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Corporate Growth Strategies and Performance of Savings and Cooperative Societies in Mandera County, Kenya

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ABSTRACT

Consistent and continuous threats from the environment have been the order of the day in the corporate world and therefore businesses need to adjust accordingly in order to survive. Just like is the case in other organizations, there is a need for SACCOs to be in a position to respond strategically to the turbulence and environmental changes they operate in. SACCOs have made little effort to master corporate growth strategies for the changes in the environment. This study therefore interrogates the influence of Corporate Growth Strategies on performance of Savings and Cooperative Societies in Mandera County, Kenya. The specific objectives are to establish the influence of Product Development Strategy on performance of Savings and Cooperative Societies in Mandera County, Kenya ; to assess the effect of Market Development Strategy on performance of Savings and Cooperative Societies in Mandera County, Kenya ; to determine the role of Divestment Strategies on performance of Savings and Cooperative Societies in Mandera County, Kenya and to explore the extent to which Diversification Strategies influences performance of Savings and Cooperative Societies in Mandera County, Kenya. The study is anchored on the Porter's Competitive Advantage Theory, the Dynamic Capability Theory and Resource Based Theory to help explain the concepts from a theoretical point of view. An explanatory research design was adopted to achieve the objectives. Targeted population for the present survey was the four active SACCOS in Mandera county according to the Mandera County Integrated Development Plan (2013-2017). The plan indicates that the county has five registered SACCOs but only 4 with a total membership of 100 are active. Focus for the study was on the four SACCOs which are active. A quantitative method was adopted whereby data using structured questionnaires was collected. However, before using the questionnaire, its reliability was tested using a Cronbach Alpha Coefficient at a threshold of 0.7. Additionally, the quality of the content of the questionnaire was checked to make sure there are no typographical or form problems. Both descriptive and inferential analysis were used to examine the quantitative data. Correlation and regression analysis were the inferential methods used. Multivariate regression is the best option. Finally, tables and figures were used to present the study's results. The results of this study would greatly advance our understanding of corporate strategies that consider the constraints posed by environmental change on organizational performance. Furthermore, the gaps found in earlier and current research of the approach would be filled by scholars in the present and the future thanks to the findings.

Key Words: *Corporate Growth Strategies, Performance, Savings and Cooperative Societies*

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1.0 Introduction

1.1 Background of the Study

Savings and Credit Cooperatives (SACCOs) occupy a strategic position in the Kenyan economy mainly because of their role in resource mobilization in the financial sector. They are hence very critical in the realization of the Vision 2030 (MoCDM, 2014). Kenyan SACCOs are ranked the first in Africa and seventh worldwide (WOCCU, 2014). Statistically, the SACCOS in Kenya command up to 67 percent of the total assets and up to 62 percent of the total deposits in Africa. In the Kenyan context, they command up to 33 percent of the national savings (WOCCU, 2014). Their vibrancy as well as competitiveness is hence an important consideration for the Kenyan economy. Their growth has also been tremendous as indicated by an average national growth rate of up to 15 percent from the previous 8.6 percent in the year 2015 (Tirimba, 2014).

SACCOs play a very important role in terms of their contribution to the economy and are therefore required to be very aggressive in the competitive sector so as to remain relevant. The financial environment has lately been very competitive and turbulent with competition from the commercial banks at an increasing rate. However, there has been inadequate competitive advantage to favor the survival of SACCOs (Kinyuira, 2015). Kinyuira (2015) argues that due to the competitive nature of the environment in which they operate, the SACCOS have adversely been affected. The implication has been a reduction in their role as financial intermediaries in the economy despite their numerical strength. This calls for an urgent need for the managers of these SACCOs to employ strategic management to gain a position to compete favorably so as to have sustainable growth. Therefore, a focus on the competitive strategies being adopted in this sector is hence crucial.

Product development strategy refers to the process by which SACCOs (Savings and Credit Cooperative Organizations) create and introduce new or enhanced services and products in meeting the changing needs and preferences of their members (Brillian, 2019). SACCOs can employ various approaches and techniques to develop their products effectively such as product innovation and diversification as well as customization and personalization. According to Jurgen (2018), SACCOs focus on innovation and diversification to create new and unique products that cater to the evolving demands of their members. This may involve introducing new savings accounts, loan products, investment options, or value-added services that provide convenience and added benefits to members. Further, Gillian (2018) pointed out that SACCOs aim to provide personalized solutions by tailoring their products to individual member preferences and requirements. This may involve offering flexible loan repayment options, customized savings plans, or personalized financial advisory services based on members' financial goals and circumstances.

Product Development Strategy as developed by SACCOs such as product innovation and diversification as well as Customization and Personalization affect performance to a great extent. According to Jurgen (2019), Product Innovation and Diversification: SACCOs focus on innovation and diversification to create new and unique products that cater to the evolving demands of their members. This may involve introducing new savings accounts, loan products, investment options, or value-added services that provide convenience and added benefits to members. Besides, it is pointed out by Mendy (2019) that SACCOs aim to provide personalized solutions by tailoring their products to individual member preferences and requirements. This may involve offering flexible loan repayment options, customized savings plans, or personalized financial advisory services based on members' financial goals and circumstances.

According to Porter (2008), pursuing tactics that can improve company performance would help companies operate better in a cutthroat market. A corporation is competitive, according to Thompson and Strickland (2016), if it has a competitive advantage over its rivals in protecting customers and fending off market pressure. Corporate strategy pursuit is not just a local idea. Zhang (2015) found a favorable association between diversification techniques and their firm value as well as the adoption of corporate growth strategies by Chinese group-affiliated textile industry enterprises during institutional changes.

In Denmark, Baraskova (2016) established that pursuit of corporate growth strategies played a role in the sustainable advantage in competition from various companies in the food sector. In Pakistan, Hussain, Khattak, Rizwan and Latif (2014) documented that growth strategies of Ansoff matrix significantly contributed in firm’s growth except diversification. In Turkey, Nilgun, and Fulya (2015) indicated that as a result of adopting product and process innovation strategies, firms in the automotive supplier industry improved their firm performance significantly. Oyedijo and Akinlabi (2016) discovered that enterprises in Nigeria had better performance regarding finances on a long-term basis within the industry and is recommended as compared to those without a strategic planning framework that more closely resembled strategic management theory. Acquaah and Ardekani (2015) made the case that some businesses in Ghana, like Unilever Ghana, which had success implementing product differentiation and value focus in their product, had achieved competitive position in the market in Ghanaian consumers' minds by maintaining value focus in their products for lower income groups. In South Africa, Sorooshian, Norzima, Yusof, and Rosna (2014) argued that it is crucial to measure the impact of organizational performance across all industries and levels because implementation of a strategy is considered to be a critical task in the process of strategy management. Locally, Kundu (2015) argued that there is a need for the commercial banks to enhance their competitive strategies. On the other hand, Munene (2016) contended that positioning strategies in the Kenyan financial sector enhanced growth more quickly and more profitably relative to its competitors, improved sales of new products, allowed banks to offer financial services that have important attributes in delivering benefits, attained a large market share, increased customer loyalty, and improved customer retention.

1.1.1 Corporate Growth Strategies

McKeown (2017) argued that strategy enables an organization to have and maintain a position of competitive advantage over its competitors in the dynamic and turbulent environment through implementation of various flexible actions. He also argues that strategy focuses on shaping the future of an organization and at the same time obtaining desirable ends. A strategy enables an organization to be positioned strategically in a market arena so that it can compete successfully with its competitors and at the same time, satisfy its customers and maintain good performance even in times of turbulence. The importance of strategy lies in the argument that an organization that lacks strategy normally ends up aimless and without direction (Kirkendall, 2016).

According to Thompson and Strickland (2016), competitive strategies are the actions a firm takes to win over customers, counter other businesses, and strengthen its position in the market. According to Lester (2014), competitive strategies let a firm characterize its business today and future and choose which markets or industries to enter. Identification of a firm's responses to its environmental concerns depends on its strategies (Pride, Hughes & Kapoor, 2017). These strategies include product development, diversification strategy, development of the market as well as penetrating within the same market whereby the business creates a competitive advantage after considering its competitive strengths, limitations, and needs in relation to the competition and its customers. (Pride, Hughes & Kapoor, 2017). Kithitu, Cheluget, Keraro and Mokamba (2015) argued that through corporate strategies, a firm is able to achieve its set objectives, both short and long term, and also allocate resources and action various programs and hence maintain sustainable growth. Corporate strategies enable an organization to have sustainable competitive advantage in both long and short term. Firms can pursue various diversification strategies ranging from horizontal diversification where there is reliance on technology to develop new services and products which can attract or appeal to customers. The other type of diversification is vertical, which takes place when a company produces products that are more similar to those that are currently available on the market (Benson et al., 2017). Diversification via conglomerates is another option for a business. This type of diversification entails starting a business that produces things or offers services that are unrelated technologically to the company's current product line (Sohl, 2015).

1.1.2 Performance of Savings and Cooperative Societies

Organizational performance, according to Daft and Marcic (2016), is a company's capacity to use its resources effectively and efficiently to achieve its objectives. Performance is the history of outcomes obtained from a specific action over a specific amount of time. Moruri (2015) asserts that there are different tiers of organizational success based on financial, market, and shareholder returns. He contends that profits of a firm and returns on assets, equity, and investments are some examples of financial performance indicators. Changes in sales and market share are some market performance indicators, whilst earnings per share are some indicators of shareholder return.

According to some researchers, such as Fahey and King (2016), the firm's success estimations can be achieved in terms of relevance, effectiveness, and efficiency. Performance, according to Machuki and Aosa (2017), is the effectiveness with which various business operations are carried out within the company. It has been described in terms of efficacy as the numerous special capabilities that a company possesses to enable it to produce results. Performance can be measured using financial or non-financial ways, according to Marangu's (2015) research. Financial strategies use indicators such as revenue, returns, earnings, sales, and profits accumulated from market shares. Non-financial measures of profitability include corporate social responsibility, on-time delivery and customer satisfaction.

1.1.3 Mandera County

Kenya's northeastern Mandera County shares borders with both Somalia and Ethiopia. Banks, SACCOs (Savings and Credit Cooperative Organizations), and microfinance organizations make up the three main types of financial institutions in the county. Existing are three banks in Mandera with Equity and KCB banks placed within town and one of which is in Elwak town (Equity). A total of 100 people are registered with the county's five SACCOs, which are also registered. Only four of these SACCOs are operating right now, though. It is noted that, according to the Mandera

County Plan for Development following integration (2013-2017), there are no microfinance institutions functioning inside the county.

1.2 Statement of the Problem

The business environment is constantly presenting challenges and threats, which can have cumulative negative effects if not properly addressed. Guerard, Markowitz, Xu, and Wang (2018) emphasize the importance of businesses adjusting to survive in such conditions. Craypo and Nissen (2019) warn about the dangers of failing to respond appropriately to environmental threats, which can result in significant losses for firms. This holds true for SACCOs (Savings and Credit Cooperative Organizations) operating in Kenya, as they face intense competition in the liberalized markets. However, Maina and Manyara (2014) express concerns about the limited efforts made by SACCOs in mastering corporate growth mechanisms in responding to the changing corporate world.

The market conditions for SACCOs in Kenya have shifted due to various factors. Technological advancements, economic volatility, evolving consumer trends influenced by sociological changes, and government regulations have created a different operational landscape (Salat, 2016). The SASRA Financial stability report (2016) highlights the challenges faced by small deposit-taking SACCOs, as they struggle to meet the increasing demands of prudential regulatory compliance while being financially and technically constrained. This situation calls for effective strategies to ensure survival. One area where SACCOs have fallen short is the transformation of their processes and products to align with customer needs (Salat, 2016). To thrive both in the competitive and dynamic business environments, SACCOs should adopt corporate growth strategies that address these challenges head-on. Otherwise, they risk experiencing difficulties in their operations and losing their competitive edge.

1.3 Research Objective

To interrogate the influence of Corporate Growth Strategies on performance of Savings and Cooperative Societies in Mandera County, Kenya

2.0 Literature Review

2.1 Theoretical Literature

The study is anchored on Porter's Competitive Advantage Theory, the Dynamic Capability Theory and Resource Based Theory.

2.1.1 Porter's Competitive Advantage Theory

The conflicting forces paradigm predominated strategy, at least in the 1980s. According to Porter's competitive forces idea from 1980, creating a strategy for competition is all about " having a clear relationship between a firm and its surroundings." The industry or industries in which a firm competes make up the majority of the environment, according to the notion. When a company develops or acquires a collection of traits (or takes actions) that allow it to outperform its competitors, it has gained a competitive advantage. (Porter, 2008). The theory also emphasizes how to analyze an industry's structure and how to strategically position businesses within it to obtain an advantage over rivals. It emphasizes differentiation and cost leadership as the two fundamental types of competitive advantage.

Cost leadership as an aspect of the Porter's Competitive Advantage Theory involves achieving the lowest cost of production and operation in the industry. Organizations pursuing a cost leadership strategy aim to offer products or services at a lower price compared to their competitors while maintaining acceptable levels of quality. By operating efficiently and achieving economies of scale, cost leaders can secure a larger market share and potentially drive out competitors who cannot match their low prices. Besides, Porter also emphasizes the importance of strategic positioning within an industry. He argues that organizations need to choose a clear and sustainable position in the market, either as a cost leader or a differentiated provider, to achieve a competitive advantage. Additionally, Value chain concept was introduced by Porter and it highlights the interconnected tasks which are performed by institutions in delivering value to customers. Understanding and optimizing each activity within the value chain can contribute to achieving a competitive advantage.

For over half a century, the field of management has dedicated significant efforts to developing theories aimed at elucidating the concept of competitive advantage. The pursuit of competitive advantage is perhaps the most crucial idea in the academic field of strategic management. The organization's emphasis determines the market to enter and the company's place within those markets (Konsolas, 2017). Because it relates to the competitive growth strategies that serve as the study's independent variable, the theory is relevant. In his work on corporate strategy, Cost leadership, product differentiation, and focus are the three general tactics that Porter established. The performance of a firm is impacted differently by each of these techniques. The factors of product development and market development are key to this approach.

2.1.2 The Dynamic Capability Theory

A firm's performance is based on its capacity in integrating, growing, and restructuring both the inward and outward talents in order to achieve new types of competitive advantage, according to Teece et al.'s (1997) Dynamic Capability Theory. Researchers have proposed that the concept of a hierarchy of capabilities and the notion of capacity embeddedness may be the fundamental viewpoints of the dynamic capability viewpoint. The Dynamic Capability Theory is a framework developed in strategic management that focuses based on a company's capacity for change and response in a dynamic business environment. It highlights how crucial it is for a company to be able to integrate, develop, and reorganize its internal and external resources and skills in order to effectively meet the challenges and opportunities presented by the environment. The theory further suggested that firms need to continuously develop and enhance their capabilities to sense, seize, and transform resources and knowledge in response to changes in the market, technology, customer preferences, and other external factors.

The technique states that a firm's business processes, market positioning, and opportunities are ultimately related to how organizations establish firm-specific skills to react to changes in the business environment. These elements serve as the basis for figuring out dynamic capabilities. The idea is pertinent to the study because it links competitive strategies to company performance. The idea holds that competitiveness results from successful businesses reacting fast to a changing environment and developing new products. Effectively rearranging and distributing both internal and external capabilities is another trait of successful firms. The term "dynamic capability" refers to the capacity to achieve a competitive edge.

2.1.3 Resource Based Theory

The Resource-Based (RBT) strategy, which was introduced by Barney in 1991 and was based on Penrose's theory from 1959, proposed a connection between a firm's resources and its competitive edge. He established economic methods for analyzing and controlling the relationship between enterprises' resources and profitability. He saw businesses more in terms of their resources than their product markets.

In accordance to this theory, an institution has ability to compete and perform well is largely determined by the resources it manages. According to the notion, it is possible for an institution to have the ability of managing its own resources provides the foundation for competing with rivals (Sainsbury, 2019). To have a continuation in distribution of resource bundle to gain competition, unique resource heterogeneity is seen to be a prerequisite. The claim is that there is a difference with regard to resources of organizations since some resources can be unique to organizations and are difficult to duplicate. Competitive advantage is mostly a result of this uniqueness. Resources are important because they take advantage of industry opportunities and/or counteract dangers, are uncommon in a company’s present as, unique, and non-replaceable. The RBV's core tenet is that companies are distinctive with regard to having resources that are strategically based that they control and own. The assets that are secured to the organization semi-permanently are known as resources and form the key aspects of analyzing this theory. These comprise the financial, human, physical, commercial, and technological resources that businesses employ to design, create, and provide goods and services to their clients. The notion can be used to explain the significance of distinctive resources for a company, such as competitive techniques that cannot be imitated. The claim is that organizations difference among organizations is with regard to owned resources since some resources can be unique to organizations and are difficult to duplicate. Competitive advantage is mostly a result of this uniqueness. According to the principle, having competitive strategies that other businesses cannot copy gives you a competitive advantage.

2.2 Empirical Literature Review

2.2.1 Product Development Strategy

Ramona (2016) found that Barclays Bank of Kenya adopted some strategic responses to stay competitive in the market, including providing multiple services and products by employing well equipped staff members, automating business processes, publicity as well as avoidance of publicity, outsourcing support, removing operating staff, and so on. Businesses must constantly monitor their surroundings for indications of impending discontinuity and possible surprises. Using a descriptive approach, Onguko and Ragui (2014) carried a survey to ascertain the influence brought about by development of products strategy on products success in the Kenyan telecommunications sector. The study also aimed to ascertain how the firm's marketing strategy, research and development, and many goods, as well as strategic resources, affected the performance of its products. The study discovered that the firms' marketing tactics affected the performance of their products and, consequently, their competitive advantage.

In a further study on the efficiency of the banking industry, Kamau (2015) found that in order to grow their market share in terms of total consumers, banks needed to be more creative with the products and services they offered. Financial services demand within the African continent is anticipated to increase in time to come, and while banks having a stronger presence of Pan Africanism have benefits, they faced increased competition from both established rivals and cutting-edge, new ways to provide financial services. The outcome of this survey also indicated that banks have expanded their presence and, consequently, their financial performance, through the development of new goods and services.

2.2.2 Market Development Strategy

According to Mutuma (2013), a survey was undertaken to determine the effect of the expansion strategy on the performance of Kenyan banks. It was established by the survey that market penetration strategies had a significant impact on the success of Kenya's tier one commercial banks using quantitative data from a quantitative survey. When evaluating the impact of commercial banks' market development strategy on their performance. Ndungu (2013) discovered that concentrating on key company operations helped performance increase. Customer-focused planning, competitive benchmarking, innovation, and strategies for differentiating yourself were among the contributing aspects. Other focus strategies used to improve financial performance and competitiveness included focusing on particular clients, changing the target market group, focusing in particular geographic areas, scaling up, and focusing on specific service lines.

In a 2014 study, Duade et al. evaluated the impact of marketing innovation as a development strategy on commercial banks' performance in Nigeria. The study's sample included fifteen of the nation's largest banks. Two null hypotheses were created and given to a sample of bank customers and employees in order to see if there was any association among innovation in technology and bank performance as well as between innovation in technology and the performance of Nigerian bank personnel. Using the Pearson correlation coefficient, the hypotheses were examined. The research results revealed that the efficiency of bank employees, customer satisfaction, and the increase in bank profitability were influenced by technological innovation. In a study conducted by Muthoni (2015), the objective was assessment of the causal association between marketing development strategy and the performance based on finance of insurance companies in Kenya. The study utilized data from 45 active insurance and reinsurance companies in Kenya as of December 31, 2012. Data was collected between 2008 and 2012. The first-hand information was obtained through a question and answering, while secondary data, when necessary, was sourced from published materials. Inferential and descriptive statistics were employed to evaluate the data, allowing for the creation of a descriptive regression of coefficients and the assessment of the model's adequacy. The findings revealed no significant correlation between marketing innovation and financial performance. However, the study indicated that operational process and system innovation make a statistically significant contribution to explaining insurance companies' return on assets.

2.2.3 Divestment Strategies

Zschoche (2016) examined the consequences of a firm divesting its services on its performance. The study conducted an in-depth qualitative and quantitative analysis and established that divestment had both and negative effects where in as much as it could improve performance, it also increased costs. The study further determined that divestments allow companies to refocus their strategic priorities and concentrate on their core businesses. This strategic focus can enhance competitiveness, market positioning, and overall performance. Omari, Ateka and Nyaboga (2014) on the other hand established whether divestment strategies significantly impacted on operational performance of small businesses. Focusing on managers of small businesses in Kisii, it was established that risk was reduced through divestment, costs were reduced, efficiency enhanced and performance increased. Besides, it was established by the study that divestments can involve risks and challenges, such as transaction costs, potential disruptions in operations, and loss of synergies. The success of divestment strategies depends on the effective execution and careful consideration of these factors.

Karanja, (2015) similarly linked divestment strategy to performance and investigated the extent of adoption of the strategy as well as its impact. The focus was commercial banks and the tool for data collection was a questionnaire. Through regression, findings highlighted that the strategy improved performance for financial institutions through reduced risk and increased efficiency.

2.2.4 Diversification Strategies

They looked at how different Ansoff growth strategies affected business growth and how the market environment affected these links in Pakistan's fast-food industry, Hussain, Khattak, Rizwan, and Latif (2014) found that all Ansoff growth strategies, with the exception of diversification, significantly contributed to firm growth. Despite the foregoing, the firm's resources and competencies also have an impact on the possible growth options. The profitability of a firm is determined by its level of diversification, which is strongly correlated with the antecedent decision to engage in diversification activities, according to a study done by Enrico and Hien (2011) on diversification strategies and firm performance in Turkish firms using a sample selection approach.

Atieno (2017) interrogated the adoption of diversification among various financial institutions like Kenyan banks and whether that improved their competitive advantage. Using questionnaires, the study interrogated whether various diversification activities such as risk portfolio diversification and rolling of new products generated a competitive edge for the commercial banks. Positive results were established. Key studies about diversification of banks' credit portfolios were started by Acharya et al. (2017). They discovered that industry and zonal diversification tactics decreased bank income while producing hazardous loans in the Italian banks. Busch and Kick (2009) looked into income diversification techniques in the German banking industry and found that the strategy was being aggressively adopted. In their study on regional diversification, Cotugno and Stefanelli (2014) discovered a positive correlation between bank performance and product diversification techniques. Although there was no gain in the income of individual banks or a decrease in the portfolios, they claimed that product diversification boosted the lending capacity in the banks.

3.0 Research Methodology

In order to achieve determination of the association between the corporate strategies and success of SACCOS in Mandera, this study utilized an explanatory research methodology. Since an explanatory research methodology establishes a cause-and-effect link between the variables, it is appropriate for this study. It is made up of a list of components or specific individuals who make up the entire population from which a sample is taken. The Mandera County Integrated Development Plan (2013-2017) states that the four active SACCOS in the county were the study's target population. According to the plan, the county has five SACCOs registered, but only four of them, with a combined membership of 100, are currently operating. The four operational SACCOs were the subject of the study. Regarding the study's unit of analysis—4 SACCOs with 100 members—a census technique was used. According to Bresler and Stake (2017), the population census is distinctive in that it offers the opportunity to look at small and special population groupings as well as gather data on small geographic units (less than 200). According to Orodho (2009), the use of a census approach is justified as it enables the collection of comprehensive and accurate information that represents the perspectives of the entire population under study. This approach ensures a thorough understanding of the various viewpoints related to a specific issue.

The researcher used structured research questionnaires to aid the collection of primary data from the study respondents. Questionnaires are a preferred choice for research due to their cost-effectiveness and ability to reach a larger population compared to interviews. Questionnaires also help mitigate bias among interviewers. However, there are some limitations associated with questionnaires, such as potential clarity issues, low response rates, and challenges related to literacy among respondents, among other factors. The questionnaires were both open and closed ended. There were two segments; the first and the second in the questionnaire. Questionnaire A contained the background demographic characteristics of the respondents whereas section B provided questions regarding the corporate Growth Strategies' effects on the performance of Kenya's Mandera County's cooperative and savings societies. The researcher utilized the data obtained from questionnaires to draw conclusions for this research.

Two SACCOs were the subject of a pilot study with 8 responders, or 8% of the sample population. These participants won't be counted in the study's final analysis. According to Silverman (2016), a pilot test's participants do not need to be statistically chosen. For a pilot, 5–10% of the population is enough. As a result, a pilot study was conducted for this study to determine how trustworthy the research instrument is. Instrument validity is the determination of the assurance of the instrument for the study before the data collection process. In obtaining a reliable content validity, the study adopted an expert judgmental method. In this manner, those research questionnaires that the respondents had filled were presented to the project supervisor, who had a close monitor and further provided a response to the researcher. Study instrument's reliability is the extent by which the adopted research instrument gives reliable information with regard to the study objectives. In the present study, the researcher made use of Cronbach's alpha coefficient in the determination of the level of reliability of the research instrument. The coefficient had an alpha scale ranging between 0.0 and 1.0. Upon the research instrument yielding a Cronbach alpha coefficient between 0.6 and 0.7 or more, it is regarded to be highly reliable and recommended as highlighted by Mugenda (2015).

Briefing of the management was done by the researcher. The researcher provided a highlight of the rational foe the research study and the importance of data collection. The researcher assured all the respondents of high confidentiality level. The researcher communicated the date for commencing data collection to the management and all other respondents within the four SACCOs in Mandera Counties. Drop and pick method was used by the researcher to collect the study data. A letter of introduction for Kenyatta University was presented to the respondents by the researcher prior to data collection. In ensuring total rates of response, the researcher provided time for the gathering of all done questionnaires. It is worth noting that 21 days were enough for the process. The survey collected both qualitative and quantitative data. In analyzing the quantitative data, descriptive statistics were employed. Presentation of the same data was done through percentages and frequencies. The statistical tool to be used by the study is the 25th version of the SPSS. The utilization of descriptive statistics is crucial for illuminating the study variables. This data analysis method proves advantageous due to its simplicity and ability to provide concise summaries of the variables under investigation within the study.

Correlation and regression analysis was the inferential methods used. Multivariate regression is the best option. The use of multivariate regression is justified by the possibility of comparing the size of the probability (Walliman, 2017). In other words, it made it possible to determine which predictors are more powerful than others. It was also be helpful in determining the overall model relevance and model goodness of fit. Finally, tables and figures were used to present the study's results. Besides, qualitative data analysis was achieved with the help of content analysis

The following is the regression equation:

$Y= \beta_0+ \beta_1X_1+\beta_2X_2+ \beta_3X_3+ \beta_4X_4 +\varepsilon$

Where:

Y is the performance of SACCOS in Mandera County

X_1 is Product Development Strategy

X_2 is Market Development Strategy

X_3 is Divestment Strategy

X_4 is Diversification Strategy

$\beta1 – \beta4$ = Determination coefficient expression

ε = The expression of an error

The study obtained NACOSTI permit before commencing the process of data collection. This ensured that the due process is followed. In the act of collecting data for the study, the management of the four SACCOS was notified first before data is collected. With their permission, the process continued. When interacting with the respondents, their feelings of withdrawal from the study was respected. Furthermore, they signed a consent form to participate in the study. Obtained data was handled highly with confidentially and useful only in pursuit of academics.

4.0 Research Findings Analysis

The findings indicated that the R square value was determined to be 0.610 meaning that 61% of the variation in product development strategy on performance of SACCOs in Mandera County. The remaining 39 percent is due to other factors not tested in this model. On the other hand, the correlation was determined by an overall coefficient of correlation of (R) to be 0.516. Besides, from the regression model, the R square value was determined to be 0.761meaning that 76% of the variation in market development strategy on the results from performance of SACCOs. The remaining 24% is due to other factors not tested in this model. From the regression model, the R square value was determined to be 0.794 meaning that 79% of the variation in divestment and diversification strategies on the results from performance of SACCOs in Mandera County.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.516[a]	610	0.329	0.49517

The ANOVA analysis results showed that there was a statistically significant relationship between the independent variables (Product development, strategy, market development strategy, divestment strategy and diversification strategy) and the dependent variable (Performance of SACCOs) at F=36.078, p=0.001. The findings indicated that the variance was significant in predicting performance of SACCOs at 95% confidence level hence the data is suitable for making conclusions about the population. The findings are presented in the table below.

Table 2: ANOVA Analysis

Model 1	Sum of squares	Df Value	Average Square	F	Sig.
Regression	10.34	1	11.25	36.078	0 .000[b]
Residual	1.91	146	.48		
Total	20.76	174			

The coefficient of regression was conducted to determine the level of influence of the independent variables on the dependent variable. The analysis showed that the linear regression model Y= β0 + β1X1 + β2X2 + β3X3 + β4X4 + ε is Y=0.608+0.655X1+0.816X2+0.674X3 +0.718X4. The model shows that when other factors are held constant, an increase in the use of independent variables (Product development, strategy, market development strategy, divestment strategy and diversification strategy) by 1% improves performance of SACCOs in Mandera County. The level of performance of SACCOs in Mandera County would be at 0.608 when all the variables are held constant. Therefore, a unit change in product development strategy would positively increase performance of SACCOs in Mandera County by a coefficient factor of 0.655. A unit increase in market development strategy would positively change performance of SACCOs by 0.816. A unit change in divestment strategy would positively change performance of SACCOs by 0.674. On the other hand, A unit change in diversification strategy would positively change performance of SACCOs by 0.718. Hence, the independent variables positively influence the level of performance of SACCOs in Mandera County as presented in the table below.

Table 3: Coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		**B**	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	0.608	0.214		0.481	0.765
	Product development strategy	0.655	0.106	0.611	3.872	0.000
	Market Development strategy	0.816	0.121	0.317	1.873	0.000
	Divestment Strategy	0.674	0.083	0.045	0.652	0.075
	Diversification Strategy	0.718	0.142	0.672	0.173	0.000

Correlation analysis was conducted to test the existing relationship between the independent variable (Product development strategy, market development strategy, divestment strategy and diversification strategy) and the dependent variable (performance of SACCOs in Mandera County). The analysis showed a strong positive significant correlation between Product development strategy and performance of SACCOs in Mandera County. This was evident by the correlation factor of 0.655. The strong relationship was statistically significant since the significant value was 0.001 that was less than 0.05 significance level. This is an indication that a unit change in Product development strategy causes a change of 0.655 in performance of SACCOs in Mandera County.

The study found a positive correlation between market development strategy and performance of SACCOs in Mandera County as indicated by the correlation of 0.816 and a significance value 0.001. This finding shows that adoption of market development strategies can improve the level of performance of SACCOs in Mandera County. This is an indication that a unit change in market development strategies cause a change of 0.816 in performance of SACCOs in Mandera County. The analysis showed a positive significant relationship between divestment and diversification strategies on performance of SACCOs in Mandera County (r=0.674, p=0.001). This is an indication that a unit change in divestment and diversification strategies cause a change of 0.674 and 0.718 on performance of SACCOs in Mandera County. The findings are presented in the table as shown.

Table 5: Correlation Analysis

Strategies	Product Development	Market Development	Divestment	Diversification
Product Development	1			
Market Development	.655**	1		
Divestment Strategy	.816**	.517**	1	
Diversification Strategy	.674**	.329**	.831**	1

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

5.0 Summary of Findings, Conclusion, and Recommendations

5.1. Summary of Findings

The study was carried out to determine the impacts brought about by growth in corporate mechanisms that aid SACCOs performance in Mandera County, Kenya. The specific focus strategies for development of products, penetrating into the markets, divestment mechanisms as well as mechanism for enhancing market development. The contextual scope of the study was Mandera County where the four active SACCOS in the county were targeted by the study. The SACCOs within Mandera County were chosen because there is an outgrowing need to achieve a better performance from the SACCOs in Marsabit County, to match that for competitive SACCOs in other counties such as Nairobi. Data were collected using questionnaires within two months. The study analyzed the descriptive statistics for the quantitative data. The study considerably used inferential Statistics, multiple regression and linear correlation. Because of the quantitative nature of this research study, regressing and correlational monitoring were adopted to highlight the association linking the major variable and minor variables for the survey.

The first variable for the study determined the influence of Product Development Strategy on performance of Savings and Cooperative Societies in Mandera County, Kenya. The study's findings suggested that the introduction of new products and services, along with improving existing financial products and services, plays a crucial role in enhancing the growth and performance of Savings and Cooperative Societies in Mandera County, Kenya. Additionally, the study established that offering a diverse range of products compared to competitors is perceived as contributing to improved corporate growth and performance. These insights highlight the significance of product development strategies in the context of these societies' performance within the region. The study further found out that enhancing existing financial products leads to improved performance of Savings and Cooperative Societies in Mandera County.

The second objective for the study was to the effect of Market Development Strategy on performance of Savings and Cooperative Societies in Mandera County, Kenya. The research revealed that adopting demographic positioning strategies based on the local population's characteristics in the area greatly influences the SACCOs' performance. This suggests that tailoring products and services to match the needs and preferences of the specific population in Mandera County contributes positively to the SACCOs' overall performance. The study also established that by aligning their offerings with the diverse occupational profiles of the local population, SACCOs can enhance their performance. This strategy likely enables SACCOs to provide specialized financial solutions that cater to the unique financial requirements of different occupations. Besides, the study established that by focusing on making financial services, it is easily accessible and user-friendly for consumers can lead to improved financial performance. Such positioning likely streamlines the customer experience and encourages greater engagement with the SACCOs. Finally, the findings from the study highlighted that the impact of positioning strategies based on consumer demand for services. SACCOs that align their offerings with what consumers are actively seeking are likely to witness enhanced performance.

The third objective of the study was to determine the role of Divestment Strategies on performance of Savings and Cooperative Societies in Mandera County, Kenya. It was established by the study that there is a significant relationship between divestment strategies and performance of SACCOs in Mandera County. These strategies are viewed as instrumental in addressing non-performing assets, focusing on core strengths, risk mitigation, cash flow enhancement, and careful financial evaluation. These findings offer valuable insights for SACCO management, suggesting that well-executed divestment strategies can be employed as powerful tools for optimizing financial performance, risk management, and strategic decision-making. The findings highlighted that divesting from risky or underperforming assets or ventures can assist SACCOs in mitigating potential financial losses and exposure to risk. This strategy implies a proactive approach to risk management and prudent resource allocation. Besides, it was established by the study that divestment strategies enable SACCOs to concentrate on their core strengths and competencies by shedding non-core assets or activities. This alignment with core areas could lead to enhanced revenue generation activities and operational efficiency.

The fourth objective of the study was to explore the extent to which Diversification Strategies influences performance of Savings and Cooperative Societies in Mandera County, Kenya. The study's findings underscore the positive impact of diversification practices on the financial performance of Savings and Credit Cooperative Organizations (SACCOs) in Mandera County. The research revealed that SACCOs in the region have adopted various forms of diversification to enhance their financial performance. The findings indicate that SACCOs have embraced product diversification practices like bank assurance to improve their financial performance. This strategy involves offering a wider range of financial products, potentially including insurance, to attract more customers and generate additional revenue streams. The study determined that SACCOs engage in investment asset diversification practices, including investments in assets like bonds, to enhance their financial performance. By spreading their investments across different asset classes, SACCOs can potentially achieve better risk-adjusted returns. Diversification also enables

SACCOs to spread risk across various asset classes and market segments. This can help mitigate the impact of market volatility and economic changes, contributing to more stable and sustainable financial performance.

5.2. Conclusions

Based on the findings from the study, several conclusions were made. It was concluded by the study that introducing new products and services, as well as improving existing financial products, significantly influence the growth and performance of Savings and Cooperative Societies in Mandera County, Kenya. Additionally, offering a wider range of products than competitors is also seen as beneficial, although opinions on this aspect appear to be somewhat more diverse. Besides, the study also concluded that by improving the existing financial products, it contributes to better performance indicating the importance of enhancing the quality of current offerings.

In conclusion, the research findings emphasize the critical role of demographic positioning strategies in influencing the performance of Savings and Cooperative Societies (SACCOs) in Mandera County, Kenya. By tailoring their products and services to align with the specific characteristics, preferences, and occupational profiles of the local population, SACCOs can enhance their overall performance. This personalized approach enables SACCOs to offer specialized financial solutions that cater to the diverse and unique financial needs of different occupations. Moreover, the study highlights the importance of consumer-centric strategies, such as enhancing accessibility and user-friendliness of financial services. By prioritizing convenience and creating a seamless customer experience, SACCOs can foster greater engagement and satisfaction among consumers, which in turn contributes to improved financial performance. Furthermore, the research underscores the significance of demand-driven positioning. SACCOs that align their offerings with the active demands of consumers are positioned to experience enhanced performance outcomes. This approach ensures that the services provided are relevant and resonating with the needs of the target audience, leading to increased engagement and loyalty.

In conclusion, the study's findings establish a substantial and positive correlation between divestment strategies and the performance of Savings and Credit Cooperative Organizations (SACCOs) in Mandera County. The research demonstrates that divestment strategies play a pivotal role in addressing critical aspects of SACCO operations, including non-performing assets, risk mitigation, cash flow enhancement, and strategic financial evaluation. The study underscores the importance of divestment from risky or underperforming assets as a proactive approach to risk management, ultimately helping SACCOs mitigate potential financial losses and minimize exposure to risk. Additionally, the research highlights that divestment enables SACCOs to streamline their focus on core strengths and competencies by shedding non-core assets or activities. This targeted approach fosters improved revenue generation activities and operational efficiency. These findings offer invaluable insights to SACCO management, indicating that the effective implementation of divestment strategies can serve as potent tools for optimizing financial performance, strategic decision-making, and prudent resource allocation. By aligning divestment efforts with core objectives and embracing a risk-conscious approach, SACCOs stand to bolster their overall performance, enhance resilience, and position themselves for sustained success in the dynamic financial landscape of Mandera County.

In conclusion, the study's comprehensive findings accentuate the positive outcomes stemming from diversification practices among Savings and Credit Cooperative Organizations (SACCOs) in Mandera County. Through strategic diversification efforts, SACCOs are actively enhancing their financial performance by broadening their horizons in various ways. The research underscores how product diversification, exemplified by initiatives like bank assurance, allows SACCOs to expand their service portfolio and attract a wider customer base. By accommodating a broader array of financial needs and preferences, SACCOs can augment their revenue streams and bolster their financial standing. Furthermore, the study identifies investment asset diversification, including ventures into assets such as bonds, as a valuable practice. This strategy empowers SACCOs to achieve potentially more favorable risk-adjusted returns by dispersing their investments across diverse asset classes. The ability of diversification to distribute risk across different asset categories and market segments is another vital insight emphasized by the findings. This characteristic equips SACCOs with a tool to navigate the volatility of markets and adapt to changing economic conditions, fostering stability and sustainable financial performance.

5.3 Recommendations

This part highlights recommendations made by the survey. Recommendations have been made with regard to policy, management practice and recommendation for further studies.

5.3.1. Policy Recommendations

It is recommended by the study that policymakers should encourage and support SACCOs in Mandera County to continue their focus on introducing new products and services. This could involve providing incentives, funding, or regulatory frameworks that facilitate innovation and diversification within the financial sector. Also, the study recommends that SACCOs should be encouraged to maintain a competitive edge by offering a wider range of products than their competitors. Policy initiatives could include workshops, training, or market analyses to keep SACCOs informed about their competitors' offerings and market trends. Besides, policymakers should consider regulations that prioritize consumer-centric strategies, such as accessibility and user-friendliness of financial services. By creating an environment where customer experience is valued, SACCOs in Mandera County will be incentivized to prioritize convenience and customer satisfaction.

5.3.2. Administration Practice

It is recommended by the study that SACCOs in Mandera County should continue to leverage demographic positioning strategies to tailor their products and services to the unique characteristics, preferences, and occupations of the local population. This requires ongoing data analysis and understanding of the changing dynamics of the market. The study recommends that to achieve enhanced customer experience, SACCO administrators should prioritize consumer convenience and experience by ensuring that financial services are easily accessible and user-friendly. User-friendly digital platforms and efficient customer support can significantly improve engagement. Besides, it is recommended by the study that SACCOs should adopt proactive risk management strategies, including divestment from risky assets, to safeguard their financial stability. Administrators should continuously monitor the risk exposure and make informed decisions based on changing market conditions. The management of the SACCOs in Mandera County should actively invest in innovation and service diversification practices, such as agency banking, to attract new customers and enhance their financial performance. Administration should encourage a culture of innovation and flexibility.

5.3.3. Recommendations for Further Studies

The present survey was carried out to interrogate the influence of Corporate Growth Strategies on performance of Savings and Cooperative Societies in Mandera County, Kenya. However, it will be relevant for future scholars who will conduct studies in the days to come to consider a study with the same subject scope in different counties across Kenya from which comparative studies could be done. In addition, future researchers may also conduct a similar study that focuses much on other corporate growth strategies like horizontal and vertical integrations, retrenchment and international expansion among others.

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