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STRATEGIC CONTROL TECNHIQUES AND FINANCIAL PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVES IN NAIROBI CITY COUNTY, KENYA

[1] Kariuki Allan Wanjohi, [2] Dr. Mwanzia Mary

[1]Masters Student, Jomo Kenyatta University of Agriculture and Technology

[2]Lecturer, Jomo Kenyatta University of Agriculture and Technology

ABSTRACT

SACCOs being one of the organizations that use strategic control techniques needed to achieve their goals, they are need to implement strategies that enhance performance. A supervisory annual report of 2018 by SASRA indicated SACCOS' that encounter challenges in strategic control technique appear to weaken the SACCOs' capability to provide timely services. The general objective of this study was to determine the influence of strategic control techniques on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. Specifically, the study sought to examine the influence of implementation control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya and to establish the influence of special alert control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. The study adopted descriptive research design. The unit of analysis for this study was SACCOs in Nairobi County. Nairobi was selected because it has the highest concentration of the registered head-offices of deposit taking SACCOs in Kenya (SASRA, 2023). The unit of observation of this study was management employees in the selected 43 deposit-taking SACCOs in Nairobi County, Kenya. The target population was therefore 258 management employees working in the 43 deposit-taking SACCOs in Nairobi County, Kenya. The Yamane formula was adopted to calculate the study sample size. Therefore, the study sample size was 157 respondents. The stratified random sampling method was adopted to select the study sample size. Data was collected using a self-administered semi-structured questionnaire. Qualitative reports were analyzed in content analysis and presented in form of essays. Descriptive statistical analysis included frequency, percentages, mean and standard deviation and was used to analyze quantitative data. SPSS version 25 was used for analysis. Inferential statistical analysis used was multiple regression and correlation analysis and tested the relationship between the study variables. The findings were displayed in tables and figures. the study concludes that implementation control has a positive and significant effect on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. The study also concludes that special alert control has a positive and significant effect on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. Based on the findings, the study recommends that the management of Savings and Credit Cooperatives in Kenya should establish a comprehensive performance monitoring and evaluation system. By systematically tracking and analysing key performance indicators, SACCOs can identify areas for improvement, address inefficiencies, and ensure that strategic goals are being met.

Key Words: Strategic Control Techniques, Implementation Control, Special Alert Control and Financial Performance

Background of the Study

Savings and Credit Cooperatives (SACCOs) play a significant role in the economic development of many countries, especially in emerging economies (Abdow, Guyo, & Odhiambo, 2019). SACCOs are member-owned financial institutions that provide savings and credit services to their members. Their primary objective is to promote the economic interests and welfare of their members by offering affordable and accessible financial services (Agliati, Micheli, & Mura, 2019). One of the critical roles of SACCOs in economic development is financial inclusion. By providing savings and credit services to individuals who may not have access to traditional banking systems, SACCOs help to bridge the gap between the unbanked population and the formal financial sector. This inclusion is particularly crucial in rural and underserved areas where access to financial services is limited. Through SACCOs, members can save regularly, borrow at reasonable interest rates, and invest in income-generating activities, thereby improving their standard of living and contributing to the overall economic growth of their communities (Elbanna, 2020).

SACCOs also promote entrepreneurship and small business development. By offering loans to members at lower interest rates than commercial banks, SACCOs enable individuals to start and expand small businesses. These small businesses are often the backbone of local economies, creating jobs and stimulating economic activity. The availability of credit through SACCOs empowers members to invest in agriculture, trade, and various micro-enterprises, fostering a culture of entrepreneurship and self-reliance. Furthermore, SACCOs contribute to poverty alleviation and social development. By providing financial education and encouraging a savings culture among their members, SACCOs help individuals build financial resilience. Access to credit allows members to meet their immediate needs, such as education, healthcare, and housing, thereby improving their quality of life. In addition, SACCOs often invest in community development projects, such as building schools, hospitals, and infrastructure, further enhancing the social and economic well-being of their members and the wider community (Gaturu, Waiganjo, Bichang'a, & Oigo, 2019).

Strategic control techniques are important in directing an organization through the changes that take place in response to the external and internal situations of the organization. There are four fundamental types of strategic controls techniques, which include: premise control, implementation control, strategic surveillance and special alert control (Huettel, 2018). Strategic control techniques direct the action in strategy implementation in organizations when the outcomes are still numerous years away. Strategic control techniques assist managers to guarantee that this creativity eventually benefits the organization (Kuye, 2019).

Premise control is type of strategic control technique systematic recognises and analyses the assumptions upon on strategic plan. Premise control is designed to check systematically and continuously whether the premises on which the strategy is based are still valid. Planning premises are primarily concerned with environmental and industry factors. Environmental factors include inflation, technology, interest rates, and regulation among others. Environmental factors exercise considerable influence over the success of a firm's strategy as strategies usually are based on key premises about them. Industry factors which affect the performance of the firms in a given industry include competitors, suppliers, product substitutes, and barriers to entry about which strategic assumptions are made (Agliati, 2019).

Implementation control is designed to assess whether the overall strategy should be changed in light of the results associated with the incremental actions that implement the overall strategy(Kiplagat & Nyambegera, 2014).There are two basic types of implementation control: monitoring strategic thrusts and milestone reviews. The strategic thrusts provide managers with information that helps them determine whether the overall strategy is progressing as planned or needs to be adjusted. Milestones like critical events, allocation of a major resource or passage of a certain time can be used to monitor progress. The milestone reviews usually involve a fullscale assessment of the strategy and of the advisability of continuing or refocusing the firm's direction.

Strategic surveillance is designed to monitor a broad range of events inside and outside the firm that are likely to affect the course of its strategy. Strategic surveillance provides an ongoing broad-based vigilance in all daily operations that may uncover information relevant to the firm's strategy. The basic idea behind strategic surveillance is that important yet unanticipated information may be uncovered by a general monitoring of multiple information sources (Buuni, *et al*, 2019). In Canada, strategic surveillance unfocused is designed to monitor a broad range of events inside and outside the firm. Management efforts monitor the broad range of events inside and more often outside the firm that are likely to affect the course of its strategy over time. A special alert control is the thorough, and often rapid, reconsiderations of the firm's strategy because of a sudden, unexpected event. Such events should trigger an immediate and intense reassessment of the firm's strategy and its current strategic situation. Crisis teams and contingency plans can handle the firm's initial response to unforeseen events that may have an immediate effect on its strategy (Abdow, Guyo, Odhiambo, 2019).

According to American this is another type of strategic control technique is a special alert control. A special alert control is the need to thoroughly, and often rapidly, reconsiders the firm's basis strategy based on a sudden, unexpected event. The analysts of recent corporate history are full of such potentially high impact surprises (i.e., natural disasters, chemical spills, plane crashes, product defect (Elbanna, 2016). Special alert control is based on trigger mechanism for rapid response and immediate reassessment of strategy in the light of sudden and unexpected events called crises. Special alert control can be exercised via the formulation of contingency strategies and assigning the responsibility of handling unforeseen events (Buuni, *et al*, 2019).

Statement of the Problem

Strategic control techniques are an evaluation exercise which focuses on actions that achieve top management goals. The strategic control techniques allow an organization to adopt a strategy needed during implementations. Strategic control techniques have grown interests from highest level managers around the world. SACCOs being one of the organizations that use strategic control techniques needed to achieve their goals, they are need to implement strategies that enhance performance. A supervisory annual report of 2018 by SASRA indicated SACCOS' that encounter challenges in strategic control technique appear to weaken the SACCOs' capability to provide timely services. Even though in practice most SACCOs generally have strategic plans in place, there are cases where certain objectives in the plans are not achieved. SACCOs implement strategies that they expect to improve their performance which can be evaluated with the end results of strategic control techniques.

SACCOs have been increasing in Nairobi County due to the growth of business enterprises in the area. Despite these, Sacco's performance is declining (SACCOS and MFIs reports 2020). SACCOs strategic managers have initiated control techniques in SACCOs in order to improve organizational performance but not implemented (Langat, 2019). Gaturu, *et al* (2019) focused on the influence of strategic control on organizational performance of mission hospitals in Kenya. The study focused on strategic controls, strategy evaluation, capability strategy and organizational performance. The descriptive and inferential statistics. Regression analysis tested the hypothesis. The findings showed that strategic control is practiced in most hospitals in Kenya and thus increases organizational performance through effectiveness. Strategic control was the main focus analyzed in mission hospital. The study conducted by Lin (2017) argued on strategic control on operational performance of a venture. The study focused on operation performance, flexibility, management control and performance. The study found that strategic control has a negative significant effect on performance of new ventures. Operational controls affect performance of the venture positively. However, none of these studies focused on strategic control techniques and financial performance of Savings and Credit Cooperatives.

To fill the highlighted gaps, the current study sought to assess the influence of strategic control techniques on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya

General objective

The general objective of this study was to determine the influence of strategic control techniques on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya

Specific objectives

The study was guided by the following specific objectives:

i. To examine the influence of implementation control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya
ii. To establish the influence of special alert control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya.

Theoretical Review

Agency Theory

Agency Theory introduced by Jensen and Meckling (1976) is a framework used to understand the relationship and conflicts that can arise between principals (owners) and agents (managers) in business settings. This theory is particularly relevant in corporate governance, where the owners of a company (shareholders) hire managers (agents) to run the company on their behalf. The core issue at the heart of Agency Theory is the potential conflict of interest between the principals, who are interested in maximizing their return on investment, and the agents, who may prioritize their own personal gain over the principals' interests (Rehman, *et al*, 2022). A key concept within Agency Theory is the "agency problem," which arises when there is a misalignment of goals between the principal and the agent. For example, while shareholders are primarily interested in increasing the value of their shares, managers might focus on personal goals such as increasing their compensation or job security, even if these goals do not align with maximizing shareholder value. This divergence of interests can lead to actions by agents that are not in the best interests of principals, such as overinvestment in certain projects, excessive risk-taking, or shirking responsibilities (Musafiri & Twesige, 2024).

To mitigate agency problems, various mechanisms can be implemented. These include performance-based compensation, such as stock options or bonuses, which align the interests of managers with those of shareholders by tying managers' compensation to the company's performance. Additionally, monitoring and oversight mechanisms, such as boards of directors, audits, and regulatory compliance, can help ensure that managers act in the best interests of the owners. However, these solutions also come with costs, known as agency costs, which include the costs of monitoring and the residual loss from any remaining divergence of interests (Ndungo, Olweny & Memba, 2020).

Agency Theory operates on several key assumptions about human behavior, organizational structure, and market dynamics. First, it assumes that individuals, both principals and agents, are rational actors who seek to maximize their utility. For principals, this often means maximizing financial returns, while for agents, it could mean maximizing their compensation, job security, or other personal benefits. Another assumption is that there is a fundamental divergence of interests between principals and agents. This divergence creates the potential for conflict, as agents may pursue their own goals at the expense of the principals' interests (Odhiambo & Ndede, 2021). Furthermore, Agency Theory assumes that there is asymmetrical information between principals and agents, where agents often have more information about their actions and intentions than the principals do. This information asymmetry can lead to moral hazard and adverse selection, where agents might take advantage of their superior information for personal gain (Omar & Makori, 2022).

Despite its widespread application, Agency Theory has faced several critiques. One major criticism is its assumption of self-interested behavior, which may oversimplify the motivations of agents and principals. Critics argue that individuals can also be driven by altruism, ethical considerations, or a sense of duty, which Agency Theory does not adequately account for. Additionally, the theory has been critiqued for its heavy reliance on formal contracts and monitoring mechanisms to align interests, potentially overlooking the role of informal social controls, such as trust and corporate culture (Rehman, *et al*, 2022). This theory was relevant in examining the influence of implementation control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya.

The creative theory

The Creative Theory, started by Graham Wallas and Max Wertheimer in (1926) in a broad sense, encompasses various perspectives and frameworks that seek to explain the nature of creativity, its processes, and its outcomes. Unlike a single unified theory, it comprises multiple theories and approaches from psychology, sociology, neuroscience, and management studies that collectively explore how creativity emerges and can be nurtured in individuals and organizations (Kanapathipillaii, 2021). One fundamental aspect of the Creative Theory is its focus on understanding the cognitive processes involved in generating novel ideas and solutions. Cognitive theories propose that creativity stems from the recombination of existing knowledge and ideas in novel ways, often facilitated by processes such as divergent thinking, insight, and associative thinking. These theories emphasize the role of cognition, memory, and problem-solving abilities in creative endeavors (Beza & Satyendra, 2023).

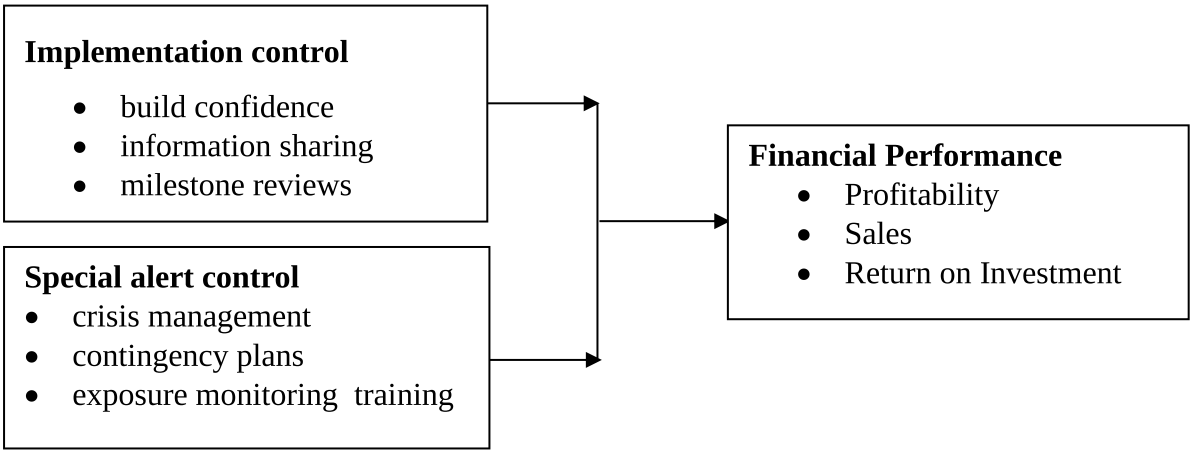
Psychological theories within the Creative Theory framework delve into personality traits and motivational factors that influence creativity. Traits like openness to experience, tolerance for ambiguity, and intrinsic motivation are believed to contribute significantly to an individual's creative potential. Motivational theories suggest that creativity flourishes in environments that provide autonomy, intrinsic rewards, and opportunities for exploration and experimentation (Mohamed & Onyiego, 2020). Sociocultural theories of creativity highlight the influence of social and cultural factors on creative expression. These theories argue that creativity is not solely an individual trait but is shaped by cultural norms, societal values, and social interactions. They emphasize the importance of collaboration, diversity of perspectives, and supportive social contexts in fostering creativity within groups and organizations (Makau & Okeyo, 2021).

Neuroscientific perspectives within the Creative Theory explore the neural mechanisms and brain processes associated with creativity. Studies using techniques like functional magnetic resonance imaging (fMRI) have identified brain regions and networks involved in creative thinking, including areas responsible for associative thinking, cognitive flexibility, and the integration of disparate information. From a management perspective, the Creative Theory informs strategies for fostering innovation and creativity within organizations (Mwalolo, Omagwa & Kimutai, 2023). It emphasizes the importance of creating a culture that values experimentation, risk-taking, and learning from failure. Management practices such as providing resources for creative projects, encouraging interdisciplinary collaboration, and promoting a supportive and inclusive work environment are seen as critical in harnessing the creative potential of employees (Kanapathipillaii, 2021).

The Creative Theory, while encompassing diverse perspectives and approaches, is built upon several key assumptions that shape its understanding of creativity. One core assumption is that creativity is a universal human trait present to varying degrees in individuals across different cultures and contexts. This assumption underlies much of the research and study into creativity, suggesting that while cultural factors may influence creative expression, the fundamental cognitive and psychological processes involved in generating novel ideas are similar across populations (Beza & Satyendra, 2023). Another assumption is that creativity can be studied and understood through empirical methods, including psychological experiments, neuroscientific studies, and observational research. This assumption reflects a belief that creativity is not purely mysterious or unpredictable but can be systematically investigated to uncover its underlying mechanisms, influences, and outcomes. Researchers within the Creative Theory framework often seek to identify factors that enhance or inhibit creativity, thereby providing insights into how individuals and organizations can better foster creative thinking and innovation (Mohamed & Onyiego (2020). This theory was relevant in establishing the influence of special alert control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya.

Conceptual Framework

The conceptual framework for this study is illustrated in Figure 2.1 below. It shows the independent variables include the implementation control and strategic surveillance while the dependent variable is the financial performance. The conceptual illustrates the relationship between the independent variables and dependent variables in the study. It also indicates the parameters of each variable.



Independent Variables **Dependent variable**

Figure 2. 1: Conceptual Framework

Implementation control

Implementation control is a management practice focused on monitoring and assessing the progress and execution of strategic plans to ensure they are effectively translated into actions and results. It involves tracking specific tasks, milestones, and performance metrics to confirm that the strategy is being implemented as intended and to identify any issues that may require corrective actions (Rehman, *et al*, 2022).

Building confidence within an organization is crucial for successful strategy implementation and overall performance. Confidence stems from clear communication, transparent decision-making, and demonstrated competence. Leaders can instill confidence by consistently showing that they are knowledgeable, trustworthy, and capable of guiding the organization towards its goals. Providing employees with the necessary resources, training, and support empowers them to perform their roles effectively. Recognizing and celebrating achievements, both big and small, reinforces a positive work environment and motivates employees to maintain high levels of productivity and engagement. When confidence is high, teams are more likely to collaborate effectively, embrace challenges, and drive innovation (Musafiri & Twesige, 2024).

Information sharing is vital for fostering collaboration, aligning efforts, and making informed decisions. In a well-connected organization, information flows seamlessly across departments and hierarchies, enabling everyone to access the data they need to perform their roles effectively. Transparent communication channels, such as regular team meetings, internal newsletters, and collaborative platforms, facilitate the exchange of ideas, updates, and feedback. This openness not only improves efficiency but also builds trust among team members, as they feel informed and involved in the organization’s progress. Effective information sharing ensures that everyone is on the same page, reducing misunderstandings and enhancing the ability to respond quickly to changes or challenges (Ndungo, Olweny & Memba, 2020).

Milestone reviews are structured evaluations conducted at key stages of a project or strategic initiative to assess progress and ensure alignment with objectives. These reviews provide an opportunity to reflect on what has been accomplished, identify any deviations from the plan, and make necessary adjustments. By setting clear milestones and conducting regular reviews, organizations can maintain momentum and keep projects on track. Milestone reviews involve a detailed analysis of performance metrics, resource utilization, and timelines, and often include input from various stakeholders. They serve as a checkpoint to celebrate achievements, address any issues, and realign efforts with the strategic goals (Odhiambo & Ndede, 2021).

Special alert control

Special alert control is a strategic management tool designed to provide immediate and thorough responses to unforeseen and significant events that could impact an organization's strategy or operations. These events, often termed as "crises" or "emergencies," can arise suddenly and have potentially severe consequences if not managed effectively. Special alert control mechanisms ensure that an organization can quickly identify, assess, and respond to such events, minimizing negative impacts and maintaining stability (Kanapathipillaii, 2021).

Crisis management is the process of preparing for, responding to, and recovering from unexpected and disruptive events that threaten an organization’s stability and reputation. Effective crisis management involves establishing a crisis management team, developing clear protocols, and maintaining open lines of communication. The primary goal is to minimize the impact of the crisis on the organization’s operations, stakeholders, and reputation. This includes assessing the situation, making timely decisions, and coordinating responses across different departments. Crisis management also involves managing public relations, addressing stakeholder concerns, and implementing recovery strategies to restore normalcy. By having a robust crisis management plan in place, organizations can respond swiftly and effectively, maintaining control over the situation and mitigating long-term damage (Beza & Satyendra, 2023).

Contingency plans are pre-developed strategies designed to address potential disruptions and ensure business continuity in the face of unexpected events. These plans outline the steps to be taken when specific scenarios arise, such as natural disasters, IT system failures, or supply chain disruptions. Contingency planning involves identifying critical functions and resources, assessing risks, and creating detailed action plans to manage those risks. The plans typically include emergency response procedures, backup resources, and communication strategies. Regular testing and updating of contingency plans are essential to ensure their effectiveness and relevance. By having well-prepared contingency plans, organizations can quickly adapt to disruptions, minimize downtime, and sustain operations during crises (Mohamed & Onyiego, 2020).

Exposure monitoring involves the continuous observation and assessment of risks and threats that could affect an organization’s operations or assets. This process includes tracking environmental factors, market conditions, regulatory changes, and other external influences that could impact the organization’s risk profile. Exposure monitoring helps organizations anticipate potential issues and make informed decisions to mitigate risks. It often involves collecting and analyzing data from various sources, such as industry reports, financial statements, and regulatory updates. Effective exposure monitoring enables organizations to stay ahead of potential threats, adjust their strategies accordingly, and enhance their overall risk management practices (Makau & Okeyo, 2021).

Training is a critical component of organizational preparedness and resilience. It involves equipping employees with the knowledge, skills, and competencies needed to perform their roles effectively and respond to emergencies. In the context of crisis management and contingency planning, training ensures that employees understand their responsibilities, know how to execute emergency procedures, and can operate efficiently under pressure. Regular training sessions, simulations, and drills help reinforce procedures, identify gaps in preparedness, and build confidence among staff. By investing in comprehensive training programs, organizations enhance their ability to handle crises, maintain operational continuity, and safeguard their assets and reputation (Mwalolo, Omagwa & Kimutai, 2023).

Empirical Review

Implementation control and Financial Performance

Rehman, *et al* (2022) examined on the relationship between information sharing and risk management practices with financial performance: evidence from Pakistani banking sector. A sample included ten banks top in the ranking on assets and questionnaires were distributed among 200 managers of different levels. The study found that there is a positive correlation between information sharing, risk management and financial performance. The study concluded that both information sharing and risk management has positive effect on the financial performance of selected banks.

Musafiri and Twesige (2024) researched on the effect of information sharing on financial performance of selected commercial banks in Rwanda: a case of bank of Kigali, equity bank and I&M Bank. This study adopted descriptive research design. Therefore the overall annual financial reports of 10 of Commercial Banks formed the target population. The study found a statistically significant relationship between information sharing and performance of commercial banks. The study concluded that there is a positive and substantial association between information sharing and performance of commercial banks.

Ndungo, Olweny and Memba (2020) investigated on the effect of information sharing on financial performance of savings and credit co-operative societies in Kenya. The study adopted a descriptive research design which was both quantitative and qualitative. The target population was 181 and a sample of 135 was used. The study found that information sharing has a significant and positive relationship with financial performance of the sampled SACCOs. The study concluded that there was a significant and positive relationship between information sharing and financial performance.

Odhiambo and Ndede (2021) assessed on information sharing and financial performance of commercial banks in Kenya. The researcher used a descriptive research design. The target population was five banks within Nairobi County including KCB, Equity Bank, Family Bank, Cooperative Bank and Barclays Bank. The study found that information sharing was positively and significantly related to the financial performance of the commercial banks. The study concluded that information sharing positively and significantly influenced banks' performance.

Omar and Makori (2022) conducted a study on information sharing and financial performance of commercial banks in Kenya. This study employed a descriptive research design. The population of this study entailed all the 43 commercial banks licensed under the banking Act. The study found that information sharing has a positive and significant effect on financial performance of commercial banks in Kenya. The study concluded that information sharing had positive and significant influence on financial performance of commercial bank.

Special alert control and Financial Performance

Kanapathipillaii (2021) researched on the impact of training on organizational performance in the hospitality industry in Malaysia: job satisfaction as mediator. The survey procedure using single-stage cluster sampling method is used to develop an in-depth profile, which is gathered from 653 out of 800 formal standardised questionnaires sent to employees who are in the managerial or supervisory level and above at 400 hotels in West Malaysia. The study found that training is statistically significant and has a strong relationship with job satisfaction and organisational performance and job satisfaction mediates the relationship between training and organisational performance in the hospitality industry. The study concluded that training had an influence on job satisfaction and organisational performance in the hospitality industry.

Beza and Satyendra (2023) examined on the effect of training on employee performance in the public sector of Rwanda, a case study of the ministry of finance and economic planning. This research used a combination of descriptive and correlational methods, employing both quantitative and qualitative approaches. Data collected via questionnaires given to a sample of one hundred and seventy employees in MINECOFIN. The study found that training design, training policies, and evaluation of trainings are statistically significant on employee performance of the Ministry of Finance and Economic Planning. The study concluded that enhancements in employee-performance, training design, training policies, and evaluation of trainings are associated with improved overall employee performance of the MINECOFIN.

Mohamed and Onyiego (2020) conducted a study on the effect of crisis management on financial performance of commercial banks in Kenya: a case study of commercial banks in Mombasa County. A descriptive and analytical research design was adopted for this study. The target area of the study was 13 commercial banks in Mombasa. The study found that crisis management had a significant influence on financial performance. The study concluded that crisis management significantly affects the financial performance of commercial banks.

Makau and Okeyo (2021) investigated on crisis management and performance of insurance companies in Kenya: a case of Sanlam General Insurance Company. Descriptive research design was adopted. The target population for this study was 72 employees whereby a census of all the employees was conducted. The study found that crisis management has positive and significant effect on performance of Sanlam insurance company. The study concluded that crisis management influences the performance of insurance companies.

Mwalolo, Omagwa and Kimutai (2023) assessed on crisis management and financial performance of investment firms listed at Nairobi Securities Exchange, Kenya. The study adopted the positivism research philosophy. Primary and secondary data sources were utilized, with a sample size of 40 respondents selected from the five listed investment firms. The study found that crisis management has a significant effect on financial performance. The study concluded that crisis management significantly affect financial performance.

RESEARCH METHODOLOGY

Research Design

The study adopted descriptive research design. The descriptive research design allows the researcher to gather information, summarize, present and interpret it for purpose of clarification (Karama, Iravo, & Shale, 2019). The design is suitable for the study since it enables description of both dependent and independent variables. Therefore, this design is appropriate for this study which extensively test the analysis of the relationships between variables (Amuhaya, Namusonge, & Nthigah, 2018). Descriptive research design is therefore appropriate since the study intends to establish the influence of strategic control techniques on financial performance of Savings and Credit Cooperatives in Nairobi city County, Kenya. The descriptive studies are more formalized and typically structured with clearly stated hypotheses or investigative questions.

Target Population

The unit of analysis for this study was SACCOs in Nairobi County. Nairobi was selected because it has the highest concentration of the registered head-offices of deposit taking SACCOs in Kenya (SASRA, 2023). The unit of observation of this study was management employees in the selected 43 deposit-taking SACCOs in Nairobi County, Kenya. The target population was therefore 258 management employees working in the 43 deposit-taking SACCOs in Nairobi County, Kenya.

Table 3.1: Target Population

Department	Population
Top Managers	43
Middle Level Managers	86
Lower Level Managers	129
Total	**258**

Sample Size and Sampling Technique

According to Eric and Marko (2017) sampling is the process of selecting a few individuals for a study in such a way that the individual represents a larger group from which they are selected. A sample is a small group obtained from accessible population (Mugenda & Mugenda 2008). The Yamane formula was adopted to calculate the study sample size as follows;

$$n = \frac{N}{1+N(e^2)}$$

Where n is the sample size, and N is the population size, e- acceptable sampling error (0.05)

$$= \frac{258}{1+258(0.05^2)}$$

$$= \frac{258}{1.645} = 156.84$$

$n \approx 157$

Therefore, the study sample size was 157 respondents.

Table 3.2: Sample Size

Department	Population	Sample Size
Top Managers	43	26
Middle Level Managers	86	52
Lower Level Managers	129	79
Total	**258**	**157**

The stratified random sampling method was adopted to select the study sample size. Stratified random sampling is a method of sampling that involves the division of a population into smaller sub-groups known as strata. In stratified random sampling or stratification, the strata are formed based on members' shared attributes or characteristics such as income or educational attainment (Creswell, 2019).

Data Collection Instruments

This research used a questionnaire to collect primary data. According to Patton *et. al (*2016), a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection. Structured questions were used to collect primary data from the field. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the research problem (Dempsey, 2017). According to Kothari (2018), the information obtained from questionnaires is free from bias and researchers' influence and thus accurate and valid data will be gathered. The preference for the questionnaire is based on the premise that it gives respondents freedom to express their views or opinions more objectively.

Pilot Study

A pilot test was conducted to assess the questionnaire's validity and reliability of the data that was collected. According to Copper and Schindler (2017), a pilot test is conducted to detect weaknesses in the design and instrumentation and provide a proxy data for selection of probability sample. According to Leedy and Ormrod (2019), a pilot study is an excellent way to determine the feasibility of the study. The subjects participating in the pilot study were not included in the final study to avoid survey fatigue. In this study, 10% of the sample size participated in the pilot study.

Data Analysis and Presentation

The researcher collected questionnaires, code them, and enter them into the Software Package for Social Sciences (SPSS version 26) for analysis. The sort function was used to perform the initial screening. The data was based on the study's objectives and research hypothesis. The descriptive statistical techniques of frequency, mean, and standard deviation were used to analyze the quantitative data acquired. The results were displayed using frequency distribution tables, which kept track of how many times a score or response appears. Qualitative data collected was analysed using content analysis and presented in prose form.

Inferential statistics including regression and correlation analysis was used in the study. According to Saunders *et al.* (2017), correlation is a statistical tool that helps to determine the relationships between two or more variables. Cooper and Schindler (2017) indicate that correlation, as measured by a correlation coefficient, is the degree to which a linear predictive relationship exists between random variables. Pearson correlation coefficient was used for testing associations between the independent and the dependent variables. According to Wagana (2017), a correlation coefficient (r) has two characteristics, strength and direction. The strength of the relationship is indicated by how r tends toward 1, the maximum value possible. r is interpreted as follows; when $r = +1$ it means there is perfect positive correlation between the variables, when $r = 0$ it means there is no correlation between the variables, that is the variables are uncorrelated, when $r = -1$ it means there is perfect inverse correlation between the variables.

A multiple regression model was used to test the significance of the influence of the independent variables on the dependent variable.

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Descriptive Statistics Analysis

Implementation Control and Financial Performance

The first specific objective of the study was to examine the influence of implementation control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on implementation control and financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. The results were as shown in Table 4.1
From the results, the respondents agreed that they build team confidence through training and support (M=3.996, SD= 0.865). In addition, the respondents agreed that confidence-building measures are regularly assessed (M=3.819, SD= 0.945). Further, the respondents agreed that they ensure effective information sharing for implementation (M=3.798, SD= 0.611).

The respondents also agreed that transparent communication supports project execution (M=3.731, SD= 0.908). In addition, the respondents agreed that milestone reviews track progress and address issues (M=3.711, SD= 0.776). Further, the respondents agreed that regular reviews help adjust implementation plans (M=3.675, SD= 0.897).

Table 4. 1: Implementation Control and Financial Performance

	Mean	Std. Deviation
We build team confidence through training and support.	3.996	0.865
Confidence-building measures are regularly assessed	3.819	0.945
We ensure effective information sharing for implementation.	3.798	0.611
Transparent communication supports project execution.	3.731	0.908
Milestone reviews track progress and address issues.	3.711	0.776
Regular reviews help adjust implementation plans.	3.675	0.897
Aggregate	**3.788**	**0.834**

Special Alert Control and Financial Performance

The second specific objective of the study was to establish the influence of special alert control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to special alert control and financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. The results were as presented in Table 4.2.

From the results, the respondents agreed that their crisis management procedures are well-defined and regularly updated (M=3.920, SD= 0.605). The respondents also agreed that they assess the effectiveness of their crisis management response after each incident (M=3.915, SD= 0.981). In addition, the respondents agreed that contingency plans are developed and tested for various scenarios (M=3.911, SD= 0.873).

The respondents also agreed that they review and update their contingency plans regularly (M=3.897, SD= 0.786). Further, the respondents agreed that exposure monitoring processes are in place to identify and manage potential risks (M=3.789, SD= 0.896). In addition, the respondents also agreed that training programs are implemented to prepare staff for special alert situations (M=3.695, SD= 0.897).

Table 4. 2: Special Alert Control and Financial Performance

	Mean	Std. Deviation
Our crisis management procedures are well-defined and regularly updated.	3.920	0.605
We assess the effectiveness of our crisis management response after each incident.	3.915	0.981
Contingency plans are developed and tested for various scenarios.	3.911	0.873
We review and update our contingency plans regularly.	3.897	0.786
Exposure monitoring processes are in place to identify and manage potential risks.	3.789	0.896
Training programs are implemented to prepare staff for special alert situations.	3.695	0.897
Aggregate	**3.855**	**0.839**

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (implementation control and special alert control) and the dependent variable (financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

Table 4. 3: Correlation Coefficients

		Financial Performance	Implementation Control	Special Alert Control
Financial Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	137		
Implementation Control	Pearson Correlation	.856**	1	
	Sig. (2-tailed)	.001		
	N	137	137	
Special Alert Control	Pearson Correlation	.859**	.189	1
	Sig. (2-tailed)	.000	.081	
	N	137	137	137

From the results, the results revealed that there is a very strong relationship between implementation control and financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya (r = 0.856, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings conform to the findings of Musafiri and Twesige (2024) that there is a very strong relationship between implementation control and financial performance.

The results also revealed that there was a very strong relationship between special alert control and financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya (r = 0.859, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the results of Makau and Okeyo (2021) who revealed that there is a very strong relationship between special alert control and financial performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (implementation control and special alert control) and the dependent variable (financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya)

Table 4. 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891	.794	.795	.10120

a. Predictors: (Constant), implementation control and special alert control

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.794. This implied that 79.4% of the variation in the dependent variable (financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya) could be explained by independent variables (implementation control and special alert control).

Table 4. 5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.027	2	6.01	60.14	.000b
	Residual	6.568	132	.050		
	Total	18.595	136			

a. Dependent Variable: financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya

b. Predictors: (Constant), implementation control and special alert control

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 60.14 while the F critical was 2.440. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of implementation control and special alert control on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya.

Table 4.6: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	**(Constant)**	0.341	0.089		3.831	0.001
	implementation control	0.387	0.095	0.386	3.949	0.001
	special alert control	0.398	0.102	0.399	3.716	0.003

a Dependent Variable: financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya

The regression model was as follows:

$$\mathbf{Y = 0.341 + 0.387X_1 + 0.398X_2 + \varepsilon}$$

The results revealed that implementation control has significant effect on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya, β1=0.387, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings conform to the findings of Musafiri and Twesige (2024) that there is a very strong relationship between implementation control and financial performance.

In addition, the results revealed that special alert control has significant effect on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya β1=0.398, p value= 0.003). The relationship was considered significant since the p value 0.003 was less than the significant level of 0.05. The findings are in line with the results of Makau and Okeyo (2021) who revealed that there is a very strong relationship between special alert control and financial performance

Conclusions

The study concludes that implementation control has a positive and significant effect on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. The study revealed that build confidence, information sharing and milestone reviews influence financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya.
The study also concludes that special alert control has a positive and significant effect on financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya. The study revealed that crisis management, contingency plans and exposure monitoring influence financial performance of Savings and Credit Cooperatives in Nairobi City County, Kenya.

Recommendations

The study recommends that the management of Savings and Credit Cooperatives in Kenya should establish a comprehensive performance monitoring and evaluation system. By systematically tracking and analysing key performance indicators, SACCOs can identify areas for improvement, address inefficiencies, and ensure that strategic goals are being met.
The study also recommends that the management of Savings and Credit Cooperatives in Kenya should implement a robust special alert control system for early detection of financial irregularities and operational anomalies. By establishing clear protocols for escalating these

alerts to management, SACCOs can quickly address issues before they escalate, thereby minimizing financial losses and operational disruptions.

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