

Strategic Issue Management Practices of Savings and Credit Cooperative Societies in Mombasa County, Kenya

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Abstract

This study focused on Strategic Issue Management (SIM) practices by Savings and Credit Co-operative Societies in Mombasa County in Kenya. Strategic Issue Management specializes in detecting surprise developments in the business environment through constant monitoring and surveillance; and execution of timely responses (Ansoff and McDonnell, 1990). The study was deemed necessary because the environments are full of surprises and instabilities the world over. In fact, issue management has become established as a distinct business discipline, with proven capacity to add strategic value to organizations (Pearce & Robinson, 2005). Broadly speaking, issue management attempts to minimize surprises which accompany social and political change by serving as an early warning system for potential and environmental threats and attempts to promote more systematic and effective responses to particular issues by serving as a coordinating and integrating force within the corporation (David, 2005). Cooperatives in Kenya's turbulent business environment have faced critical challenges such as: traditional products, leadership and governance issues, capital base requirement, taxation, Information and Communications Technology, regulation and supervision, developing competitive business models, demand for loans, non-remittance of fees by members, forgery, HIV/AIDS and outreach issues. These among others have forced cooperatives managers to pause, ponder and devise ways to strengthen their enterprises. Thus the central challenge for cooperatives is to find constructive ways to build and retain competitive advantages in the market place. This is only possible if they incorporate good governance practices in their institutions. Therefore, in a bid to enhance cooperative performance through strategic issue management practices, this research embarked on a quest that raised certain questions: How do cooperative societies rate strategic issue management practices? To what extent did the various strategic issue management practices apply to their cooperatives. The study findings revealed that many cooperatives in Mombasa County were practicing strategic issue management. It is evident that Strategic Issue Management is very significant to a cooperative's future. This is in line with what Perrot (2008) found out when he posited that tracking, monitoring and managing priority issues is necessary for a firm's survival during turbulence.

Keywords: Strategic Issue Management, Strengths Weaknesses Opportunities and Threats (SWOT), Management by Objectives (MBO), Euro quip matrix

1. INTRODUCTION

Ansoff and McDonnell (1990) define Strategic Issues as forthcoming developments, either inside or outside of the organization that are likely to have an important impact on the ability of the enterprise to meet its objectives. They are developments or trends that emerge from an organization's internal or external environment, perceived to have the potential to affect an organization's performance. The issues require to be viewed from the context of strength, weaknesses, opportunity and threats of an enterprise (Ansoff and McDonnell, 1990). In fact, issue management has become established as a distinct business discipline, with proven capacity to add strategic value to organizations (Weirich, 2001). Broadly speaking, issue management attempts to minimize surprises which accompany social and political change by serving as an early warning system for potential and environmental threats and attempts to promote more systematic and effective responses to particular issues by serving as a coordinating and integrating force within the corporation (Mkamunduli, 2005).

Despite of their fundamental socio-economic role in Kenya, most cooperatives are faced with a number of challenges, such as: traditional products, leadership and governance issues, capital base requirement, taxation, Information and Communications Technology, regulation and supervision, developing competitive business models, demand for loans and defaulting on loans, non-remittance of fees by members, forgery, HIV/AIDS and outreach issues. These among others have forced cooperatives managers to pause, ponder and devise ways to strengthen their enterprises. Thus the central challenge for cooperatives is to find constructive ways to build and retain competitive advantages in the market place. This is only possible if they incorporate good governance practices in their institutions (Kenya Saccos Societies ACT, 2010).

Hence strategic management is a level of managerial activity under setting goals and over tactics. Strategic management provides overall direction to the enterprise and is closely related to the field of organization studies. Today may not be the same as yesterday and tomorrow may be very different from today. It is therefore today more relevant than ever, to understand the dynamics of how to respond to strategic issues, due to the increasingly fast-paced changes in the globalized world (Kajanto, Keijola, Kunnas, Laamanen & Maula, 2006).

2.0 OBJECTIVES OF THE STUDY

The study was guided by the following objectives:

- i) How do cooperative societies rate Strategic Issue Management practices generally?
- ii) What are some of the Strategic Issue Management practices?
- ii) To what extent do the various Strategic Issue Management practices apply to cooperatives?

3.0 METHODOLOGY

This research adopted a survey research design. The choice was necessitated by the descriptive nature of typically quantitative data collected which was to be cross-sectional and therefore did not favor case study. In addition, a survey was chosen because the researcher's main aim was to get comparable data from across the study units so as to discover similarities and differences in their practices (Cooper and Schindler, 2006). The survey method therefore allowed an in-depth and complete investigation of all the cooperatives in Mombasa County.

It also allowed for comparative analysis in order to obtain rational conclusions. An extension of the survey method known as survey via personal interview (meaning a two way communication initiated by an interviewer to obtain information from a participant: face to face, phone or internet) was also adopted.

The population of study was all Savings and Credit Cooperative Societies in Mombasa County. According to the list obtained from the District Cooperatives Officer office in Mombasa, there were a hundred and twenty nine registered and active cooperatives in Mombasa County, Kenya as at 14th June 2013. This had increased from a hundred and twenty in 2010 when Owino (2011) carried his research, signifying a 7.5% growth.

Primary data was collected using self-administered questionnaires (see Appendix 1). This was necessitated by the fact that all the cooperatives surveyed in Mombasa County were accessible.

The data was coded and checked for any errors and omissions. Responses from the questionnaires were tabulated, coded and descriptive statistics used. Descriptive statistics are statistical measures used to depict the center, spread and shape of distribution of findings. Statistical Package for Social Sciences (SPSS) was utilized to analyze the variables.

Tables, mean, standard deviation and percentages were used to summarize the data. The tables were summarized as a percentage of the thirty four out of the seventy respondents. This data is meant to give a picture of the kind of Strategic Issue Management practices cooperatives in Mombasa County should engage in to enhance their performance.

4.0 LITERATURE REVIEW

Strategic Issue Management is a dynamic process of aligning strategies, performance and business results; it is all about people, leadership, technology and processes. Strategy can be seen as the building of defenses against competitive forces, or as the finding of positions in the industry where competitive forces are weakest. A strategy represents a firm's "game plan" (Pearce and Robinson, 2005). Strategy is therefore a fundamental framework through which the organization can simultaneously assert its vital continuity and facilitate its adaptation to the changing environment.

Strategic management is the art and science of formulating, implementing and evaluating cross-functional decisions that will enable an organization achieve its objectives. Strategic management as a discipline originated in the 1950s and 60s. There are numerous early contributors to the literature on strategic management. Chandler (1962) recognized the importance of coordinating the various aspects of management under one all-encompassing strategy. Prior to this time the various functions of management were separate with little overall coordination or strategy. Interactions between functions or between departments were typically handled by a boundary position, that is, there were one or two managers that relayed information back and forth between two departments.

The idea of matching the organization's internal factors with external environmental circumstances should be viewed carefully. This core idea was developed into what we now call strengths, weaknesses, opportunities and threats (SWOT) analysis. Strengths and weaknesses of the firm are assessed in light of the opportunities and threats from the business environment. Drucker (1974) stressed the importance of objectives. He stated that an organization without clear objectives is like a ship without a rudder. He developed a theory of management based on objectives. This evolved into his theory of Management by Objectives (MBO). According to Drucker (1974) the procedure of setting objectives and monitoring your progress towards them should permeate the entire organization, top to bottom.

Chandler (1962) views strategic management as the determination of the basic long-term goals and objectives of an enterprise, the adoption of course of action and the allocation of resources necessary for carrying out these goals. According to Yip (2003), a strategy is the pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole. Many scholars argue that effective strategic management should be characterized by a clear business strategy and vision for the future. A strategic direction endorsed by senior managers, taking account of partners and other stakeholders, a mechanism for, a framework for governance at several levels that ensures you can coordinate everything (multiple goals) even when there are

competing priorities and different goals. There needs to be the ability to exploit opportunities and respond to external change (turbulence) by taking ongoing strategic decisions and coherent framework for managing risk – whether it is balancing the risk and rewards of a business direction, coping with the uncertainties of project risk or ensuring business continuity.

Strategic actions are influenced by the environmental factors. Changes in the environment will lead to changes in the objectives and strategy (Pearce and Robinson, 1991). The environment is complex and ever changing and it will continue to change rapidly, radically and unpredictably. Therefore managers have to keep reviewing their strategy to match the environmental demand. This requires the establishment of real time Strategic Issue Management (Bigelow et al, 1993).

Ansoff and McDonnell (1990) proposed four analytical techniques for Strategic Issue Management. These are use of Simple Environment Impact Analysis, Cross-Impact Analysis, Ranking Approach and the Euro quip Matrix. The first one is the Simple Environmental Impact Analysis which diagnoses one event/trend at a time and does not concern itself with their interdependence. Threats/opportunities and future strengths/weaknesses can be identified from the continuous surveillance of three sources (external environment trends, internal capability trends and performance trends).

The second is the Issue Ranking Approach which involves a continuous environmental surveillance through trend analyses (external environment, internal environment and internal performance) and SWOT identification. Impact and urgency of the trends are estimated and presented as key strategic issues to top management at frequent meetings and whenever a new major threat or opportunity is perceived. Then together with planning staff, top management sorts issues into one of the four categories. Highly current issues of far reaching effect which require immediate attention (i.e. urgent issues). Moderately urgent issues of far reaching effect that can be resolved during the next planning cycle (i.e. post-ponable issues). Non-urgent issues of far-reaching effect which require continuous monitoring (delay-able issues) and issues that are “false alarms” and can be dropped from further consideration (i.e. minor issues).

The urgent issues are assigned for study and resolution, either to existing organization units, or to special task forces. Top management both for strategic and tactical implications monitors the resolution of issues. The list of issues is kept up to date through periodic review by the top management. The third technique is the Cross Impact Analysis, which can be added to estimate the likelihood of simultaneous occurrence of several events/trends. This analysis produces clusters of events, which are likely to impact together on the firm and facilitates identification and preparedness of probable future disaster scenarios or opportunity scenarios.

The fourth method, ‘Euro quip Matrix’ analyses issues after the ranking has been done and after the synergy analysis. Either the positive or negative synergy evaluation is done for the issues impact and issue urgency. A positive synergy occurs when strengths and weaknesses are applicable to responding to threats and opportunities. A negative synergy occurs when neither strengths nor weaknesses help in with threats and opportunities. The following literature explores further these areas since they are central to the current study.

4.1 Empirical Studies on Strategic Issue Management

Organizations, like living organisms do not exist in isolation but within surroundings that constitute their environment. Ansoff and McDonnell (1990) define strategic issues as forthcoming developments, either inside or outside of the organization that are likely to have an important impact on the ability of the enterprise to meet its objectives. For the modern executive to achieve desired results, it’s not enough to respond by managing internal activities of the firm only but also the firm’s remote environment (Pearce & Robinson, 2005). By so doing, the firm will enhance its growth, profitability and affirm its social legitimacy.

However, this may not be achieved without timely resolution of prevailing issues. In their extensive scholarship study of ‘issue life cycle’ (concern-problem-issue-crisis), they noted that the sooner an organization starts to participate in the development of an issue, the greater the chance of positively influencing the outcome. It is viewed that, to effectively deal with the discontinuous and surprising environment, organizations should embrace Strategic Issue Management Systems (SIMS) to enhance their capacity and to adapt and to learn.

Strategic Issue Management Systems facilitate an organization’s adaptive capability in two distinctly different, yet complementary ways. First, a Strategic Issue Management System can collect, disseminate, and interpret information and by doing so, identify issues that require managerial interpretation (Dutton & Ottensmeyer, 1987). Hence, adaption of Strategic Issue Management System role in helping to solve the problem of managing equivocally, that is, differing interpretations or reducing uncertainty. It also requires that an organization deal with resource dependencies and pressures for accountability. Ansoff and McDonnell (1990) further concluded that at high turbulence levels, it becomes necessary to start the firm’s response while the environment signals are still weak. This can be achieved if firms can implant systems that can detect, analyze and hence respond to these changes. These proponents of Strategic Issue Management assert that: It is proactive rather than reactive, it allows companies to intercept problems at an early stage and it requires application of substantial empirical, qualitative and quantitative analysis to solve corporate planning problems.

This therefore means that managers must depart from the planned change practices and adopt real-time systems. Real-time strategic response is based on the appreciation that the periodic systems of managing organizations may no longer be capable of perceiving and responding to the threats and opportunities in a highly turbulent environment. The nature of strategic response of the firm enables it to reduce adverse effect or make the firm miss an opportunity. For the purpose of this study, Strategic Issue Management is therefore, how to make the conditions that make proactive change a natural way of life. The firms should therefore be able to anticipate, create and respond effectively and efficiently to changes in the external and internal environment to increase profit potential.

Ng'ang'a (2001) established that the factors that most determine Strategic Issue Management are: company structure, company size, profitability, competition, top management, company infrastructure and technology in that order. Most of these factors determine in one way or another the speed at which information flows within a firm. Intensity of competition will determine the level of complacency while profitability is directly associated with resource level of an organization. As pointed out earlier, environmental surveillance would be futile if a firm lacks the resources required to execute timely response.

Ng'anga's (2001) study showed that ownership, whether foreign or local was irrelevant as far as making strategic issue decisions was concerned. He concluded that quite a significant number of companies listed in the Nairobi Securities Exchange practiced Strategic Issue Management. Muya (2006) on his part established that in Kenya, only international hotels practiced long term planning due to their affiliation to corporate office. Quite a large number of locally owned hotels do not practice long-range planning. He established that where a firm (hotel) had more than two branches, delegation of authority in many cases was preferred in decision-making. According to Muya, hotels in Kenya make use of Strategic Issue Management and monthly reviews of strategic issues raises the level of preparedness for management.

Flexibility is vital for strategic response and therefore in turbulent times, firms need to have flexible plans in order to adapt to changing environments (Mintzberg, 1994; Muya, 2006; Nyandoto, 2009). Companies with flexible plans are likely to be dynamic, respond swiftly to changes in their environments, and thus remain competitive as opposed to those with rigid plans (Mkamunduli, 2005). This view is supported by proponents that the most financially successful firms use a dynamic strategic planning process that combines key elements from both formalized and ad-hoc strategic planning through the addition of what they call strategic flex-points to allow for changes to their plans. On the other hand, their study showed that poorly performing firms often adopt a reactive approach to opportunities or threats compared to their more successful competitors and are unable or unwilling to change.

Dibrell et al. (2007) equate strategic flex-points to planned emergence where firms have the ability to create a structured planning process while concurrently building decentralized decision making in the strategic process thus creating effective planning capabilities in turbulent environments. For example, during turbulence, information flow does not have to follow the laid down procedures or chain command. Any employee has the duty and freedom to report any strange happenings in the environment to decision makers regardless of their position. They established that firms had purposeful formalized process set in place to help managers act quickly to external triggers whenever they felt an immediate response was warranted.

4.2 Strategic Issue Management and Co-operative Societies

Strategic Issue Management is based on the recognition and appreciation of the fact that the periodic systems of planning are no longer capable of detecting deviations in the environment of most companies and executing timely responses (Ansoff and McDonnell, 1990). It is therefore relevant than ever, to understand the dynamics of how to respond to strategic issues, due to the increasingly fast-paced changes in the globalized world (Kajanto, Keijola, Kunnas, Laamanen and Maula, 2006).

Due to this turbulence in business environments, enterprises need to constantly monitor their internal and external environments, as well as trends in their performance in order to detect any discontinuities and instabilities that might have any significant impact on their businesses (Ansoff and McDonnell, 1990). Tracking, monitoring and managing priority issues is necessary for a firm's survival during turbulence (Perrot, 2008). Therefore Savings and Credit Co-operative Societies in Mombasa county need to have round-the clock surveillance in strategic preparedness thus enabling quick responses to opportunities and threats presented by environmental dynamism through appropriate realignment of resources.

This reconfiguration of resources in order to either grasp opportunities or shield an organization against threats posed by the environment requires flexibility in plans, creativity and innovativeness on the side of the management. Companies across all industries are faced with many disruptions from various quarters such as emerging technologies, political and legal, economic changes, socio-cultural shifts, competition and new business models. Therefore, for Savings and Credit Cooperative Societies to survive, grow and remain relevant, they have no choice but to adapt to these changes.

4.3 Savings and Credit Co-operative Societies in Mombasa, Kenya

Iriga (2009) defines a cooperative as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and a democratically controlled enterprise. While the cooperative movement had proved to be a formidable vehicle for wealth creation among its members prior to, and after independence in Kenya, developments in the environment are posing a danger to sustainability.

Financial co-operatives are formed by individual members with the primary purpose of pooling savings and lending to each other as per the registered bylaws (Kenya Sacco Societies Act, 2010). In the early 1990s, Kenya experienced difficult economic times forcing commercial banks to demand higher minimum operating balances for individual accounts to sustain their businesses. This saw many middle and low income persons unable to operate bank accounts. Cooperatives became popular among employed persons who had been unable to maintain or operate bank accounts and they responded by introducing a Front Office Service Activity (FOSA) which offered quasi banking services at competitive rates. The sub sector comprises of large cooperatives, some of which have a total asset base of over 15 billion Kenya shillings to the very small ones that have fewer than 10 million Kenya shillings in assets and are well spread across the country from the large cities to the rural Kenya.

Cooperatives in Kenya's turbulent business environment have faced critical moments. Despite their fundamental socio-economic role in Kenya, most of the savings and credit cooperatives are faced with a number of challenges, such as: traditional products, leadership and governance issues, capital base requirement, taxation, Information and Communications Technology, regulation and supervision, developing competitive business models, demand for loans and loan defaulters, non-remittance of fees by members, HIV/AIDS and outreach issues. These among others have forced cooperatives managers to pause, ponder and devise ways to strengthen their enterprises. Thus the central challenge for cooperatives is to find constructive ways to build and retain competitive advantages in the market place. This is only possible if they incorporate good governance practices in their institutions.

Mombasa County thrives in the cooperative movement sector activities. It has a total of 129 active cooperative societies. The total membership of active cooperatives is 35,882 shareholders with a total turnover of Ksh.1,057,831,845 and total share capital and deposit of Ksh.3,882,055,698. The figures give more reasons why it is an economic hub worth studying at this point in time. Active societies are those deemed to be carrying auditing of books and are performing their objectives.

4.4 Benefits of Strategic Issue Management

The strategic issues facing the organization and its response to them will call on the organization's skills in Strategic Management – its ability to recognize and deal successfully with strategic issues. In Savings and credit cooperative societies, these will include ensuring greater efficiency and value for money, improved and innovative product and service delivery to the customers, increased communication with customers and partners, and greater organizational coordination.

One benefit of Strategic Issue Management is that it enables swift response to environmental surprises. SIM systems detect surprising changes as they become evident and respond in real time without waiting for annual planning (Ansoff & McDonnell, 1990). An organization that is preoccupied with environmental surveillance through the year will notice a discontinuity way ahead of reactive ones. Ansoff (1990) argues that how quickly an organization will respond is determined among other factors by how much knowledge the organization has about an issue. If the knowledge level is high, an organization may have time to execute an appropriate response as opposed to when information about the issue is still vague. This will enable managers to take advantage of opportunities or shield the firm from devastating environmental threats well ahead of competitors thus gaining a competitive edge.

Related to the above point is the issue of insurance against risk. An organization with a high level of information about an impending threat or opportunity is more likely to execute an appropriate response than one which is operating on a vague signal (Ansoff, 1990). This way SIM reduces uncertainty. It shields organizations from strategic shocks with unknown origins. It therefore prevents accumulated losses and extraordinary costs (Ansoff & McDonnell, 1990).

A number of studies in the strategic management literature for example Ali (2008) and Aosa (1992) are based on a broad approach of the content of strategies, in which organizational features are considered as evidences of adopted strategic orientations. According to this approach, studying strategic orientations implies to evaluate organizational characteristics simultaneously. Some of these studies identify major strategic behaviors allowing organizations to succeed. In addition, they focus on the content of the strategic orientations. Their typology shows how organizations choose specific strategies that allow them to realize an adequate fit with their environment.

An issue can be a welcome, an opportunity to be grasped in the environment, or an internal strength which can be exploited to advantage. Or it can be an unwelcome external threat, or an internal weakness which imperils continuing success, even the survival of the enterprise. Since external threats can signal significant discontinuities

in the environment, they can be converted into opportunities by aggressive and entrepreneurial management. This premise is the core reason why it is important for management and other employees to actively involve themselves with Strategic Issue Management, if they want a successful future of their enterprise.

Dutton and Ottensmeyer (1987) say that, issues are classified as strategic because, they can alter the business performance if left unnoticed or unaddressed. Hypothetically then, cooperatives have strategic issues in their environments which they ought to strategically respond to through application of Strategic Issue Management (SIM). The ability to notice strategic issues as well as the knowledge of the effective approaches to respond to them is a major tool to effective strategic management in cooperatives.

Strategic Issue Management practices that affect cooperatives so that they can participate effectively and efficiently in service delivery to their esteemed customers need therefore to be established. It is therefore right to state that the successes of an institution, depends on the manner in which changes in the environment are responded to by the management. The manager of the institution therefore needs to gain clearer understanding of all the forces and factors which contribute towards the governance of the institution.

Given the critical role played by cooperatives in Mombasa County in Kenya, there is need for management to critically embrace the concept of Strategic Issue Management; hence the researchers aspirations to carry this research. Strategic Issue Management Practices has previously attracted some scholars in Kenya notably Mkamunduli (2005), Muya (2006) and Nyandoto (2009). However there has been no documented study of Strategic Issue Management practices among Savings and Credit Co-operative Societies in Mombasa County, Kenya.

It is upon this premise that this study aims to fill the gap left in studying Strategic Issue Management practices of Savings and credit cooperative societies in Mombasa County. This will be necessitated through answering the key research question: What are the Strategic Issue Management practices adopted by cooperatives in Mombasa County?

5. REPORT OF FINDINGS

5.1 Strategic Issue Management Practices of Cooperatives

This research sought to know how the respondents rated Strategic Issue Management practices in their cooperatives. The cooperatives were given three options to indicate their levels of engagement in Strategic Issue Management practices, which were: highly practiced, partially practiced and not practiced at all. Percentage of the response frequency was computed as shown in the Table 1.1 below.

Table 1.1 Level at which Strategic Issue Management is Practiced

Level at which SIM is Practiced	Frequency	Percent
Highly Practiced	25	73.53%
Partially Practiced	9	26.47%
Not Practiced	0	0%
TOTAL	34	100%

Source: Research Data

The findings showed that most cooperatives at 73.53% highly practiced Strategic Issue Management practices; while a few cooperatives (26.47%) partially practiced Strategic Issue Management practices. Out of the thirty four respondents, none indicated that they did not practice Strategic Issue Management practices. This clearly showed how SIM practices were embraced by cooperatives in Mombasa County.

The researcher further sought information on various aspects adopted by cooperatives in Mombasa County in Kenya in practicing Strategic Issue Management. Respondents were to indicate their rating on given statements by applying keys on a one-to-five Likert-Scale where 5 indicated 'Very large extent' while 1 denoted 'Not at all'. Frequencies for each item as specified in the table below were tallied, results tabulated and analyzed. The mean for each variable was computed, grand mean calculated by dividing total mean by the number of variables. The standard deviation for each variable was then calculated. See Table 1.2.

Table 1.2 Aspects of SIM Practices Prevalence in Cooperatives

Extent to which the following practices apply to your cooperative	Mean Score	Standard Deviation
Strategic Issue Management (SIM) has a place in our co-operative and offers real time responses to issues	4.63	1.10
SIM is a motivating activity to undertake	3.21	0.32
The Management understands how critical it is to address Strategic Issues	3.57	0.04
The SIM is allocated ample time by top Management	3.32	0.21
There is SIM committee in our co-operative	3.01	0.52
The importance of SIM is clear to everyone in the co-operative	3.59	0.06
SIM is incorporated in our annual plans	3.45	0.08
Clear channel exists to disseminate Strategic Issues information to staff	3.04	0.49
Study of how turbulent cooperative environment is	4.52	0.99
Consider documentation of strategic issues	3.26	0.27
Use SWOT (Strengths, Weaknesses, Opportunities, Threats) in analyzing environment	4.61	1.08
Use of Simple Environmental Impact Analysis	3.87	0.34
Use of Issue Ranking Approach	3.29	0.24
Use of Cross Impact Analysis	3.06	0.47
Use of Euro quip Matrix	2.98	0.55
Classify issues as Urgent and need immediate action	3.80	0.27
Classify issues as Urgent and needs continuous action	3.11	0.42
Classify issues as Not Urgent and can be postponed	3.27	0.26
Categorize issues as of no impact	3.03	0.50
Top management responds fast to strategic issues	3.32	0.21
Staff are empowered to handle strategic issues	3.41	0.12
Staff and management take a proactive approach in SIM	3.64	0.11
Management champions the process of SIM	3.66	0.13
Strategic Issue Management is important to the future success of our cooperative	3.97	0.44
Grand Mean	3.53	

Source: Research Data

According to the findings above (Table 1.2), it is evident that Strategic Issue Management has a place in most cooperatives and offers real time responses to issues, leading with a mean score of 4.63. This was followed at second position with the respondents indicating that the use of SWOT (Strengths, weaknesses, opportunities, threats) in analyzing environment was common at a mean score of 4.61. At third position with a mean score of 4.52, in terms of SIM practices was the extent to which cooperatives study how turbulent environment is.

The least applied Strategic Issue Management practices were: Use of Euro quip Matrix, presence of SIM committee in co-operative and Categorizing issues as of no impact with mean scores of 2.98, 3.01, and 3.03 respectively. This study confirms previous findings by Nganga (2001), Mkamunduli (2005) and Muya (2006) that the Euro quip Matrix is not widely used in Kenya. The researcher felt that the Euro quip matrix is a very important tool as it helps organizations identify situations where both strengths and weaknesses can be of use and where they are not useful, called positive and negative synergies respectively (Ansoff and McDonnell, 1990). This way, firms would know when to enhance which weaknesses or strengths but more importantly, when it is necessary to develop new capabilities.

5.2 Discussions of Findings

According to the findings in this research, just like Nyandoto (2009) found out, it is evident that Strategic Issue Management has a place in most cooperatives and offers real time responses to issues. This was followed by respondents indicating that the use of SWOT (Strengths, weaknesses, opportunities, threats) in analyzing environment was common and cooperatives signaling that the study of environmental turbulence was highly carried out. Nyandoto (2009) also found out that SWOT, in regard to the tools and techniques for analyzing real-time strategic issues, was widely used unlike the Euro quip Matrix.

The least applied Strategic Issue Management practices were: Use of Euro quip Matrix, the presence of a SIM committee in co-operative and Categorizing issues as of no impact. This study confirms previous findings by Nganga (2001), Mkamunduli (2005) and Muya (2006) that the Euro quip Matrix is not widely used in Kenya. The researcher felt that the Euro quip matrix is a very important tool as it helps organizations identify situations where both strengths and weaknesses can be of use and where they are not useful, called positive and negative

synergies respectively (Ansoff and McDonnell, 1990). This way, firms would know when to enhance which weaknesses or strengths but more importantly, when it is necessary to develop new capabilities.

5.3 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Savings and Credit Cooperative Societies in Mombasa County practice Strategic Issue Management. The cooperative movement in Mombasa County was found to be as old as Strategic Management itself and therefore was still growing. Strategic management has a short history, having really developed since the 1950s with Drucker. This implies that as management theories continue growing, so is strategy formulation and implementation efforts with cooperatives.

The aim of the investigation of this study was to determine Strategic Issue Management practices adopted by Savings and Credit Cooperative Societies in Mombasa County. The findings show that most cooperatives at 73.53% highly practiced Strategic Issue Management practices; while a few cooperatives (26.47%) partially practiced Strategic Issue Management practices. Out of the thirty four respondents, none indicated that they did not practice Strategic Issue Management practices. This clearly showed how SIM practices were embraced by cooperatives in Mombasa County. It is evident that Strategic Issue Management has a place in most cooperatives and offers real time responses to issues.

In conclusion, it is evident that Strategic Issue Management is very significant to a cooperative's future. This is in line with what Perrot (2008) found out when he posits that tracking, monitoring and managing priority issues is necessary for a firm's survival during turbulence. Today may not be the same as yesterday and tomorrow may be very different from today. It is therefore today more relevant than ever, to understand the dynamics of how to respond to strategic issues, due to the increasingly fast-paced changes in the globalized world (Kajanto, Keijola, Kunnas, Laamanen & Maula, 2006).

It is apparent from the foregoing that cooperatives in Mombasa County need to up their game in Strategic Issue Management to gain competitive advantage. They should also look for visionary leaders/managers and put efficient and effective measures to deal with constant changes in customer needs and demands. The fear of resistance to change that has been a subject of study especially in strategic management for a long time has been embraced well; staff and management know that change is inevitable (Kajanto et al, 2006).

6. Recommendations of the Study

Given that most cooperatives at 73.53% highly practiced Strategic Issue Management practices; while a few cooperatives (26.47%) partially practiced Strategic Issue Management practices; and out of the thirty four respondents, none indicated that they did not practice, this can be interpreted to mean that Strategic Issue Management is valued by cooperative societies and it enhances their performance. This clearly showed how SIM practices were embraced by cooperatives in Mombasa County. It is evident that Strategic Issue Management has a place in most cooperatives and offers real time responses to issues.

Cooperatives should realize they do not only compete against themselves, but also against other lenders such as banks, micro-finance institutions, mobile phone companies with their credit services, informal groupings and welfare associations. Therefore, there is serious need for cooperatives to upgrade their management capacity especially in areas of Information and Technology, marketing and customer services.

7. Suggestions for Further Research

Strategic Issue Management as a complex and multifaceted phenomenon needs cautious and competent management. Some of the areas that need to be researched are novel and significance of strategic issue management practices in this twenty first century.

8. Appendix 1

STRATEGIC ISSUE MANAGEMENT PRACTICES

(Strategic Issue Management (SIM) refers to preparedness in handling the impending issues that may have profound impact on the firm (Ng'ang'a, 2001).

1. How do you rate the level of Strategic Issue Management practices in your Co-operative Society (Tick only one please)
 - Highly practiced ()
 - Partially practiced ()
 - Not practiced ()
2. To what extent do the following Strategic Issue Management practices apply to your co-operative (Tick appropriately)

[1=Not at all, 2=Little Extend, 3=Moderate extent, 4=Large Extent, 5=Very Large Extent.]

Extent to which the following practices apply to your cooperative	1	2	3	4	5
Strategic Issue Management (SIM) has a place in our co-operative and offers real time responses to issues					
SIM is a motivating activity to undertake					
The Management understands how critical it is to address Strategic Issue					
The SIM is allocated ample time by top Management					
There is SIM committee in our co-operative					
The importance of SIM is clear to everyone in the co-operative					
SIM is incorporated in our annual plans					
Clear channel exists to disseminate Strategic Issues information to staff					
Study of how turbulent cooperative environment is					
Consider documentation of strategic issues					
Use SWOT (Strengths, Weaknesses, Opportunities, Threats) in analyzing environment					
Use of Simple Environmental Impact Analysis					
Use of Issue Ranking Approach					
Use of Cross Impact Analysis					
Use of Euro quip Matrix					
Classify issues as Urgent and need immediate action					
Classify issues as Urgent and needs continuous action					
Classify issues as Not Urgent and can be postponed					
Categorize issues as of no impact					
Top management responds fast to strategic issues					
Staff are empowered to handle strategic issues					
Staff and management take a proactive approach in SIM					
Management champions the process of SIM					
SIM is important to the future success of our cooperative					

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