ICIFA
INSTITUTE OF CERTIFIED INVESTMENT AND FINANCIAL ANALYSTS

INVESTMENT REVIEW

A JOURNAL OF THE INSTITUTE OF CERTIFIED INVESTMENT AND FINANCIAL ANALYSTS

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MAIN STORY
Page 16

SUSTAINABLE INVESTMENTS IN AFRICA: OPPORTUNITIES & CHALLENGES

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ICIFA INSTITUTE OF CERTIFIED INVESTMENT AND FINANCIAL ANALYSTS | INVESTMENT REVIEW
A JOURNAL OF THE INSTITUTE OF CERTIFIED INVESTMENT AND FINANCIAL ANALYSTS

Table of Contents

8
FA Diana Muriuki - Maina
C.E.O, ICIFA

20
FA DANIEL NZIOKI
Member, ICIFA

24
FA PROF. GEORGE MUNGIRIA MUTHAA

ICIFA
INSTITUTE OF CERTIFIED INVESTMENT AND FINANCIAL ANALYSTS

WHO WE ARE

Institute of Certified Investment and Financial Analysts

ICIFA is the professional Investment and Financial Analysts' body mandated by law to regulate the Investment and Financial Analysis profession in Kenya, being the only body authorized by law to register and grant practicing certificates to Certified Investment and Financial Analysts (CIFAs) in Kenya both in private and public practice under the Investment and Financial Analysts Act (No.13 of 2015).

We are dedicated to providing region-wide network and promoting the role of the profession in the fields of investment and financial analysis, pension funds, asset management, corporate finance, investment and finance training, fund management, financial advisory, wealth management, real estate investment, insurance investment advisory, capital markets operations, and investment banking among others. ICIFA provides highly skilled, competent, competitive professional expertise in all sectors in the investment and finance industry.

We are globally affiliated to Association of Certified International Investment Analyst (ACIIA) based in Switzerland, the African Securities Exchange Association (ASEA) and the Association of Professional Societies in East Africa (APSEA). The examination body for Certified Investment and Financial Analysts Examination is KASNEB.

LEGAL MANDATE

The Investment and Financial Analysts Act (No.13 of 2015) provides for the establishment, powers and function of the Institute of Certified Investment and Financial Analysts, for the provision of the examination and registration of certified investment and financial analysts, and for connected purposes.

VISION STATEMENT

The leading institute for investment and finance professionals.

MISSION STATEMENT

To promote excellence and professionalism amongst our members and the financial industry.

ICIFA will advance its mission through:

- Enforcing licensing and compliance with the IFA Act, ICIFA code of conduct and all the relevant By-Laws.
- Training of highly skilled professionals for the financial markets.
- Provision of financial advisory and placement services to the financial markets.
- Collaborations and partnerships with other stakeholders in financial markets.

CREDO

Integrity • Professionalism • Competence

Our Core Values

1 Integrity
2 Competence
3 Innovation
4 Fairness
5 Accountability

1. Integrity

To uphold transparency and trust in all our dealings with stakeholders.

2. Competence

We expect our members to conduct their activities successfully and efficiently as professional investment and financial analysts.

3. Innovation

We shall be alive to new ideas in order to adapt to the changing environment given the dynamic nature of the financial services industry.

4. Fairness

Fairness in matters of dealing with members.

5. Accountability

We are obliged to account for activities, accept responsibility for our action and conduct our operations in a transparent manner.

FUNCTIONS OF THE INSTITUTE

Under The Investment And Financial Analysts Act, 2015

1. To promote standards of professional competence and ethical practise amongst members of the Institute.
2. To promote research into the subjects of the securities and investments and related matters, and the publication of books, periodicals, journals and articles in connection therewith.
3. To promote the International recognition of the Institute.
4. To advise the regulator for the time being responsible for capital markets in respect of licensing investment and financial analysts.
5. To advise the Examinations Board on matters relating to examinations standards and policies.
6. To design and administer an initial ethics and integrity test for the purpose of determining the professional suitability of all its members and to subsequently design and undertake such continuous development programs for its members.
7. To carry out any other functions prescribed for it under any of the other provisions of the Act or any other written law.

Institute of Certified Investment and Financial Analysts

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Institute of Certified Investment and Financial Analysts

COUNCIL MEMBERS

NAME	DESIGNATION
FFA Leah Nyambura-Kagumba	Chairperson
FA Catherine Karita	Vice Chairperson
FA Judith Nyakawa	Member
FA Kamunyu Njoroge	Member
FFA Prof. Nicholas Letting', EBS	Member
FA David Wainaina	Member
FA Anthony Mwithiga	Member
FA Patricia Kiwanuka	Member
FA Elizabeth Irungu	Member
FA Purity Kagendo	Member
FA David Kanyi	Member
FFA Dr. Jonah Aiyabei	Chairman, Registration Committee
FFA Job Kihumba	Chairman, Disciplinary Committee
FA Diana Muriuki-Maina	Secretary to the Council

REGULATION, STANDARDS AND RESEARCH COMMITTEE

NAME	DESIGNATION
FA Anthony Mwithiga	Chairperson
FA Margaret Kibera	Member
FA Geoffrey Odundo	Member
FA Elizabeth Irungu	Member
FA Dr. Peter Onyango	Member
FA Anthony Murimi	Member
Tony Juma	Research Officer

ICIFA SECRETARIAT

NAME
FA Diana Muriuki-Maina
FA Collins Alfayo
Sammy Yegon
CPA Cyprian Sila
Tony Juma
Caroline Kiruki
Victoria Irungu

INSTITUTE OF CERTIFIED INVESTMENT AND FINANCIAL ANALYSTS

CHAIRPERSON'S STATEMENT

Dear Members,

On behalf of the Council, Committees and the Secretariat, I express my sincere appreciation to each of you for your dedication and commitment to upholding integrity and maintaining the highest professional standards of our Institute throughout the year 2023.

I also extend a warm welcome to the new members who joined us during the past year. To ensure smooth integration, an induction session will be conducted to acquaint you with our offerings and professional standards. We also look forward to your valuable contributions as we move forward together.

As we step into 2024, the Institute remains dedicated to serving you in your pursuit of professional excellence. From our Continuous Professional Development (CPD) programs to policy advocacy initiatives, our goal has been to strengthen the position of Investment & Financial Analysts in Kenya while championing your interests.

In addition, we reaffirm our commitment to delivering the following services with excellence in 2024 and beyond:

- Application for Registration of CIFA finalists and/or practitioners with approved qualifications;
- Annual renewal of ICIFA Membership;
- Application for Grant of Practicing Certificates;
- Registration of Firms *(In accordance with Sec. 18 of the IFA Act No. 13 of 2015);*
- Continuous Professional Development programs *(Training, Workshops, Conferences, Webinars and online Modules);*
- Research, policy and advocacy;
- Member value-add services *(broadcasting job opportunities, benevolent contributions)* and;
- Course offerings *(Professional & Short Courses)* through the ICIFA College.

Let us continue to march forward together, embodying the values of excellence, integrity, and professionalism that define our Institute.

Wishing you a successful and fulfilling 2024!

FFA Leah Nyambura-Kagumba
Chairperson, ICIFA

About ICIFA

The Institute of Certified Investment and Financial Analysts (ICIFA) is the professional body established under the Investment and Financial Analysts Act (No.13 of 2015) to register and license investment and financial analysts in Kenya aimed at promoting and monitoring compliance with standards of professional competence and ethical practice and enhancing professionalism in the investment and financial sector.

Vision: The leading institute for investment and finance professionals.
Mission: To promote excellence and professionalism amongst our members and the financial industry.

FOR ENQUIRIES CONTACT

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REPUBLIC OF KENYA

ICIFA
INSTITUTE OF CERTIFIED INVESTMENT AND FINANCIAL ANALYSTS

CIFA QUALIFICATION AND ICIFA MEMBERSHIP

The Institute of Certified Investment and Financial Analysts ("ICIFA"), created under the Investment and Financial Analysts Act (No.13 of 2015) ("IFA Act"), is the only body mandated by law in Kenya to regulate and grant practising licences to Certified Investment and Financial Analysts (CIFAs) in both private and public practice. In accordance with the Act, the examination body for Certified Investment and Financial Analysts Examination is kasneb.

ICIFA is dedicated to providing region-wide network and promoting the role of investment and financial analysts in financial, investment and related fields in all sectors of the economy as provided for in law and regulations. ICIFA provides skilled, competent, competitive professional expertise in all sectors in investment and finance, including but not limited to financial, capital markets, insurance, retirement benefits, trusts, saccos, wealth management and financial and investment advisory.

Some of the job roles that are legally reserved for CIFA qualified and ICIFA professionals include:

- Investment Analysts;
- Financial Analysts;
- Investment Research Analysts;
- Investment Officers;
- Investment/Portfolio/Fund/Pension Management;
- Investment Management in Investment Banking;
- Investment traders/dealers in Stockbroking and Forex Operations;
- Investment/Financial Advisors;
- Investment/Financial Specialists;
- Wealth Management Advisors;
- Financial Advisors/Planners;
- Derivatives/Commodities/Forex Analysts; and
- Other related roles.

In this regard, therefore, Human Resources (HR) Professionals are requested to always ensure that their job recruitment advertisements and similar public communication seeking to fill vacancies in the areas covered under the IFA Act as listed above that such communication require CIFA qualifications and ICIFA membership in good standing.

Organizations involved in investment analysis and/or financial analysis are required to be in compliance with the IFA Act.

ICIFA Council

Congratulations

ICIFA congratulates FA Fred Mburu on his appointment as the CEO, Fund Managers Association (FMA)

Fred has had a career spanning over two decades in the fund management industry with his last assignment as the Chief Executive of Apollo Asset Management. We wish him all the best as he steers FMA to meet its objectives and deliver on its mandate.

FA FRED MBURU
Chief Executive Officer,
Fund Managers Association (FMA)

ICIFA congratulates FA Frederick Riaga on his appointment as the CEO, of the African Association of Accountants Generals

We wish him all the best as he steers the African Association of Accountants Generals to meet its objectives and deliver on its mandate.

FA Frederick Riaga
Chief Executive Officer,
African Association of Accountants Generals

ICIFA congratulates FFA Dr. Jonah Aiyabei, PhD on his appointment as the CEO, Public Service Superannuation Scheme (PSSS). He is also the Chairman of the Registration committee and a former Chairman of the Institute of Certified Investment and Financial Analysts (ICIFA). He previously served as the Director of Morendat Institute of Oil and Gas (MIOG), Kenya Pipeline Company (KPC), having been the Trust Secretary of KPC Pension Schemes. Prior to joining KPC, He was a lecturer at Catholic University of Eastern Africa. He has taught Finance and Strategic Management in various universities in Kenya. He also serves as a Council member of Mount Kenya University and a member of kasneb Technical Examination Committee. FFA Dr. Aiyabei has over 20 years of experience in the Investment and Finance Industry. We wish him all the best as he steers PSSS to meet its objectives and deliver on its mandate.

FFA Dr. Jonah Aiyabei
Chief Executive Officer,
Public Service Superannuation Scheme

WORD FROM THE C.E.O

FA Diana Muriuki - Maina

Dear Reader,

We extend our warmest greetings to our esteemed readers as we present the 13th issue of our Investment Review Journal. In this issue, we present articles under the theme **'Sustainable Investments in Africa'** as we also aim to provide a comprehensive overview of recent developments and initiatives undertaken by ICIFA.

Over the past period, ICIFA has been dedicated to advancing the principles of sustainable investments and fostering excellence within our profession. In June 2023, ICIFA established working groups tasked with developing and reviewing discussion papers on investment performance reporting and Environmental, Social, and Governance (ESG) standards across various sectors. These sectors include Banking, Pensions, Capital Markets, Saccos, Securities Exchanges, Private Equity, Insurance, and the Public Sector. Additionally, we also released the Investment and Financial Analysts (Procedures of the Institute) Regulations, 2023 for public review and comments.

Central to our commitment is the establishment of the ICIFA College, to provide specialized education and training in the field of investment and finance. This initiative underscores our dedication to nurturing talent and equipping professionals with the necessary skills to thrive in the financial services industry. Furthermore, our collaborations with other organizations have yielded fruitful partnerships, resulting in joint training programs and conferences aimed at enhancing the knowledge and capabilities of our members.

We are also pleased to announce and congratulate the successful registration of practitioners in the last year, whose inclusion further enriches the diversity and expertise of our profession. As we pursue the opportunities ahead, we invite you to join us on this journey towards a more sustainable and responsible financial ecosystem.

FA Diana Muriuki-Maina
Chief Executive Officer

ICIFA ANNUAL FIT AND PROPER TEST

In accordance to section 8(f) and subsection 17(1) (e) of the Investment and Financial Analysts Act, (No 13 of 2015), all members of the Institute are required to sit an annual Ethics and Integrity Test administered by the Institute.

The test was administered online from 1st December 2023 where all members were to provide required details and conclude by signing off on the declaration and submitting the test.

FA Diana Muriuki-Maina, Chief Executive Officer of ICIFA, stated during the webinar launch that in addition to being in good standing with the Institute, members will be gazetted every year upon successful submission of the yearly fit and proper test.

ICIFA LAUNCHES ICIFA COLLEGE

The Institute of Certified Investment and Financial Analysts (ICIFA) launched the ICIFA College in June 2023 to address the need for professional investment and finance education.

The college targets students and practitioners who wish to gain professional investment and finance education qualifications. The college currently located at the 5th Floor of KASNEB Towers 2 in Upper Hill, will offer training for the Certified Investment and Financial Analysts (CIFA), Certified Public Accountants (CPA) qualifications and other short courses aimed at advancing competence in investment decision making and provision of sound investment advice. Online training will also be available at www.college.icifa.co.ke

FA Abubakar Hassan, Principal Secretary at the State Department for Investment Promotion, said the college will play an important role in horning the skills of investment and finance professionals in a rapidly changing business environment.

“This college is not just about academics; it is about creating an environment that will nurture the holistic development of students and practitioners in the investment and finance industry. We shall therefore work closely with ICIFA College as a training provider in the Investment and Finance profession to assist in the implementation of investment-specific training programs tailored to meet the needs of the investment sector,” he said.

The PS, who was the Chief Guest during the launch of the college said the Government was working closely with financial institutions, training institutions, training providers, and other stakeholders in the investment industry to develop policies that facilitate investment training, talent retention, and investment attraction in the sector.

He said the State Department for Investment Promotion was legally mandated to establish and implement policies that promote, attract, develop, and retain both domestic and international direct investments, as well as providing an enabling business environment for investors to do business.

The department, he noted, will play an important role in creating an enabling environment for investment training and development by identifying bankable projects, investment opportunities, promoting the investment sector, fostering collaborations, and advocating for favorable policies.

FA Diana Muriuki-Maina, CEO at ICIFA, said the college would soon introduce short courses such as presentation and communication skills, big data and data analytics, fintech, personal financial planning, finance for non-finance professionals, investment decision making for boards, investment performance monitoring, investment banking and transaction advisory training, investment and wealth management, climate finance, ESG for listed companies and risk management among others.

ICIFA - PSASB Joint Training

(4TH - 8TH SEPTEMBER 2023)

ICIFA and PSASB established a joint training framework that seeks to build capacity of investment & financial analysts and the public sector on developments in financial reporting and use of guidelines issued by PSASB. A joint training titled 'Emerging Issues in Financial Reporting' was held from September 4-8, 2023 at the Pride Inn Flamingo Resort. The training focused on the following topical areas:

1. IPSAS 41 – Financial Instruments: To address the reporting and disclosures requirements of the new standard as well as its challenges. The Application of the standard took effect on 1st January 2023.

2. Environmental, Sustainability and Governance Reporting: Following increased global attention towards climate change and potential impact on future generations, the recent COP27 resolutions part of which speak to disclosures on climate related actions, necessitated an update of the financial reporting templates to facilitate the anticipated reporting. The session also focused on the changes to the reporting templates issued by PSASB following the COP27 commitments.

3. IPSAS 2 – Cash Flow Statements: PSASB prescribed the Direct Method of presentation of Cash Flow Statements and sought to address challenges with the application of the direct method of presentation of cash flow statements.

4. Reporting Requirements for FY 2022/23 and beyond: PSASB approved a revision of the reporting templated pursuant to Sec 194(1)(e) of the PFM Act 2012. Therefore the training served to sensitize professionals on the revised templates.

The five (5) day training attracted over 230 delegates drawn from both public and private sectors. The trainers included:

1. CPA Stephen Obok, Managing Partner, KPMG Kenya
2. CPA Georgina Muchai, Director Accounting Standards, PSASB
3. FA Anthony Mwithiga, Group MD, Old Mutual Investment Group
4. FA Patricia Kiwanuka, MD, Revenu Stream
5. Titus Kiilu, Chief Officer Regulatory, Nairobi Securities Exchange

INSIGHTS FROM 2ND WEALTH CONFERENCE

Following a thorough examination of the role of investment professionals in the 1st edition of our conference, ICIFA sought to explore strategies and initiatives that promote and drive sustainable wealth creation in Africa in its 2nd edition, Wealth Creation Conference that was held on November 4 – 6, 2023 at the Lake. Naivasha Resort.

The Keynote Address was on delivered by the Special Guest Wandia Gichuru, Co-Founder and CEO of Vivo Fashion Group. Other distinguished speakers included:

1. Hon. Eric Simiyu Wafukho, Leadership and Governance Consultant
2. FA Anthony Mwithiga, ICIFA Council and CEO, OMIG
3. FA Simon Wafubwa, Chief Executive Officer, Enwealth Financial Services Limited
4. FA Edward Mungai, Founder and Lead Consultant, Impact Africa Ltd
5. FA Kamunyu Njoroge, ICIFA Council Member and Senior Manager, Education, Awareness & Certification, Capital Markets Authority (CMA)
6. FA Evans Wesonga, Managing Director at Noblestride Capital
7. FA Donald Wangunyu, Chief Executive Officer, Four front Management, Robo-Advisor Division
8. FA Andia Chakava, Africa Gender Lens Advisor
9. FA Winnie Odhiambo, Legal and Investment Professional
10. Ms. Sola Adesakin, Official Member, Forbes Coaches Council (Nigeria)

Over 130 delegates attended the conference, drawn from various sub-sectors of the financial services industry that included; regulatory agencies, insures, fund managers, investment bankers, transaction & financial advisory firms, investment & financial analysts, economists & policy analysts, research bodies, academia among others.

Partnerships

The success of the 4th International Investment Conference was dependent on the collaboration and support of the organizations listed below.

1. The Capital Markets Authority (CMA) that has been at the forefront of promoting the development of Kenya's capital market in order to spur economic growth.

2. Unclaimed Financial Assets Authority, which is responsible for receiving unclaimed financial assets from the holders of such assets, safeguard and re-unite the assets with their rightful owners.

3. Kasneb, which has been a long-standing partner for ICIFA since its inception. Kasneb is the national examination board for the CIFA professional course.

4. CISI, a valuable partner under our joint membership arrangements for Kenyan investment practitioners.

5. Enwealth Financial Services, that seeks economic empowerment through innovative financial solutions.

6. Acorn Holdings Limited that is a renowned leader in real estate investing.

7. Finally, Fourfront Management, Robo-Advisor Division (Kenya) that seeks to transform the investment landscape through AI & Robo-Advisors.

PROUDLY SPONSORED BY

Recognised by ICIFA

CISI CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

PROFESSIONAL ASSESSMENT

Short online course with test and certificate

Sustainable and Responsible Investment

Why study this course?

There is more focus than ever before on sustainability, green investment and environment, social and governance (ESG) considerations. There is also increasing emphasis coming from regulators on integrity in this area including anticipated reporting requirements and a need for all professionals to have an understanding of the key concepts with regards to responsible finance. Threats such as climate change and populations growing across the world, only mean that sustainable and responsible investment approaches that seek to consider environmental good and financial return are more in demand. In an investment context, the incorporation of sustainable and responsible investment presents new challenges to traditional portfolio construction. It is, typically, viewed as an investment constraint, but this is not always the case and this Professional Assessment will explain why. It will give the learner an overview of terminology used, explain the use of benchmarks and examine future trends.

This short course is essential learning for anyone wanting to understand the fundamentals of sustainable and responsible investment.

Who are the CISI?

The CISI is the largest and most widely respected professional body for the securities and investment profession in the UK and in a growing number of financial centres globally. Formed in 1992, the CISI has a global community of 44,000 members in over 100 countries. Last year more than 40,000 CISI exams were sat in 81 countries, including 15,000 taken outside the UK.

Key features

- Short course of online self-learning with an certificate when you pass
- Understand the key terminology and issues
- Enhance your employability by demonstrating your competence
- Written by experts for financial services practitioners
- Covers all the fundamental information needed by professionals
- Global perspective and overview of an essential subject
- Can be taken anytime and anywhere on any device
- 10 hours of CPD

"I would recommend all professionals take this course. The subject of sustainable and responsible investment is becoming critical and is dominating the airwaves. Those working in the sector will need to learn the fundamentals for regulatory purposes and also to help with driving their client conversations on how to construct suitable portfolios. The content is a deep dive into the main concepts and provides a solid foundation that practitioners can build on in their professional practice."

Robert Howard, Compliance Manager, Client Advisory, Charles Stanley & Co

Who should study this Professional Assessment?

If you are looking for a course that covers what the main definitions are, an understanding of ESG and its integration, greenwashing, what the global developments are and how this might all apply for consumers then this Professional Assessment provides an excellent overview. Designed by a global team of experts, this course is relevant for wealth and investment managers advising clients but also those working across other financial services functions, including risk, compliance, asset management, banking, insurance, operations and financial planning. Completion of the course will give you a certificate that you can use to demonstrate your competence in this area.

Gain a certificate to demonstrate your competence in this subject without having to sit a full exam.

Learning materials

This Professional Assessment is an online course that you can study anytime, anywhere and on any device. A mix of interactive content, the course comprises videos, interviews, some reading and extra references and materials that may enhance your learning. The course seeks to give you a comprehensive understanding across a variety of materials. Undertake the learning at your own pace and then take the test at the end when you are ready.

Totally flexible materials - study at your own pace and on any device.

The test

The test at the end of the course should take no longer than 60 minutes. Made up of 30 questions from a broad question bank, it will thoroughly test your understanding. On passing the test, you will receive a certificate which shows your learning has been accredited by a Chartered body. You have two attempts to take the test to pass (75% pass mark) within a 60 minute test slot and it should be taken when and where you can complete it alone and uninterrupted. It is important that you have a secure internet connection to ensure your session is not disrupted as this may cause you to time out. After two unsuccessful attempts, you will need to repurchase the course to access the content again and take any further attempts. We are happy to offer a 50% discount for resits of this course. If you pass the Assessment, you will retain access to the course content, but you will not be able to retake the Assessment again.

The course content includes:

- Definitions and terminology
- The crossover with ESG
- Initiatives, standards and guidance
- Global developments
- Regulatory concerns and requirements
- Identifying greenwashing
- Appropriate benchmarking strategies
- Client sustainability objectives
- ESG integration
- The future sustainable and responsible landscape

Purchase this Professional Assessment today

ICIFA members are encouraged to achieve this Professional Assessment.

Cost:	8,060 KES for CISI members, 9,600 KES for non-CISI members
Duration:	9 hours study time, followed by a 60-minute test comprising 30 questions
Pass mark:	75%
Location:	Online – accessible anytime and anywhere for one year from date of purchase (as long as you have internet access)
Visit:	To register: email info@icifa.co.ke or call +254 726 498 698

Other learning resources

The CISI also offers a range of other CPD content in the area of responsible finance qualifications, elearning modules, CISI TV videos on demand and a vast library of articles, interviews and features from our members' magazine The Review, which can be accessed here:

cisi.org/responsiblefinance

MAIN STORY

SUSTAINABLE INVESTMENTS IN AFRICA: OPPORTUNITIES & CHALLENGES

FA Obonyo James Hillary

The International Organization of Securities Commissions (IOSCO), a global association of securities regulators that sets standards for securities markets worldwide, released a FinTech Research Report in 2017, delving into global FinTech innovations, outlining associated risks, challenges, opportunities, and benefits for financial markets, while also defining FinTech as a diverse range of groundbreaking technologies and business approaches capable of reshaping financial services. In the year prior to the report, in 2016, IOSCO noted technology companies transitioning to direct participants in financial services, a wave of technological transformation known as digital disruption, which has the potential to influence securities market regulators' core objectives of ensuring financial stability, safeguarding investor interests, and fostering transparent, equitable, and efficient markets.

In the dynamic realm of sustainable investments, a powerful catalyst for change is emerging in Africa's fintech landscape. Fintech companies are taking center stage in driving meaningful progress towards the achievement of Sustainable Development Goals (SDGs) by 2030. Through innovative digital solutions, fintechs are unlocking new avenues for financial inclusion, gender equality, clean energy, and economic growth across the continent. By leveraging cutting-edge technology, these visionary fintech pioneers are not only reshaping investment paradigms but also propelling Africa towards a more sustainable and inclusive future.

The growth of financial inclusion,

affordability, and efficiency in delivering financial services has emerged as a positive outcome of FinTech. This digital transformation, however, has introduced complexities for securities market regulators due to the cross-sector nature of digitally offered products, encompassing banking, capital markets, insurance, and pensions, which challenges traditional regulatory boundaries. Responding to these dynamics, a Policy Framework led to the establishment of a Regulatory Sandbox for Kenya's capital markets. This initiative culminated in the approval of the Regulatory Sandbox Policy Guidance Note (PGN) by the Authority's Board in March 2019, serving as the legal foundation for the Sandbox. The PGN provides innovators and FinTechs a platform to refine capital markets-related innovations and solutions through an iterative process, offering opportunities beyond regulatory compliance, such as attracting investors, raising affordable capital, enhancing business profiles, accessing regional and international markets, and fostering scalable partnerships.

> *The impacts of the Kenyan Regulatory Sandbox on the local FinTech community are intricately intertwined with the pursuit of sustainable development goals.*

The establishment of the Kenyan Regulatory Sandbox has sparked remarkable enthusiasm within the local FinTech community, leading to a surge of participation as numerous innovators present their solutions to the Sandbox Review Committee. Beyond serving as an environment for experimentation and innovation, the Sandbox has demonstrated tangible benefits. Particularly noteworthy is its role as a launchpad for several Small and Medium Enterprises (SMEs) to secure funding. This was exemplified by the successful testing and subsequent approval of the first crowd funding platform by the Capital Markets Authority (CMA). The Sandbox has thus become a pivotal space for SMEs to access necessary resources and regulatory support for their funding initiatives. Moreover, the cumulative experience and insights gained from firms operating within the Sandbox have significantly contributed to shaping an adaptable and facilitative regulatory framework tailored for the dynamic landscape of FinTechs. This ongoing dialogue and collaborative interaction between regulators and innovators have paved the way for a more conducive ecosystem that promotes growth, experimentation, and responsible innovation in Kenya's financial technology sector.

The impacts of the Kenyan Regulatory Sandbox on the local FinTech community are intricately intertwined with the pursuit of sustainable development goals. The surge in enthusiasm and active participation from innovators within the Sandbox reflects a collective commitment to harnessing financial technology for positive change. By providing a platform for experimentation and innovation, the Sandbox not only encourages technological advancements but also promotes inclusivity and access to financial services. The notable success stories of Small and Medium Enterprises (SMEs) securing funding through the Sandbox highlight its role in fostering economic growth and empowering underserved businesses. This funding avenue, exemplified by the approval of the first crowdfunding platform, contributes to job creation and entrepreneurship, aligning with sustainable development objectives.

Furthermore, the Sandbox's role in shaping a tailored regulatory framework speaks to the broader goal of ensuring responsible and ethical FinTech practices. The collaborative interaction between regulators and innovators underscores a shared commitment to striking a balance between innovation and consumer protection. This harmonization contributes to financial stability and consumer confidence, which are critical components of sustainable economic growth. The Sandbox's emphasis on dialogue and insights from operating firms also aligns with the principle of knowledge sharing and capacity building, fostering a culture of learning and continuous improvement within the FinTech ecosystem.

In essence, the impacts of the Kenyan Regulatory Sandbox extend beyond immediate innovation outcomes to address sustainable development objectives. By enabling access to funding, encouraging responsible innovation, and fostering collaboration, the Sandbox contributes to a more inclusive, resilient, and prosperous financial technology landscape that aligns with the aspirations of sustainable development.

The emergence of the Kenyan Regulatory Sandbox as a catalyst for innovation and sustainable development aligns closely with the interests and goals of impact investors seeking to engage with fintechs that have successfully exited the Sandbox. These investors are drawn to ventures that not only generate financial returns but also create positive societal and environmental impact. Fintechs that have navigated the Sandbox successfully demonstrate their capacity for innovation, resilience, and regulatory compliance, making them attractive candidates for impact investment. Moreover, the Sandbox's role in nurturing Small and Medium Enterprises (SMEs) and facilitating access to funding resonates with impact investors' focus on supporting enterprises that promote economic growth and social inclusion. Fintechs that have secured funding through the Sandbox are more likely to have demonstrated their potential for scalability and positive societal change, aligning perfectly with impact investors' objectives to drive sustainable economic development.

In summary, the Kenyan Regulatory Sandbox's role in nurturing fintech innovation and sustainable development closely resonates with the interests of impact investors. Fintechs that have successfully exited the Sandbox embody qualities that align with impact investment criteria, including economic growth, responsible innovation, and positive societal impact. As impact investors seek to advance sustainable finance, engaging with these fintechs represents an opportunity to align financial returns with meaningful contributions to a more inclusive and environmentally conscious future.

The emergence of the Kenyan Regulatory Sandbox as a catalyst for innovation and sustainable development aligns closely with the interests and goals of impact investors seeking to engage with fintechs that have successfully exited the Sandbox.

Challenges Fintechs face in attaining Sustainable Development

In the dynamic pursuit of sustainable development, fintech enterprises grapple with a diverse array of challenges that underscore the intricacies of their transformative journey. The intricate fusion of financial services and cutting-edge technology exposes fintechs to a complex web of regulatory frameworks, necessitating an adept navigation strategy to ensure compliance while driving innovation. Simultaneously, securing sufficient funding to fuel growth remains an ongoing hurdle, requiring strategic partnerships and a robust business model that aligns with long-term sustainability goals. The ever-looming specter of cybersecurity threats and data privacy breaches demands stringent measures to safeguard both consumer trust and sensitive financial information, further augmenting the challenges at hand.

Moreover, the pursuit of comprehensive financial inclusion is a noble yet intricate aspiration, often hampered by infrastructural limitations, uneven digital literacy, and accessibility barriers. Bridging the digital divide requires a multifaceted approach that encompasses technology, education, and strategic partnerships to ensure equitable access to fintech solutions. Fintechs also grapple with the need to attract and retain skilled professionals amidst a competitive landscape, amplifying the challenge of sourcing and nurturing talent to drive innovation and growth.

Collaboration with traditional financial institutions, while beneficial for scaling, can introduce complexities stemming from differing cultures, approaches, and technological integration. Building and maintaining consumer trust amid rapid technological advancements and potential disruptions further compound the challenges, necessitating transparent practices, robust security measures, and effective communication.

Furthermore, fintechs must be attuned to the ethical and societal implications of their innovations, addressing issues such as algorithmic bias, social impact, and responsible lending practices. Striking a harmonious balance between innovation and responsibility is a delicate task that requires continuous evaluation and adaptation.

In conclusion, the journey of fintechs towards sustainable development is marked by a tapestry of challenges that underscore the intricate nature of their mission. Overcoming these obstacles demands a combination of strategic foresight, regulatory agility, collaboration, innovation, and a steadfast commitment to ethical and responsible practices, ultimately steering fintech enterprises toward a future marked by meaningful and inclusive progress.

> *...securing sufficient funding to fuel growth remains an ongoing hurdle, requiring strategic partnerships...*

OVERCOMING CHALLENGES IN SUSTAINABLE INVESTMENTS

FA Daniel Nzioki

Sustainable investments in Africa gears towards generating advantages for the environment, society, and governance in addition to financial gains. Impact investing is one type of sustainable investing that focus on measurable and social and environmental consequences and financial rewards. Thematic investing focuses on a specific sustainability subject, such as clean energy, water, or health. Some of the factors that drive sustainable investing are environmental issues, such as climate change and biodiversity loss; social issues, such as human rights and inequality; financial performance issues, such as risk reduction and return enhancement; and regulation issues, such as disclosure requirements and incentives.

Sustainable investment decision informs investor's choice for the environment, society, and governance (ESG), and profitability. Different theories explain why, how, and what investors do when they make sustainable investment decision. Some of these theories are the triple bottom line model, the natural capital approach, the impact investing approach, and the multi-theory framework. The theories call for investors to set clear goals for their impact, to make their impact measurable and manageable, to be honest and responsible, to have an easy way to get ESG information, to have tools and methods for incorporating ESG factors into their investment decisions, and to have an understanding of the many and changing factors that impact sustainable investment decisions.

Sarkodie (2018) estimated that by 2030, Africa could have a US$1.1 trillion market for sustainable investments in sectors such as renewable energy, water management, health care, education, agriculture, and infrastructure.

The prevalence of insecure property rights restrains access to credit and investment opportunities.

However, sustainable investing in Africa has issues related to knowledge, capacity, legislation, regulation, data, disclosure, impact measurement, reporting, finance, risk reduction, coordination, and collaboration. These issues originate from low economic development and financial inclusion, poor institutional quality and governance, significant political and social instability.

Challenges

Despite abundant resources, a youthful population, and a growing market, Africa grapples with formidable challenges hindering its journey towards sustainable development. The prevalence of insecure property rights restrains access to credit and investment opportunities. Moreover, Africa's energy landscape remains grim, with a meagre electrification rate of only 48% and exorbitant electricity costs averaging $0.30 per kilowatt-hour, compared to the global average of $0.10, stifling economic advancement. Inadequate infrastructure further compounds the challenges by raising business costs, eroding competitiveness, and limiting access to vital services. Additionally, the pervasive spectre of corruption undermines governance, distorts markets, and misdirects resources away from critical development priorities. Lastly, the escalating debt burden strains fiscal capacity, escalates borrowing expenses, and restricts avenues for investment.

Various sectors are affected by these challenges, which could have serious consequences if they last. Rural farmers and communities will continue suffer from insecure property rights, limited economic prospects, and exploitation. Entrepreneurs and businesses face poor infrastructure, high energy costs, and corruption, which hinder growth, competitiveness, and investment. Governments struggle to invest in essential infrastructure and social services due to strained finances and high debt levels. International investors avoid corruption and debt risks, limiting foreign investments and partnerships.

Persistence of such challenges has created a scenario where the youth lack job opportunities and training due to the slow economic growth caused. Additionally, economic growth is stagnated, trapping people in poverty and preventing living standards from improving. Social unrest could grow as discontent among the people increases due to unemployment, inadequate services, and lack of opportunities. The environment could face irreversible damage due to unsustainable energy practices and poor infrastructure. This could harm public health and reduce the chances for holistic development. The global economy could also suffer, as Africa's potential and struggles might affect worldwide economic growth, trade, and stability.

Conclusion

Africa offers many opportunities for sustainable investment in sectors such as renewable energy, water management, health care, education, agriculture, and infrastructure. Investment professionals have a key role in creating wealth in Africa through sustainable investment. They have access to capital markets where they can invest for their clients across borders and regions. They can help grow effective capital markets and inform policies to encourage a vibrant savings culture and provide funds for many companies to accelerate economic growth. They can make financial services more accessible through technology. They can advise and formulate investment strategies that promote prosperity driven investing through diversified asset allocation. They can improve financial literacy and provide advice for individuals and households on how to best invest and grow their money.

African governments and leaders can play a big role in addressing the bottlenecks that hinder the flow of investments in sectors such as Agriculture and Real Estate, such as weak property rights and sanctity of land titles. Through prudent budgeting and public spending, government can strike a balance between borrowing, spending on recurrent expenses and allocating more funds on infrastructure projects (green energy, transport network, healthcare systems etc). All this improves the business environment and building financial resilience.

[Africa offers many opportunities for sustainable investments, but to unlock this potential, governments need to be more intentional in strengthening property rights, improving the business environment and making a budget shift to spend more on infrastructure than on recurrent expenses].

Recommendations

1) Creating and executing legislative and regulatory frameworks that facilitate and promote sustainable investing. This can be accomplished through the development of clear and uniform rules and standards for ESG disclosure, reporting, and verification. This can also be accomplished by providing fiscal and non-fiscal incentives for long-term investments, such as tax cuts, subsidies, guarantees, or preferential treatment.

2) Improving the availability, quality, and comparability of ESG data and project disclosure. This can be accomplished by encouraging and making voluntary or required ESG reporting by businesses and projects. This can also be accomplished by defining and implementing common ESG data sources, methodology, and indicators that investors and other stakeholders can utilize.

3) Using existing or developing new impact measurement and management tools and systems that can capture, monitor, evaluate, and communicate the impact of sustainable investments, adopting standardized and credible impact metrics and reporting frameworks that demonstrate the social and environmental outcomes of sustainable investments. This can also be accomplished by aligning impact metrics and reporting frameworks with international standards and concepts such as the Sustainable Development Goals (SDGs) or the Impact Management Project.

African governments and leaders can play a big role in addressing the bottlenecks that hinder the flow of investments in sectors such as Agriculture and Real Estate, such as weak property rights and sanctity of land titles

4) Improving access to finance and risk-mitigation tools that promote sustainable investments by mobilizing more public and private resources for sustainable investments via diverse channels such as green bonds, blended finance, crowdsourcing, or impact funds. This can also be accomplished by offering greater risk-mitigation tools for long-term investments, such as insurance, guarantees, or hedging.

5) Improving coordination and collaboration among stakeholders, including governments, regulators, financial institutions, civil society organizations, academia, the media, investment professionals and investors. This can be accomplished by establishing forums and networks for debate, exchange, learning, and collaboration among stakeholders engaged in sustainable investing. This can also be accomplished through instilling in stakeholders a culture of trust, transparency, accountability, and creativity.

About the Contributor

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EFFECT OF THE STRATEGIC RESPONSIBILITIES ON THE PERFORMANCE OF TECHNICAL TRAINING INSTITUTIONS IN MERU COUNTY, KENYA

FA Prof. George Mungiria Muthaa

Abstract

Organizational performance is important in justifying its existence and resources allocation. To enhance performance Strategic plans have been identified as useful management tools to achieving competitive advantage. The organizational direction, strategic values, role responsibilities and timelines have been identifies as critical elements of the strategic plan that determines performance. Technical Training institutions have been operating with strategic plans for at least the last ten years; however no systematic study has been carried out to investigate the influence of the elements of the strategic plan on the performance of the institutions. This paper presents findings on the effect of role responsibilities on the on performance of Technical Training Institutions in Meru County. The study used cross sectional descriptive survey research design. The survey was conducted with the top, middle and lower level management in the three Technical training institutions. Questionnaires were used for data collection. Data was analyzed by use of both descriptive and inferential statistics including frequencies, percentages, means, correlations and the regression analyses. The study established that the role responsibilities had a significant influence on performance. The government policy enhanced the effectiveness of the role responsibilities on the performance of technical

capital markets contribute towards economic development through creation of liquidity, savings mobilization, and diversification of risks and improved dissemination of information training institutions. The researcher recommends the enhancement of role responsibilities and leveraging on the policy interventions which could significantly improve the performance of Technical Training Institutions.

Key Words: Role responsibilities, Performance

1. Introduction

Organizations are developed with the objective of providing service to society. The organizations compete for resources with other sectors of the economy. The continued funding for such organizations can be justified by their performance. However, the environment is complex, turbulent and dynamic (Johnson et al, 2008). The exigencies in the remote and immediate environment further intensify competition for supplies and markets creating uncertainties that present opportunities, threats and constraints to firms (Barney, 2007). Porter (1985) found that corporate strategy is an essential management tool to achieving a firm's performance through strategic initiatives. It's against this backdrop that the concept of strategic plan has become popular as a management's tool not only to steer a firm's survival but also improve performance.

The desire for Strategic plans in Kenya commenced slowly and gradually back in the 1960s but has presently gaining currency and popularity (Yabs, 2007). The public sector finds the concept of strategic plans just as important as in commercial firms and hence Technical Training Institutions in Meru County are required to formulate strategic plans in tandem with the MoE's strategic plan in order to foster the government's agenda to provide trainees with the quality education and training (Birgen, 2007). Strategic plans are expected to positively influence performance by enhancing the financial and non- financial outcomes in the training institutions. This makes the strategic plans a necessary management tool for Technical Training Institutions in Meru County if these institutions are to justify their public financial support and produce graduates that help in meeting the country's development vision.

A number of scholars such as Cole (2004) and Ansoff (1990) have argued that there is a positive correlation between strategic planning and performance while others argue that the relationship between planning and performance is inconsistent and thus still debatable (Barney 2007, Thompson et al, 2007). There have been studies on influence of strategic planning on performance in other education sectors. For instance, Mukokho (2010) studied the influence of strategic planning on performance of public universities in Kenya, the case of university of Nairobi, Gode (2009) studied influence of strategic planning on the performance of public secondary schools in Kisumu East, Ayieko (2011) studied strategic planning practices and performance of manufacturing firms. The above studies recommended for the development of strategic plans to enhance performance in the studied sectors. A study of strategic planning and performance in public secondary schools in Rarienda District by Okwako (2013) indicated the importance of strategy planning in

Positive economic growth can therefore be influenced by capital markets providing financing avenues and encouraging savings amongst individuals.

public secondary schools and therefore suggested a replication of the study in different parts of the county and other levels of education. Despite the critical role that the Technical Training Institutions play in human resource training and the concern raised with regards to the quality of graduate, the enrolment levels and resources in these institutions, the sectors seems to have been ignored by researchers which shows a knowledge gap that needs to be addressed. Do strategic plans influence performance in in Technical Training Institutions in Meru County?

According to Thompson (1989) for strategy implementation to succeed, there needs to be in place an organization sensitive to the demands of strategy. Organization structure and role responsibilities as viewed by Pearce and Robinson (2008) can either enhance or inhibit strategy implementation. Besides influencing how objectives will be established, David (1997) indicates that roles and responsibilities determine resource allocation which eventually has an impact on strategy implementation.

> *Regarding growth channels through the capital markets, an opportunity arises for firms to access funds required for long-term investment,*

Chandler (1962) emphasizes matching structure to strategy. He observed that structure follows strategy in the sense that structure is deliberately adjusted to embrace strategy pursued by the organization. Structure is thus viewed as a means of achieving intended goals (Thompson, 1989). For proper correlation between structure and strategy, the latter must be doable. This implies that it need not take dismantling an organization structure to implement strategy.

Drucker (1989) has clearly defined the detriment of misfit between structure and strategy. He states that strategy execution suffers disorder, friction and inefficiency where matching of strategy and structure has failed. The internal organization structure becomes an impediment to achieving strategic objectives if it is not in sync with key success activities as stipulated in the strategic plan (Thompson, 1989). The current study sought to investigate on the effect of the roles and responsibilities per the strategic plans on the performance of technical training institutions.

Research Hypotheses

HO3: There is no effect of the strategic responsibilities on the performance of Technical Training Institutions in Meru County, Kenya.

2. Research Methodology

This study employed cross-sectional descriptive survey design. The populations of study consisted of all the six Technical Training Institutions in Meru County. Three of the institutions were less than 5 years old hence not considered for the study. Therefore the accessible population for the study was three institutions that have had at least two cycles of the strategic plan. Members of the management of the training institutions participated in the study. This made a target population of 124 subjects. Since the accessible population was relatively small a census survey was conducted. All the 124 subjects participated in the study.

Primary data was collected by use Questionnaires. Structured and unstructured items were included in the questionnaire. The questionnaires were administered to the top management, middle and lower level management. Closed ended items included both categorical and likert scale format. Test for reliability was conducted to check on the internal consistency of data collection instrument. Cronbach's alpha was used to estimate the reliability. A reliability coefficient of at least 0.873 was obtained was is above the minimum recommended of 0.7 considered appropriate for social studies (Kathuri & Pals, 2003). To ensure the validity of the instruments, the researcher involved peers in checking the content validity.

The data was analysed using both descriptive and inferential statistics in Statistical Package for Social Sciences (SPSS) Version 12.0 software. Descriptive statistics was used to specifically measure central tendency and dispersion was computed to profile the respondents and the variables of the study. Pearson's Product Moment Correlation (r) was derived to show the nature and strength of the relationships. Adjusted R2 was used to measure the amount of variations in the dependent variable of change explained by the independent variable of the strategic plan.

Multiple regression analyses was conducted to establish the effect of each independent variable on the dependent variable. A step-wise method was used for the multiple regression models, where each variable was entered in sequence and its value assessed. This method allowed for an assessment of contribution by each variable to the model. Before performing regression analysis, the researcher conducted various diagnostic tests as recommended by Malhotra and Dash (2011) to assess the model's underlying statistical assumptions. The equation for testing the direct relationship was formulated as:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4$$

Where Y = Performance

B = Constant

X = Indicators of the strategic plan

The equation for testing the model with the moderator variable was formulated as follows:

$$Y = \beta 0 + \beta X + M$$

Where Y = Performance

B = Constant

X = indicators of the strategic plan

M = Government policy moderating the model.

3. Results And Discussions

This study was a census study with a target population of 122 subjects. All the 122 member of the management in the three technical training institutions were sampled to participate in the study. A 100% response rate was recorded across all the categories of the respondents. The high return rate was possible since the researcher personally administered the instruments and used drop and pick approach with all the respondents.

3.1 Descriptive Statistics

ormation on the gender of the respondents. This information is shown in Figure 3.1.

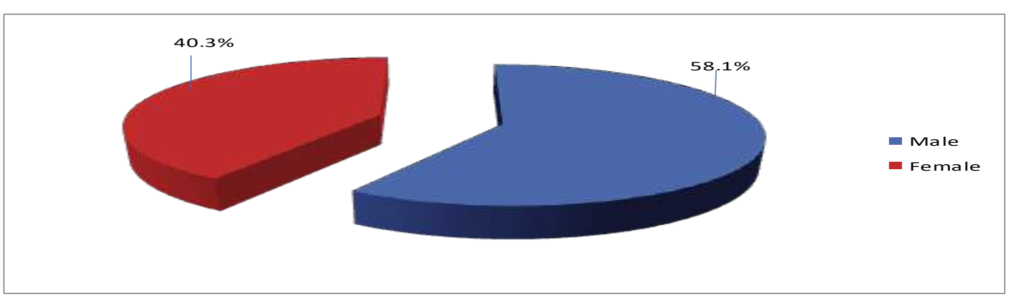

Figure 3.1 Gender of the Respondents

Information in Figure 3.1 shows that majority (58.1%) of the respondents were of the male gender. The composition of respondents by gender shows that the institutions involved in the study satisfy the gender for one third representations.

An item was included in the instruments that sought information on the duration that the respondent had served in their current positions. This information is presented in Table 3.1.

Table 3.1 Duration served in the Current Position

Duration of service	Frequency	Percent
<2 years	22	17.7
2-3 years	20	16.1
4-5 years	19	15.3
>5 years	61	49.2
Total	122	98.4

Information in Table 3.1 indicates that 49.2% of the respondents had served in their current position for over five years whereas 17.7% of the respondents had served for less than two years in their current positions. Having 49.2% of the respondents who had served in the institutions for more than five years means that respondents have experienced the planning and implementation of the strategic plans which was critical in the current study.

The researcher sought information on the academic qualifications of the respondents. The responses are presented in Figure 3.2.

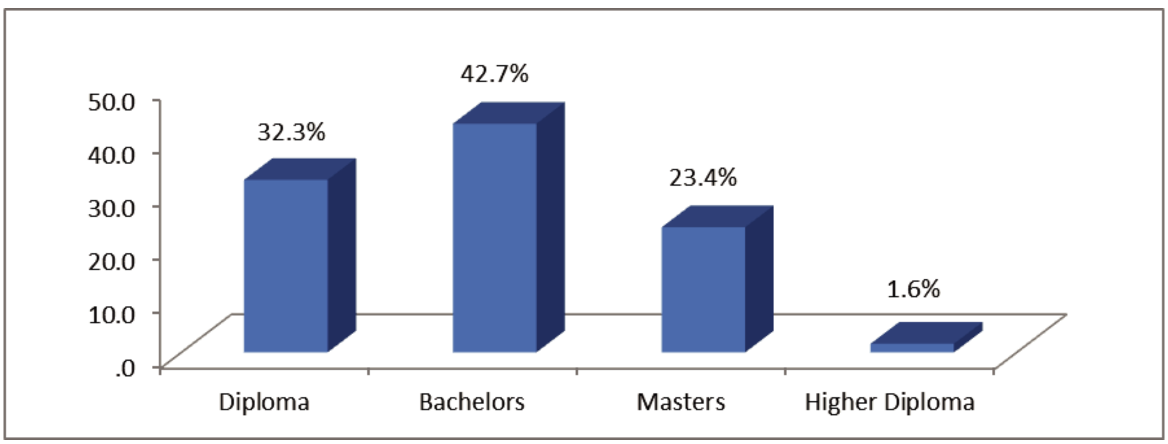

Figure 3.2 Academic Qualifications of Respondents

Information in Figures 3.2 shows that 42.7% of the respondents had a bachelor's qualification while 32.3% had a diploma qualification.

The researcher sought information on whether the respondents were trained on strategic planning. This information is shown in Figure 3.3.

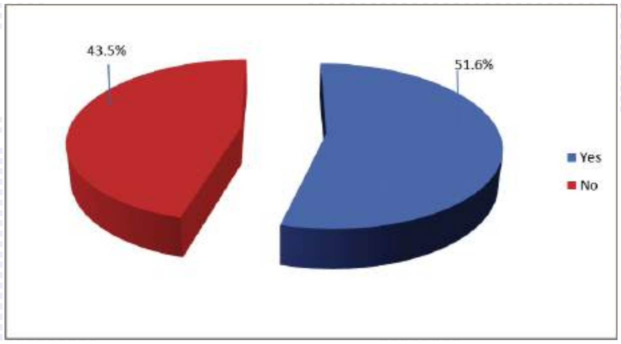

Figure 3.3 Training on Strategic Planning

Information in Figure 3.3 shows that majority (51.6%) of the respondents had some training in strategic management whereas 43.5% indicated that they had no training in strategic management. The fraction of 43.5% of the respondents who have no training in strategic management should be an issue of concern if planning and implementation of the strategic plans has to be effective.

The researcher further sought information from the respondent on their self-rating on competency in strategic planning. This information is shown in Table 3.2.

Table 3.2 Competency Level

Frequency	Frequency	Percent
Very competent	18	14.5
Competent	44	35.5
No Opinion	24	19.4
Incompetent	1	0.8
No response	37	29.8

Information in Table 3.2 shows that 35.5% of the respondents rated themselves as competent while 19.4% of the respondents held no opinion on their levels of competence in strategic planning. Only 14.5% of the respondents indicated that they were very competent in strategic planning.

The researcher sought information on who developed the institutional strategic plans for the Technical training Institutions. This information is presented in Figure 3.4.

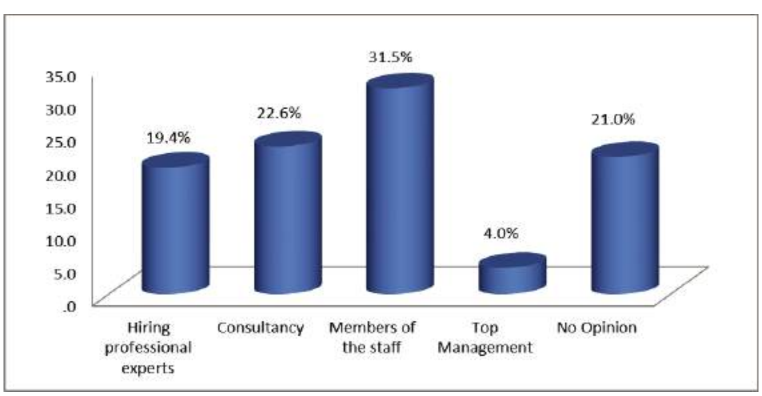

Figure 3.4 Development of the Strategic Plan

Information in Figure 3.4 shows that at 31.5% respondents indicated that strategic plans were developed by the members of staff within the institution whereas 22.6% indicated that the institution used skilled staff on consultancy bases for the development of the strategic plans. Respondents at 19.4% indicated that institutions hired professional experts for the development of their strategic plans.

3.2 Role Responsibilities

The researcher sought information on the extent to which the role responsibilities were in line with the strategic plan of the institution. The means and the standard deviations computed from the gathered information are shown in Table 3.3.

Table 3.3 Role Responsibilities

Role Responsibilities	N	Mean	Std. Deviation
Supervision	118	3.92	.859
Development of budget estimates	122	4.05	.691
Implementation of budgets	118	3.84	.827
Constructive feedback	122	3.65	.961
Developing of employees	120	3.55	1.003
Staff appraisal	122	3.53	1.006
Collaborations	118	3.74	.852
Teamwork	122	3.83	.869
Monitoring and evaluations	122	3.97	.852
Overall mean score		**3.79**	**.880**

The results presented in Table 3.3 reveals the development of budget estimate has a role responsibility had the highest impact on the strategic plans. Development of budget estimates (mean score=4.05, SD=0.691), Monitoring and evaluations (mean score=3.97, SD=0.852) and the Supervision (mean score=3.92, SD=0.859) were rated most important of the role responsibilities in the strategic plans. The Staff appraisal (mean score=3.53, SD=1.006) and the Developing of employees (mean score=3.55, SD=1.003) were rated list important among the dimensions of role responsibilities of the strategic plan.

3.3 Government Policy

The researcher sought information on the extent to which the Government policy being a moderator variable impacted on the institutions' strategic plan. This information is shown in Table 3.4.

Table 3.4 Government Policy

Government Policy	N	Mean	Std. Deviation
Accountability	122	3.98	.966
stability	120	3.84	.879
Effectiveness	120	3.82	.869
Regulatory quality	122	3.97	.852
Rule of law	122	3.95	.822
Control of corruption	122	3.90	.885
Overall mean score		**3.91**	**.879**

Information in Table 3.4 shows that the government policy impacted to a great extent on the strategic plans. Accountability (mean score=3.98, SD=0.966) and Regulatory quality (mean score=3.97, SD=0.852) were most important in the institutions strategic plans. Effectiveness (mean score=3.82, SD=0.869) and stability (mean score=3.84, SD=0.879) were rated least important in the strategic plans.

3.4 Performance

To achieve the objectives of the study, the researcher sought information on the performance of technical training institutions. Various indicators were used to assess the extent of performance by the Technical Training Institutions. This information is shown in Table 3.5.

Table 3.5 Performance

Role Responsibilities	N	Mean	Std. Deviation
Quality	124	4.22	.657
Quality of trainers	124	3.91	.884
Quality of infrastructure	124	4.01	.888
Quality of training tools	124	3.75	.976
Quality of curriculum	122	3.87	.970
Quality of skills	122	4.02	.643
Quality of knowledge	120	3.88	.881
Quality of graduates	120	3.73	.995
Resources	120	3.89	.848
Adequacy of training materials	120	3.61	1.079
Infrastructure development	120	3.93	.909
Human resource development	120	3.79	1.003
Availability of teaching materials	120	3.25	1.204
Workshop tools & equipment	116	3.66	.961
Enrolment	118	3.77	.861
Students Enrolment	122	3.86	.816
Retention rates	122	3.78	.828
Completion rates	122	3.96	.648
Efficiency	118	4.01	.722
Efficiency of training process	120	3.78	.822
Acquisition of practical skills	122	3.80	1.018
Utilization of resources	121	3.83	.886

The results in Table 3.5 reveal four indicators of performance in technical institutions with a mean of above 4.00. Quality (mean score=4.22, SD=0.657), quality of skills (mean score=4.02, SD=0.643), quality of infrastructure (mean score=4.01, SD=0.888) and efficiency (mean score=4.01, SD=0.722) were rated most important dimensions of performance in the technical training institutions. Availability of teaching materials (mean score=3.25, SD=1.204) was rated least among the various indicators of performance in the technical training institutions.

4 Diagnostic Analysis

4.1 Assessment of Normality

The collected data was tested to assess the major assumptions for parametric data analysis. Normality was tested using Kolmogrov-Smirnov (K-S) one-sample test, a non-parametric goodness of fit test. This information is shown in Table 4.1.

Table 4.1 Diagnostic Test Normality

		Role responsibilities	Performance
N		122	124
Normal Parameters[a,b]	Mean	3.7849	3.7884
	Std. Deviation	.61738	.55948
Most Extreme Differences	Absolute	.136	.158
	Positive	.077	.077
	Negative	-.136	-.158
Kolmogorov-Smirnov Z		1.505	1.761
Asymp. Sig. (2-tailed)		**.022**	**.055**

Information in Table 4.1 indicates that the p-value computed for role responsibilities are above 0.05. The results of the K-S tests for the role responsibilities and performance revealed that the data was normally distributed. The test compares the cumulative distribution function for variables within a specified distribution (Malhotra & Dash, 2011). The goodness-of-fit test evaluated whether the observations could reasonably have come from the specified distribution. This is a parametric normality test where we fail to reject the null hypothesis and conclude that the data comes from a normally distributed population if the p-value is greater than 0.05 (Saunders, et.al, 2009).

4.2 Linearity Test

ANOVA and linearity tests were conducted to test for linearity among independent and dependent variables. This information is presented in Table 4.2.

Table 4.2 Linearity Test

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig
Performance * Role responsibilities	Between Groups	(Combined)	22.363	25	0.895	5.321	0.00
		Linearity	6.600	1	6.600	39.261	0.00
		Deviation from Linearity	15.763	24	0.657 0.168	3.907	0.00
	Within Groups		16.138	96			
Total			**38.501**	**121**			

The data meets the requirement of linearity test == (F statistic = 18.01, Sig = 0.00<0.05)

Information in Table 4.2 indicates that linearity tests for the variables yielded statistically significant results for role responsibilities (linearity significance = 0.000) since it recorded a significance value smaller than 0.05. This indicated that there was a linear relationship between role responsibilities and performance of technical training institutions.

5. Regression Analysis

A multiple regression analysis was conducted to establish the extent to which the four indicators of the independent variable (strategic plan) influenced the performance of the training institutions. This information is presented in Table 5.1.

Table 5.1 Multiple regression analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.429	0.489		2.919	0.004
Organizational Direction	0.034	0.169	0.023	0.499	0.042
strategic Values	0.436	0.171	0.357	2.549	0.013
Role responsibilities	0.351	0.139	0.384	2.516	0.013
Timelines	-0.222	0.138	-0.252	-1.619	0.108
R Square=0.755		F statistic=9.986(0.000)			

Information in Table 5.1 shows that the coefficient of determination which is the amount of variation explained by introduction of predictors in the model an indication that only 75.5% of the variation is accounted for by the organizational direction, strategic values, role responsibilities and timeliness.

A quick observation is that the model meets the application requirements. This means that the model fits well in the data.

The results indicates that the overall model was statistically significant with F-statistics = 9.986 (p-value 0.000< 0.05) at 95% significance level. The study revealed that the relationship between organizational direction, strategic values, role responsibilities and performance were significant with p-values 0.042<0.05, 0.013<0.05, 0.013<0.05 respectively.

This shows that when role responsibility is increased by one unit keeping other variable factors constant performance would increase by a factor of 0.351. The relationship between role responsibilities and performance, not statistically significant (p-value 0.013 < 0.05) at 95% confidence level.

The predictive model can be stated as:

$$Y = 1.429 + 0.034X1 + 0.436X2 + 0.351X3$$

Where Y – Performance

X_1 – organizational performance

X_2 – Strategic values

X_3 – Role responsibilities

1.429 – Constant

0.034 – Is the estimate of the expected change in performance when organizational performance is increased by one unit.

0.436 - Is the estimate of the expected change in performance when Strategic values is increased by one unit.

0.351 - Is the estimate of the expected change in performance when role responsibilities is increased by one unit.

This improved performance is explained by the improved clarity in the variables captured by the strategic plan which individually and collectively influence the organizational performance. Bryson (1989) argue that strategic plans assist in providing direction so organization members know where the organization is heading and where to expend their major efforts. It guides in defining the business the firm is in, the ends it seeks and the means it will use to accomplish those ends. McCarthy and Minichiello (1996) notes that a company's strategy provides a central purpose and direction to the activities of the organization and to the people who work in it.

Kotter (1996) contends that the primary goal of strategic plans is to guide the organization in setting out its strategic intent and priorities and refocus itself towards realizing the same. David (1997) argues that strategic plans allows an organization to be more proactive than reactive in shaping its own future, initiate and influence (rather than just respond to) activities, and thus to exert control over its destiny. It assists in highlighting areas requiring attention or innovation.

Moderating Effect of the Relationship between Role Responsibilities and Performance

The researcher further sought to establish the influence of the role responsibilities on performance with the moderating variable which is the government policy. The information on this relationship is presented in Table 5.2.

Table 5.2 Regression result of the Role responsibilities with government policy

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.389	.294		8.114	.000
Role responsibilities	.368	.077	.403	4.781	.000
(Constant)	1.986	.295		6.722	.000
Role responsibilities	.158	.090	.172	1.757	.082
Government Policy	.307	.077	.391	3.987	.000
1 R squared =0.162	F-statistic=22.856(0.000)				
2 R squared =0.262	F-statistic=20.819(0.000)				

The results presented in Table 5.2 indicate a significant change in the percentage of the variation explained by the interaction of the role responsibilities and the government policy. The regression results shows a change in r2 when interaction of government policy and role responsibilities were introduced (0.162, 0.262). Results suggest that the variation in the relationship between role responsibilities and performance of technical training institutions on introduction of the government policy was statistically significant (0.082).

This implies that in the presence of the government policy the relationship is enhanced such that the performance is significantly higher. This means that the influence of the role responsibilities on performance of technical training institutions is substantially altered by the government policy.

Based on these results the performance can be predicted as follows:

$$Y = 1.344 + 0.158X3 + 0.307M$$

Where Y = performance of technical training institutions

X3 = role responsibilities

M = Government policy

6. Conclusions

The study revealed that strategic responsibilities had a significant influence on the performance of Technical Training Institutions in Meru County. Development of budget estimates has a role responsibility had the highest impact on the strategic plans. Development of budget estimates, Monitoring and evaluations and the Supervision were rated most important of the role responsibilities in the strategic plans. The Staff appraisal and the Developing of employees were rated list important among the dimensions of role responsibilities of the strategic plan. The introduction of government policy had a high moderating effect on the relationship between role responsibilities and performance in Technical Training Institutions.

7. Recommendation

Based on the findings of the current study, the researcher made the following recommendations:

1. The Staff appraisal and the Developing of employees should be emphasized has important components of the strategic plan which could improve the performance of Technical Training Institutions.
2. There is need Technical Training Institutions to emphasize on the policy intervention to promote highest role performance in Technical Training Institutions.

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