

CORPORATE GROWTH STRATEGIES ON PERFORMANCE OF SACCOS IN KITUI COUNTY, KENYA

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ABSTRACT

Corporate strategy largely focuses on the organization, and the nature of authority distribution among the stakeholders. An organization's management is basically focused on the business's growth, control of its daily cash flows and establishment of corporate synergies via resource development and sharing. Most SACCOs have orthodox corporate governance whose ability to come up with innovative strategies to improve performance is wanting. To have an edge in the competitive economic environment, good performance is not optional but a key pointer of meeting its goals and day to day operational obligations for SACCOs. Poor corporate strategies have been cited as major cause of banking failure and crisis which have negative repercussion on economic growth. According to studies reviewed there are challenges in strategic management in SACCOs thus many are unable to compete with other financial sector players. The research aimed at examining the impact of corporate growth strategies on the performance of SACCOs in Kitui County. The study is to be based on key specific objective involved with examining the impact of product innovation cost leadership, focus and product differentiation strategy on the performance of SACCOs in Kitui County. In support of the research are four key theories of Ansoff's product market growth approach, the game approach and stakeholder theory as well as the Porter's generic model. The study intended to utilize descriptive research technique while focusing on 3 SACCOs operating in Kitui County. The study selected 129 management staff participants from the 3 Sacco's with

sample of 65 being considered as the target population. The study utilized self-administered questionnaires in collecting primary data which was analysed by descriptive statistics like percentages, standard deviations, and mean with the support of SPSS and presented via percentages, graphs, chart and tables. Pearson's Product Moment Correlation (r) was derived to reflect on the strength of the connections. Adjusted R^2 was also utilized in measuring the amount of variation in the dependent variable performance as explained by the independent variable. Academicians and researchers gained knowledge and ideas on loan recovery and strategic interventions and use the same to advance research in their fields of interest in researching more from the gaps identified in this study. It was established that corporate growth strategies selected which include cost leadership, product innovation, market focus and product differentiation significantly and positively influence the performance of SACCOs in Kitui County. The study concluded that the SACCOs to a significant extent embraced cost leadership strategy through embracing high levels of efficiency, technology, lean operations and optimizing on resource use in a diligent and transparent way. It was further concluded that the SACCOs applied product innovation strategy to a significant extent through creation of new products, improved service delivery, customizing products to market needs and coming up with new products. The study also concluded that the market focus strategy was applied to a moderate extent by the SACCOs to improve their performance and to a little extent applied the product diversification strategy

by making their products unique, distinct and embracing quality. The study recommends that the SACCOs need to employ hybrid strategy which involves integration of the

corporate growth strategies to achieve peak performance.

Key Words: *corporate growth, strategies, performance, SACCOs, Kitui County, Kenya*

INTRODUCTION

Corporate strategy fundamentally reflects on a firm's direction and its entire managerial practices (Wheelen & Hunger, 2012w). The company's managerial bodies play a key role towards enhancement of the organization's growth through enhanced cash flow practices and establishing a stable resource sharing and development structure. An organization corporate strategy would further reflect on the firm's efficient and effective distribution of resources and management of its stakeholders (Johnson & Scholes, 2010). The entire process is based on the efficiency in structuring the business's systems, enhanced decision making processes and enhanced organizational accountability and controls. Corporate strategy determines the major beneficiaries of the firms and how the purpose and priorities of the firm should be agreed on.

Corporate strategy is aimed at promoting effective usage resources in an organization and the larger economy, the strategy as well is meant to help in ensuring that the organization complies with key set policies, and society outlooks, it as well offers organizational managers with an oversight with the usage of the business 'assets. Corporate strategy as well plays a key role in reducing organization frauds and assist firms in attracting reduced investment costs by enhancing both at the local and the international investors' (Gregory, Johnson, , 2011). According to Bertone and Cark (2009), an organization is accessible to four different generic approaches of innovativeness, cost leadership, focus strategy and differentiation strategy.

SACCOs are types of cooperatives with the objective of pooling saving from its members and in turn provides them with credit facilities (Lari, 2009). SACCOs as well have been embraced as they encourage thrift amongst its members as well as encouraging the on the effective management of money and offering them a clear direction towards efficient investment practices. Whereas in the urban centers working class individuals and wage earners have established urban SACCOS, rural based persons mostly the farmers have established Rural SACCOS (KUSCCO, 2006).. Besides, there do exist, other Jua-Kali traders SACCOS established based on the working fields of its members (KUSCCO, 2006. Of current SACCOS in Kenya have been highly recognized having been at the forefront of helping most SMEs investments, they have also been recognized having been the major saving channels for most persons having been identified as the surest way of breaking the vicious cycle of poverty and is fundamental to sustainable economic development (Kuria, 2011).

Many a times it is not easy to appreciate the tremendous growth that most firms have undergone, instead, the immediate reaction is to assume that these firms are in their current state by default. The transformation of firms is a rigorous process which takes lots of strategies and adequately

tested leadership and business acumen to deliver. It should not be taken for granted therefore that the growth of firms to their peak is a walk in the park, but rather a well calculated and deliberate objective to deliver a desired outcome. Wright et al (1990) noted that Porter's model is a relationship between minimizing costs, differentiating products and market focus which then informs the choice of strategy that a firm pursues to achieve its market share position.

According to ICA (2004), a co-operative is defined as a group of individuals bound by social and economic goals via legitimately controlled and mutually owned firms. SACCOs in Kenya form a key segment of the financial sector which offers savings, credit and insurance service (Maina, 2013). Nyaga (2012) observed that 30% of all national savings in Kenya are held by SACCOs, Co-operative Bank, CIC Insurance and KUSCCO. It is no wonder that some of the SACCOs are bigger than some of our commercial banks.

STATEMENT OF THE PROBLEM

Organization exists in complicated and turbulent environment. For some of the companies, the environment has been more turbulent compared to its competitors. Although it's possible, for firms to turn its plan and strategies to actions for its success sometimes it become hard due to some of the environmental factors that hinder their operational. Though some strive towards translating the theory into action plans that will allow the strategy to be successful executed and sustained (Wangi, 2011). An effectively structured systems of corporate strategies stands to be one of the most effective strategy meant to be used in meeting a corporate' objectives (Kirkendal, 2009). Literature on the impacts of corporate approaches have expressed mixed outcomes. With researchers such as Cicotello and Grant (2012) and Walker (2011) disagreeing with the relationship. In relation to the process of corporate risk management strategy, Walker (2011) expressed that smaller funds portfolios of are considered to be of risky compared to those with larger funds though expressed that the smaller funds would outperform the bigger funds though Malhotra and Mcleod (2009) would find a contrasting results on the same issue. Factors that influence a business's performance has been widely studied by differs author over the years. Previous studies have indicated that multiple factors affect business performances including among others, cultural and religious beliefs, technological environment, and capabilities and preferences (Buttner, 2001, Makhbul, 2011). Viseras, Baines, and Sweeney (2005) categorized multiple (36) success determinants into three research categories: people, organization, systems in the manufacturing environment. Wan Zahari, et al., (2010) found out that internal and external customers are essential to be the main contributing factors of organizational success. Upadhyay et al., (2010) while studying factors influencing ERP in Indian manufacturing organizations found out that the creation of a conducive organization structure, climate, effective communication it's a crucial factor of success. Wright (2003) indicated that strategic planning determines a firm's success and plan in future. Gakenia (2008) conducted a research focusing on strategy execution in Kenya Commercial Bank. She concluded that strategy execution was affected by three major factors. Njengah (2013) did a similar research though focusing on insurance sectors and concluded top management, organization structure

influences the implementation on strategy due to communication and bureaucracy. Kabiru (2013) in his study on the influence of information technology on strategy implementation of the NGOs within the health sector in Nairobi County, concluded that IT enhanced strategy implementation within the health sector NGOs in Nairobi County to a very great extent, top management team determines a firm's performance and manager's were committed to performance thus encouraging staffs support and guidance through encouragement of entrepreneurial attributes. The research therefore sought to establish the impact of corporate growth strategies on performance of SACCOs in Kitui County.

GENERAL OBJECTIVE

The research aimed at establishing the influence of corporate growth strategies on performance of SACCOs in Kitui County, Kenya.

SPECIFIC OBJECTIVES

1. To evaluate the impacts of cost leadership strategy on the performance of SACCOs in Kitui County.
2. To examine the effects of product innovation strategy on the performance of SACCOs in Kitui County.
3. To examine the influence of market focus strategy on the performance of SACCOs in Kitui County.
4. To investigate the effect of product differentiation strategy on the performance of SACCOs in Kitui County, Kenya

THEORETICAL REVIEW

Stakeholder Theory

The model was developed by Freeman (1985). Then model focuses on the association of the business and its external atmosphere. It as well focuses at how the links tends to impact the way a business operates The model as well considered the firm's stakeholder as an individuals or a group of person that can influence the business's operations . For instance, customers , shareholders , government, staffs, NGO' , and the society can influence the company's operation. Freeman (1985) , one of the major pioneer of the model holds that the major aspects of the model is that firms managing their stakeholder association commendably will be more sustainable and have enhanced performance. than organization that do not.

Organization management's efficiency and only be first involving its stakeholders. This can be explained by three key ways of decriptive, instrumental and normative. From the normative perspective, an organizations should considered all of the stakeholder's needs by specifically establishing a structure of CSR a way that appeals for cohesiveness form the stakeholders if its aims at attaining competitive advantages. As per the instrumental perspective, explains that an

organization growth is largely based on its economic success, hence firms should always focus on lowering its product cost and diversifying its products. Under the descriptive perspective provides culture is highly determined by its stakeholders' values. Obscener, Schlegelmilch & Murphy (2013) asserts that the theory illustrates how an organization handles its stakeholders and thus is associated with CSR.

In contrast, Lee (2015) would argue that the model has no differences separating an organization's economic and social goals. Based on Mitchell and Keim (2010) study, it would be definite that the theory's key to the firm's success. The theory thus supporting the variable of cost leadership approach hence encouraging SACCOS' embracement of cost leadership strategy towards enhancing its their performance.

The Game Theory

Then model focuses on the process of competitive interactions. It all entails the making of decisions when two or more rivals are engaged under conditions of competition and conflict. Rather than making inferences from previous behaviors of the rivals the organizations sought to examine a competitor's best cost-effective counter approach to articulate the effective defensive strategies. As stated by Gandoifo (2011), for organization to effectively enhance their performance, they must understand their game of operation as well as to the competitors' game. To effectively attain enhanced competitive advantages within the market, firms should embrace strategies of maximizing the utility function. Each of the organization is rational and be at a point of foreseeing the options of other organization thinking on what would be the rational choice it needs to undertake in case it was within the similar circumstance.

The model expresses the competitions involves just war between competitors of which it provides that the success of the war heavily relies on continues plan to fight and upstage the enemy (Mintzberget al, 2009). This demonstrates that an organization will always upstage rather attain market competitive upon responding to the competitors who always not tend to behave as expected. Burnes (2009) further provides that an organization can only attain its competitive advantages upon attaining more enhanced strategies of upstaging the competitors. This can be attained through various approaches such as enhanced investment in capacity and advertisement. However, is the strategies can be easily undone it impossible for the firm to gain its expected performance. However, it's perceived that most of the strategies utilized by an organization relies on its nature of operation and the way it perceives its competitors in regard to a specify situations. Thus, the approach incorporates the responsibilities of strategic signaling as one of the crucial mechanisms for intimidating competitors (Burnes, 2009). According to Gandoifo (2011), strategic battles are more probably be effective in circumstances there exists an even balance between the competitors in a specific industry compared in situations that are is only a single firm that contain substantial competitive advantage over its competitors. Thu, the model support the variable differentiation approach by illustrating that via making the most effective decisions

among competitors a differentiation approach can thus go a long way improving a firm's performance.

Ansoff's Product/Market Growth Strategies

Ansoff (1957) established the Product Market Growth Matrix as one of the business marketing tools to enable various organizational markets to value different strategies of growing the business through existing or new products and also in currently available markets. The strategy contains four product combinations. The matrix aids organizations in deciding key decisions that can be undertaken given the present organizational performance. The key suggested approaches include; market development, penetration, diversification and product development.

Market penetration involves key efforts to enhance a firm's sales volume without necessarily shifting its original product marketing strategy. An organization sought to enhance its performance either through enhancing its sales volume to its current clients or through finding new clients for its current products and services. An organization first should consider its ability to gain a wider market share using its present goods in their present customers (Kotler, 2010). On the other hand, penetration in the market takes place once a firm penetrates a market with current products. The most effective strategy to attain this is by gaining the competitors' client other ways consist attracting non users of your product or by basically encouraging present clients to use more of the products, with advertising.

Thompson and Strickland (2015) on the other hand provides that market penetration aims at attaining for key goals of enhancing market share for its existing goods, secure its market dominance, enhance its customer and sustaining its business operations. On the other hand, product development approach aims at retaining the current organizational mission and establishing goods containing new and unique features to help in enhancing the performance of the mission. An organization already having ready market for its current goods might be involved again in developing other goods with the objective of utilizing the existing market. However, the product or service should not be new as this may hinder the firm's operation and production strategies (Johnson and Scholes, 2015)

Pearce and Robinson (2010) asserts that product development approach is basically grounded on the penetration of the current markets simply through incorporation of product differentiation into the current or emerging new goods with a definite link to the current product line. Once an organization developed new goods it attains new clients for such goods. Thus, the strategy introducing new products can be one of the key strategy towards attaining business' development objective.

Market development refers to an organizational strategy in which it tries to adapt its current product line to new markets. As provided by Pearce and Robinson (2010) the strategy basically reflects on the organization strategy of selling of present products with merely cosmetic amendment to client in correlated marketing zones by aiding channels of distribution hence

supporting the variable market focus strategy by demonstrating an organization established service can be targeted to fit different client segment , as a approach to earn more income for the organization.

The Porters Generic Model of Competitive Advantage

Porter's generic models focuses on five key forces which aids in in understanding an organization's positions which is considered profitable and less vulnerable to attack ., Further , Porter (2008) the presence of the five key strategies are meant to help attain a competitive advantage against its rivals. He provides four key strategy competitive forces which focus on the company's customers, rivals, suppliers and the organization at large. According to porter's analysis, for a firm to attain a high competitive edge, it should first understand its business operations. This involves understanding its business boundaries and setting key strategies towards attaining a more enhance competitive advantages. Business analysis should as well access the weakness and strength of these competitive forces.

Porter (2008) would conclude that , the recognized five competitive strategies expressed of a firm is realistically attractive and provide a direct for investors in anticipating both negative and positive shifts within the industry framework way before they are obvious. Porter further provides that an organization's concern on its competitive strategy forms the strategic way through the firm can attain its growth and success. The model thus supports the model product innovation approach as the five forces mode will make SACCOs sensitive to the happenings within the banking sector and beyond. This intends to aid the SACCOs in adapting to changes ad developments in their product innovations (Hereof, 2015).

EMPIRICAL REVIEW

Cost Leadership Strategy and Performance

Cost leadership strategy involves provisions of products and services to customer with low level of disposable income (Muthiani, 2008). The model aids an organization in enhancing its product quality provisions a factors that creates higher financial performance for organizations. Through cost leadership strategy as well as provided a crucial strategy on enhanced low product cost having reduced the possible costs associated with production cost leading to relatively affordable processes. In support of the model is also Muasa's (2014) study that expressed out that for cots leadership approach to be effectively attained it must enforce technological enhancement, encourage employee morale and create positive relations with the stakeholders. This will concur with Kirimi's (2012) study which expressed out that people oriented capital contains a significant association with competitive advantage.

Lestor (2009) argues that one of the major dimensions involving cost leadership approach is effectiveness the extent to which the firm's input per unit of output is relatively minimum. According to the approach, a firm's efficiency can be grouped into either cost, or asset

parsimony. Cost efficiency measures the extent to which specific costs per unit of output are relatively low while asset parsimony measures similar concept but focuses on assets. The two categories capture an organization's cost leadership orientation. To the degree that organization following effective strategy succeed in deploying the minimum amount of operating costs and assets required to attain the expected sales, they would be at a point of enhancing their market sustainability.

Kaliappan and Hilman (2014) provides that the strategy is key to enhanced organizational performance as it enables firms to produce products at a relatively lower cost enhancing its profitability rate. A firm's cost leadership framework is always driven by its size, scale and its operational length. As also stated by Brooks (2013), lower costs of production enhances a firm's competitive advantages a factor that relatively sustains its business environment.

Product Innovation Strategy and Performance

Ngugi and Karina (2013) expressed that product innovations allow financial institutions to increase their services within the market thus creating competitive advantage for the organizations, market innovations allow the financial institutions to establish new markets thus increasing the competitive advantage, procedures innovations allow the management of bank's operations thus enhancing efficiency as technology innovations will enhance ease of flow of information and quick delivery to the intended personnel.

Kamakai (2014) established the impact of product innovation on the performance of Kenya's banks. By the use of both primary and secondary data as well as descriptive statistics the research would conclude that product innovations affect client fulfillment and the image and reputation of the market. The key associated to product innovation and competitors consisted of wide network, location, the variety of products, product range, the institution's reputation, the level of innovations, and customer service.

Von Hippel (2009) in his study established that innovation approach created by a high technology business may involve the application and investment of new techniques for instance ICT not previously applied by rivals. The benefit of such an approach is that it might be hard for other organizations to copy similar products. Besides, small organizations wishing to innovate new products are expected to face issues and hindrances due to inadequate modernized technology and financial, and human resources of developing a new product in the market.

Kulkarni C (2009) states that a product life cycle under 5 key phases where at some of its phases various changes are to be made if not the product will be irrelevant. In his study, he provides that for organization to attain competitive advantage they must allocate more resources on its market research systems a factor of enhancing their productivity. Muyoka (2013) conducted a study on the association between financial innovation and the financial performance of Kenya's insurance firms. By the use of descriptive survey conducted on 47 insurance firms and utilizing both primary and secondary data covering the period between 201-2015. He could establish that

Kenya's insurance firms have embraced product innovations strategies such as agri-insurance products and processes innovations like virtual marketing, telemarketing and office automations. Muthui (2013) conducted a study on the impacts of ICT on corporate strategy within Nyeri County's SACCOs and established that that technologies and innovations incentives impacts corporate strategy more, then technological changes while research and development is valued the least.

Market Focus Strategy and Performance

Muriuki (2013) conducted a stud focused on evaluating the strategies utilized by Kenya's banks in their retail banking. As expressed form the study nit would be established that the banks embrace differentiation cost to cost leadership having accounted for 65% a 35% respectively. The major propose to why most of the institution would embrace focus strategy is due to their medium sized branch network that would only allow such a strategy.

Wanyonyi (2011) conducted a study on key competitive strategies embrace by Kenya's banks I retaining and attracting its corporate clients. The research would express the banks would adopt key approaches in its efforts to retain and attract corporate clients namely adaption strategies and competitive strategies.

Getembe (2012) focused on the association between competitive approaches and performance of chartered private university within Kenya. According to his findings, he would express that there existed a general positive association between the institution's performance and competitive strategies. This correlated to Naughton (2014) study , expressed that a focus strategy based on low cost relies on there being a buyer segment whose requirements are relatively les to fulfill compared to the rest of the market. Besides, focus strategy based on differentiation relies on there being a buyer segment with unique product requirement attributes. Under focus strategy an organization always targets a certain segment of the market. An organization will select to focus on a select customer group, product, service and geographical area.

Mcquarrie (2014) insisted that focus emphases at enhancing and expanding the market share via operating in a niche market or in overlooked or unattractive market and a market that clients large competitors. Such types of niche arise from multiple factors that include geography, buyer features and product specifications or needs. According to Porter (2008), efective focus approach depend on a frm's segements large enough to to attain effective growth potential however not a of major significance to other key rivals . Market penetration or market development is valued to be a crucial focus strategy. Both the large and mid-sized organization will tend to apply focused based approaches but only in conjunction with either cost leadership and differentiation strategies.

Product Differentiation Strategy and Performance

Muthuani (2015) analyzed product differentiations approaches embraced by the organizations in Kenya. In his study that applied descriptive statistics like percentages he expresses that Shell has adopted a wide based product differentiation approach those emphasizes on client's values. Private petroleum dealers and the National Oil embraced an approach with the objective of targeting price sensitive sectors of their clients (64%) , Shell on quality (45%) , Independents in Price (46%) and Non fuel Offer (54.5%). All Kenya based oil firms ride in their brand name as one of their fundamental base of their strong foundation.

Awing (2011) did a research focusing on issues facing the execution of differentiation approaches in the running of Mumias Sugar Company and expressed that organization face core issues in the execution among them assets, values and state policies and regulations . According to Tuva's (2015) study focused on the impact of differentiations approach on the performance of water bottling forms within Mombasa County, Kenya. He established that's , there exists a positive relationship between differentiation approach and the organization's performance. Product differentiation approach would contribute much to the performance of the organization compared to service differentiation approach.

Rescott (2011) provided that differentiation approaches calls for the development of a services which provides unique features to the clients. It's would be reflected that with the presence of differentiation started , firms are expected to attain higher prices for their products a factor that enhances its competitive advantage as the product or service is in substitutable.

Hyatt (2011) argues that any strategy that an organization can adopt meant to add buyer value represent a potential basis for differentiation. Once the firm identifies a sustainable source of buyer value, it will create the value, developing attribute into its products at an acceptable cost. Lastly, Kosom (2011) conducted a study on competitive approaches used by the national oil corporation of Kenya. From the study's findings it would be expressed that organization apply low cost approaches, focus, differentiation and resource based strategy to effectively compete with other oil markets.

RESEARCH METHODOLOGY

Research Design

Research design reflects on the fundamental structure providing the researchers' overviews addressing the key practices that will be executed to attain the research's objectives .The research issue was studied by the use of descriptive technique. As narrated by Cooper & Chandler (2003) , descriptive research is associated with evaluating, how, what and where of a phenomenon. The research thus, is capable of generalizing the findings to all enterprises. The research proposal focused on the role of corporate growth strategy on the performance of SACCOs in Kitui County.

Target Population

A population refers to group events, objectives, persons, or cases having a common observable feature (Mugenda & Mugenda, 2003). The study's population involves the management staff among the 3 SACCOs operating in Kitui County who were 129 according to KUSSCO (2017). The study's target was thus 129 participants.

Sampling Procedure

The sampling methods offers a variety of techniques used in facilitating the reduction of the amount of data that needs to be gathered by valuing only key data from a sub-group rather than considering all of the possible elements. Mugenda and Mugenda assert that, a population sample of 25-30 % is a good reflection of the study in drawing any research conclusions. Thus, the study utilized a sample size of 65 respondents from the entire population of 129 to finalize the study's findings having attained the sample percentage of 50% of the study's target population.

Data Collection Instrument

The research utilized semi structured survey questionnaires in gathering key information from the respondents. The questionnaires were administered to each of the participating respondents from the selected sample. The questions were effectively structured to address the research's key objectives and they were tested with a selected group of members for further improvement. The processes were accomplished to establish the accuracy and validity of the collected data towards attaining sustainable conclusions.

Data Collection Procedure

The research utilized questionnaires in collecting data. The process was conducted keenly to ensure that the structured questionnaire met the research's objectives. The questionnaires were then presented in person to the respondents for a later pick.

Data Analysis and Presentation

Before data processing the gathered data was thoroughly edited to ensure its efficiency and consistency. Quantitative data gathered was evaluated using descriptive statistics using SPSS and be presented via means, frequencies, percentages and standard deviation. The provided information was displayed using bar, pie charts, prose-form and graphs. The process was accomplished by tallying up various study feedbacks while the response was computed and interpreted as per the set objectives and utilization of SPSS in communicating the findings. Besides, content analysis was used in testing data which is qualitative in nature. Besides, the study utilized multiple regressions analysis through the equation provided below;

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

Where: Y= Performance of SACCOs in Kitui County; B_0 - intercept coefficient; ε_i - error term (extraneous variables); X_1 - cost leadership strategy; X_2 - product innovation strategy; X_3 - market focus strategy; X_4 - product differentiation strategy; β_1, β_2 , and β_3 = regression coefficients

RESEARCH RESULTS

The study sought to establish the effect of corporate growth strategies on the performance of SACCOs in Kitui County, Kenya. The selected corporate growth strategies were cost leadership strategy, product innovation strategy, market focus strategy and product differentiation strategy. The study selected a sample of 65 respondents where 60 of them completed and returned the questionnaires. The study had a coefficient of correlation R of 0.794 an indication of strong positive correlation between the variables and coefficient of adjusted determination R^2 was 0.768 which changes to 76.8%.

Cost Leadership Strategy and SACCO Performance

The study established that cost leadership strategy had a positive influence on the performance of the selected SACCOs in Kitui County. It was established that the SACCOs embrace efficiency in their operations, the SACCOs have embraced new technology to reduce the cost of production, the firms prioritize on lean operations and that the SACCO workforce are hired on purpose. The respondents were neutral or agreed to a moderate extent that the SACCO products are the cheapest in the market, the SACCOs' resources are diligently and transparently utilized and that there is optimal use of resources. This indicates that the SACCOs to a significant extent embraced cost leadership strategy through embracing high levels of efficiency, technology, lean operations and optimizing on resource use in a diligent and transparent way.

Product Innovation and SACCO Performance

The study established that product innovation to a significant extent influenced the performance of SACCOs in Kitui County. The study established that to a significant extent the SACCOs regularly came up with new products, there is continuous improvement on service delivery, new technology is embraced in product innovation and branding is one to suite market needs. The respondents to a moderate extent indicated that the products by the SACCOs are packaged in line with market demand and that the SACCO has come up with new products. This indicates the SACCOs applied product innovation strategy to a significant extent through creation of new products, improved service delivery, customizing products to market needs and coming up with new products.

Market Focus Strategy and SACCO Performance

The study indicated that market focus strategy as one of the key corporate growth strategies positively influenced performance of SACCOs. The study established that to a significant extent

the SACCO products satisfy market needs, products and services are demand driven and that the firms respond to client requests in time. It was indicated that to a moderate extent the SACCO services and products target a specific market segment, the firms have a good customer service, there is regular interaction between customers and SACCO management and that market needs assessments are regularly done to inform innovation. This indicates that the market focus strategy was applied to a moderate extent by the SACCOs to improve their performance. They did this through having products that fit market needs, embracing good customer service, responding to client needs and complaints in time and regularly interacting with customers to understand market dynamics

Product Differentiation Strategy and SACCO Performance

The study established that product differentiation strategy positively influenced performance of the SACCOs. The study established that to a moderate extent the SACCOs in Kitui County have unique products, offer quality products, have distinct services that meet customer needs, have gained brand loyalty, clients prefer their products and services and that customer satisfaction has improved. The respondents agreed that the SACCOs to a little extent applied the product diversification strategy by making their products unique, distinct and embracing quality

INFERENCE STATISTICS

The study conducted inferential statistics to establish the effect of corporate growth strategies on the performance of SACCOs in Kitui County. The findings of coefficient of determination and coefficient of adjusted determination are as shown in Table 1.

Table 1: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|--------------|-------------------|-----------------|--------------------------|-----------------------------------|
| 1 | .794 ^a | .754 | .768 | 1.71552 |

The findings found out that coefficient of correlation R was 0.794 an indication of strong positive correlation between the variables. Coefficient of adjusted determination R^2 was 0.768 which changes to 76.8% an indication of changes of dependent variable can be explained by the independent variables which included cost leadership strategy product innovation strategy, market focus strategy and product differentiation strategy. The residual of 23.2% can be explained by other factors affecting performance of the firms.

The study carried out an ANOVA at 95% level of significance. The findings of $F_{\text{Calculated}}$ and F_{Critical} are as shown in Table . The findings show that $F_{\text{Calculated}}$ was 10.9146 and F_{Critical} was 5.3416, this show that $F_{\text{Calculated}} > F_{\text{Critical}}$ an indication that the overall regression mode was significant for the study. The p value was $0.000 < 0.05$ an indication that at least one variable significantly influenced performance of the SACCOs.

Table 2: ANOVA

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|-----------------------|-----------|--------------------|----------|-------------------|
| Regression | 791.345 | 10 | 79.135 | 10.9146 | .000 ^b |
| Residual | 362.521 | 50 | 7.2504 | | |
| Total | 1153.866 | 60 | | | |

The study used coefficient of regression to establish the individual influence of the variables to firm performance. The findings are indicated in Table 3.

Table 3: Coefficients of Regression

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|----------------------------------|------------------------------------|-------------------|----------------------------------|----------|-------------|
| | B | Std. Error | Beta | | |
| (Constant) | 6.125 | 0.546 | | 2.431 | .000 |
| Cost leadership strategy | 0.748 | .102 | .051 | 8.255 | .000 |
| Product Innovation Strategy | 0.653 | .131 | .012 | 9.010 | .000 |
| Market focus strategy | 0.699 | .144 | .031 | 9.231 | .000 |
| Product differentiation strategy | 0.784 | .132 | .021 | 10.318 | .000 |

The resultant equation was

$$Y = 6.125 + 0.748X_1 + 0.653X_2 + 0.699X_3 + 0.784X_4$$

Where: X_1 = cost leadership strategy; X_2 = Product innovation strategy; X_3 = market focus strategy; X_4 = product differentiation strategy

The study found out that by holding all the variables constant, performance of the SACCOs will be at 6.125 A unit increase in cost leadership strategy when holding all the other variables constant, SACCO performance would be at 0.748. A unit increase in product innovation strategy while holding other factors constant, SACCO performance would be at 0.653 A unit increase in market focus strategy while holding other factors constant, SACCO performance would be at 0.699. A unit increase in product differentiation strategy while other factors are held constant, firm performance would be at 0.784

The findings pointed out that cost leadership strategy, product innovation strategy, market focus strategy and product differentiation strategy had a p value of $0.000 < 0.05$ an indication that the selected corporate growth strategies significantly influenced performance of the SACCOs in Kitui County. This is supported by Getembe (2012) who noted that corporate growth strategies help a firm to improve its competitiveness and hence improve performance. .

CONCLUSIONS

It was concluded that corporate growth strategies selected which include cost leadership, product innovation, market focus and product differentiation significantly and positively influence the performance of SACCOs in Kitui County. The study concluded that the SACCOs to a significant extent embraced cost leadership strategy through embracing high levels of efficiency, technology, lean operations and optimizing on resource use in a diligent and transparent way. It was further concluded that the SACCOs applied product innovation strategy to a significant extent through creation of new products, improved service delivery, customizing products to market needs and coming up with new products. The study also concluded that the market focus strategy was applied to a moderate extent by the SACCOs to improve their performance and to a little extent applied the product diversification strategy by making their products unique, distinct and embracing quality

RECOMMENDATIONS

The study recommends that the SACCOs need to employ hybrid strategy which involves integration of the corporate growth strategies to achieve peak performance. The study recommends that there is need for customer and management involvement in strategy development and implementation to achieve better results. The study recommends further that the SACCOs need to develop market driven products that are affordable, distinct and technology oriented.

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