and communication, and to influence on an outcome.

5.4.3 Policymakers

The findings highlight to the policy makers the importance of making sure that SACCOs embrace strategic planning as an ongoing process and not just a one-time exercise. Given the significant role of strategic formulation in performance, policy interventions should be based on capacity-building programs for SACCO leaders and managers, such as leadership development, financial management, and member engagement programmes. Indeed, SASRA might require that every deposit-taking SACCO prepare an annual strategic plan by the close of each fiscal year, including a completed SWOT analysis and a comprehensive resource allocation plan, as part of their supervisory reporting requirements. The policies must be designed in such a manner that systematic strategic planning becomes compulsory and there is a good reporting norm, such that SACCOs are motivated to review the implications of their strategic plans on financial performance and member satisfaction on a regular basis.

5.4.4 Government

The government is also interested in operationalizing the insights of the current study by providing infrastructural support and enabling environments to SACCOs. Mostly, the formulation and choice of strategies depend on resources, collaboration, and the adoption of technology. Therefore, government intervention in the form of affordable ICT infrastructure, tax policies, and even regulation would enhance SACCOs' capacity compete favourably.

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Moreover, training programs that focus on the importance of the strategic planning process can be integrated into government agencies that are involved in cooperative development. It is advised that the government invest in conducive policies, training subsidies, and incentives to encourage strategic leadership and innovation among SACCOs, ensuring they remain the primary drivers of financial inclusion and economic development in Machakos Sub-County and beyond-.

5.5 Recommendations for Further Research

The model explains 47.7 percent of the variance in an organization's performance, according to the adjusted R^2 of 0.477, although other factors not covered in the study account for 52.3 percent of the variance. This is a significant research opportunity for the future. One potential area of investigation would be a review of leadership styles and governance practices of Deposit-Taking SACCOs, since the quality of leadership is likely to influence strategic planning, decision-making, employee motivation, and member satisfaction. A second area may target external environmental factors like competition, regulation, and economic trends that are likely to affect SACCO performance but were not discussed in the current study. Digital transformation (i.e., the integration of mobile banking and adoption of fintech) can also be researched in the future since it is now one of the most important performance measures in the cooperative industry. Thus, it is suggested that more studies should be done to combine internal and external variables to construct a more holistic view of organizational performance.

Future research must address the methodological limitations of this study, and ensure the correct unit of analysis. Research should either collect and analyze data at the organizational level (e.g., using objective financial and operational metrics from a larger sample of SACCOs) or use appropriate multilevel modelling techniques to account for the nested structure of employees within organizations. Future studies should strive to move beyond perceptual data by incorporating objective performance metrics, such as return on assets, membership growth, and loan default rates to triangulate findings and bridge the gap between perceived and actual performance.

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APPENDICES

APPENDIX I: Research questionnaire

The goal of this questionnaire is to gather information solely for academic purposes. The study seeks to investigate Strategic planning processes and their influence on the organizational performance of deposit-taking SACCOs in Machakos sub-county. All information will be treated with strict confidence.

Instructions

Please answer the following questions with your thoughts. When needed, use a cross or a tick. Please feel free to fill in the spaces provided with any more pertinent information about the topic.

SECTION A: DEMOGRAPHIC INFORMATION

1. Please select your gender.
   Male [ ] Female [ ]

2. Which SACCO management level do you hold?

   Top level [ ]
   Middle level [ ]
   Lower level [ ]

3. What's your highest academic qualification?

   Secondary education level [ ]
   Certificate level [ ]
   Diploma level [ ]
   Undergraduate level [ ]
   Postgraduate level [ ]

4. Please enter the most relevant number of years you have worked for this company in the designated spaces.

   Less than 5 years [ ]
   Between 5 and 10 years [ ]
   Between 10 and 15 years [ ]
   Between 16 and 20 years [ ]
   Above 20 years [ ]

SECTION B: Strategic visioning and organizational performance

5. To what extent do you think strategic visioning affects the organizational performance of Deposit-Taking SACCOs in Machakos Sub-County, Kenya?

   Very great extent [ ]
   Great extent [ ]
   Moderate extent [ ]
   Little extent [ ]
   Not extent [ ]

6. Please check [√] the boxes that correspond to how much you agree with the following components of strategic visioning as they relate to deposit-taking SACCOs' organizational performance in Machakos Sub-County, Kenya.

Where: 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree

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Strategic visioning and organizational performance	1	2	3	4	5
A clear and well-defined mission and vision statement provides a clear direction, focus, and sense of purpose, which leads to increased efficiency.					
A clear mission and vision statement acts as a guiding principle that shapes resource allocation, resulting in enhanced financial performance.					
Effective goal setting fosters a sense of purpose and boosts employee engagement, which enhances employee satisfaction.					
Effective goal setting provides a clear roadmap for measurement of progress, which fosters innovation.					
Environmental scanning helps SACCO identify opportunities and threats, enabling it to adapt to the dynamic business landscape, leading to improved performance.					
Environmental scanning enables the SACCO to align with the changing needs of members and other stakeholders, leading to improved member satisfaction, loyalty, and overall growth.					
A strong focus on core values leads to membership satisfaction, organizational growth, and increased profitability.					
Core values help the SACCO to differentiate, leading to membership growth.					
Effective communication fosters trust, transparency, and better decision-making, which results in overall good performance.					
Clear and concise communication prevents misunderstanding, reduces errors, and improves efficiency.					

SECTION C: Strategic formulation and organizational performance

7. To what extent do you think strategic formulation affects the organizational performance of Deposit-Taking SACCOs in Machakos Sub-County, Kenya?

Very great extent [ ]
Great extent [ ]
Moderate extent [ ]
Little extent [ ]
Not extent [ ]

8. Please check [√] the boxes that correspond to how much you agree with the following components of strategic formulation as they relate to deposit-taking SACCOs' organizational performance in Machakos Sub-County, Kenya.

Where: 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree

Strategic formulation and organizational performance	1	2	3	4	5
Effective leadership creates a collaborative environment that enables employees to develop a sense of ownership, thus enhancing employee satisfaction.					
Effective leadership provides growth opportunities, development					

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support, and a positive work environment, which empowers the employee, leading to increased employee retention.					
Effective strategies for SACCOs focusing on member satisfaction and financial management lead to organizational growth.					
Effective strategies allow SACCO to focus on optimizing processes, resource allocation, and technology adoption, which enhances its operational efficiency.					
Employees with the right strategic skills lead to better strategic alignment and improved financial performance.					
Employees with the right skills provide exceptional customer service, leading to increased member satisfaction and loyalty.					
Well-skilled employees contribute to more informed and strategic decision-making for the SACCO, leading to better performance.					
A well-defined organizational structure provides a clear framework for developing effective strategies that lead to increased efficiency,					
A well-defined organizational structure allows for efficient resource and task allocation, leading to improved organizational performance.					
SWOT analysis is a tool that helps SACCOs formulate effective strategies that lead to improved organizational performance.					
A well-executed SWOT analysis enables the SACCO to gain a competitive advantage, which leads to increased profits.					
Stakeholder involvement in the decision-making process leads to a better understanding of their needs and preferences, which enhances their commitment, resulting in increased customer satisfaction.					
Engaging stakeholders in the decision-making process allows the SACCO to consider diverse perspectives and feedback, enabling it to make more informed decisions that lead to improved performance.					

SECTION D: Strategic choice and organizational performance

9. To what extent do you think strategic choice affects the organizational performance of Deposit-Taking SACCOs in Machakos Sub-County, Kenya?

Very great extent [ ]
Great extent [ ]
Moderate extent [ ]
Little extent [ ]
Not extent [ ]

10. Please check [√] the boxes that correspond to how much you agree with the following components of strategic choice as they relate to deposit-taking SACCOs' organizational performance in Machakos Sub-County, Kenya.

Where: 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree

Strategic choice and organizational performance	1	2	3	4	5

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Technology adoption leads to increased efficiency.					
Technology adoption facilitates better communication with customers, which leads to better service quality and increased member satisfaction.					
Strategic collaboration with agencies reduces operational costs, which leads to improved profitability.					
Collaboration with agencies brings about improved service delivery, access to new products, and broader outreach, which results in increased member satisfaction and loyalty.					
Employee empowerment fosters a more motivated, engaged, and committed workforce, leading to increased job satisfaction and better employee retention.					
Empowered employees are more creative, innovative, and proactive in their work, leading to overall improved performance.					
Effective marketing strategies attract new customers and encourage existing customers to save more, leading to an increase in savings.					
Effective marketing strategies optimize resource allocation and customer engagement, leading to streamlined operations.					
Effective marketing builds a strong market presence, which enhances members' loyalty.					
Strategic resource allocation enables SACCO to deliver services effectively and at a lower cost, which leads to increased dividends for members.					
Optimizing resource allocation leads to increased profitability.					

SECTION E: Organizational performance of DT SACCOs in Machakos sub-county.

11. Please indicate by a tick [√] the general trend on the following aspect: Organizational Performance of DT- SACCOs in Machakos Sub-County, Kenya.

Where: 1=Strongly Disagree, 2= Disagree, 3=Not sure, 4=Agree, 5=Strongly Agree

Organizational Performance	1	2	3	4	5
SACCO's registered profits are due to effective marketing strategies and uptake of SACCO products.					
Clear communication to members about SACCO's strategic goals has enhanced transparency, engagement, and built trust, leading to an increase in savings.					
Effective use of environmental scanning to identify opportunities and threats by the SACCO has led to improved earnings and an increase in dividend payouts.					
SACCO has low employee turnover and increased employee satisfaction due to strong core values that foster a sense of purpose and connection.					
The SACCO has increased membership and loyalty due to the inspiration of members by clear SACCO vision and mission statements about its future.					
SACCO has continuous staff training and development due to					

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leadership that seeks out opportunities to expand their team's knowledge and skills to meet future challenges and opportunities					
The SACCO has enhanced employee satisfaction and retention due to supportive leadership that has developed a supportive and healthy working environment.					
The well-structured organization of the SACCO has led to timely service delivery due to streamlined processes and reduced redundancy.					
Effective SWOT analysis has enabled SACCO to tailor its services and products accordingly, leading to greater member satisfaction and loyalty.					
The SACCO has had increased profitability through higher savings, greater loan demand, and improved operational efficiency due to stakeholder involvement.					
SACCO has been able to focus on its core business, leading to increased profits, by leveraging the benefits of collaborating with agencies.					
SACCO's leverage on new technology has attracted new members and retained existing ones, leading to membership growth.					
Effective marketing and communication have led to membership satisfaction and loyalty due to clarity on SACCO services and products.					
Strong marketing strategies have enabled the SACCO to differentiate itself, resulting in increased membership growth.					
Effective resource allocation has improved SACCO profit margins by reducing expenses and maximising the returns on investments.					

12. Please provide any other relevant information on the Organizational performance of deposit-taking SACCOs in Machakos Sub-County, Kenya.

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END. Thank you for your cooperation.

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APPENDIX II: Introductory letter

ST. PAUL'S UNIVERSITY

Private Bag 00217 LIMURU, KENYA
Email: office@spu.ac.ke
Website: www.spu.ac.ke

Tel Office: +254 (0) 20-2020505/10
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(0) 736 - 424440

BOARD OF POSTGRADUATE STUDIES

4th August, 2025

National Commission for Science and Technology,
P.O. BOX 30623-00100,
Nairobi.

Dear Sir/Madam,

RE: RECOMMENDATION FOR CROMWELL MUSAU MUVA – MBADIST141524 TO CONDUCT RESEARCH

This letter confirms the above-named person is a student in the Master of Business Administration (MBA) Program at St. Paul's University.

After completion of the course work, the student is engaged in major research work leading to a Thesis/Dissertation writing. The student's selected topic is:

"Strategic planning process and organizational performance of Deposit Taking Saccos in Machakos Sub-County."

The SPU-Institutional Scientific Ethics Review Committee has reviewed the above-named research proposal and granted the ERB approval number 507, for the period between 31st July 2025 – 31st July, 2026 (1 year).

Kindly grant this student the required permit. For further information, please contact the undersigned through postgraduatestudies@spu.ac.ke

Yours Faithfully,

Dr. John Muhoho
Director Board of Postgraduate Studies

APPENDIX III: Institutional scientific ethics review

ST. PAUL'S UNIVERSITY

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(0) 736-424440

REF: SPU/497/2025 **Date: 31st July 2025**

TO: Cromwell Musau Muva
St. Paul's University

Dear Cromwell,

REF: Strategic Planning Process and Organizational Performance of Deposit Taking Saccos in Machakos Sub County

Greetings,

This is to inform you that SPU- Institutional Scientific Ethics Review Committee has reviewed the above-named research proposal. **Your ERB approval number is 507, for the period between 31st July 2025 – 31st July 2026 (1 year).**

This approval is subject to compliance with the following requirements;

i. Only approved documents including (informed consents, study instruments) will be used.
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SPU- Institutional Scientific Ethics Review Committee.
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SPU- Institutional Scientific Ethics Review Committee within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to *SPU- Institutional Scientific Ethics Review Committee* within 72 hours
v. Clearance for export of biological specimens must be obtained from relevant institutions.

vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of an executive summary report within 90 days upon completion of the study to SPU- Institutional Scientific Ethics Review Committee.
viii. Should there be any publications from your research, note that you are supposed to anonymize the particulars of the respondents, the identifiers and the name of institution (s) where you collected data.
ix. Please note that it is within the ISERC's mandate to monitor your research and to do random visits to the site. All research is subject to post approval monitoring. Kindly provide a closure report after the research.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) if you are collecting data in the country - https://research-portal.nacosti.go.ke **or obtain other clearances needed in the country where you will collect your data from.**

Yours sincerely,

Dr. Daniel Nzengya, PhD
Chairperson
SPU- Institutional Scientific & Ethics Review Committee

ST. PAUL'S UNIVERSITY
INSTITUTIONAL SCIENTIFIC & ETHICS REVIEW COMMITTEE
(ISERC)
APPROVAL WITH CONTIGENCIES
RESEARCH DIRECTORATE

APPENDIX IV: Research permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **583387**

Date of Issue: **21/August/2025**

RESEARCH LICENSE



This is to Certify that Mr.. Cromwell Muva Musau of St. Pauls University, Kenya, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kitui, Machakos, Makueni, Nairobi on the topic: Strategic planning process and organizational performance of deposit taking SACCOs in Machakos Sub County for the period ending : 21/August/2026.

License No: **NACOSTI/P/25/4177951**

583387

Applicant Identification Number

Ag. Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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APPENDIX V: Similarity test report

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Summary

1 STRATEGIC PLANNING PROCESS AND ORGANIZATIONAL PERFORMANCE OF DEPOSIT TAKING SACCOS IN MACHAKOS SUB-COUNTY

CROMWELL MUSAU MUVA

MBADIST141524

Supervisor:
Dr. James Mwangi Njau
Dr. Charity Wangui Maina