INFLUENCE OF STRATEGIC INNOVATION ON CORPORATE REPUTATION MANAGEMENT IN MICROFINANCE INSTITUTIONS IN MACHAKOS COUNTY.

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A RESEARCH THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF A MASTER'S DEGREE IN BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF THE KENYA METHODIST UNIVERSITY.

OCTOBER, 2022

DECLARATION& RECOMMENDATION

This thesis is my original work and has not been presented for examination purposes inany other university or any other award.

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DEDICATION

I dedicate this work to my family for the perseverance they endured during the period ofmy preparation of this thesis.

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I take this opportunity to thank the almighty God for enabling me to reach the extent I have reached so far. I would also like to thank my family and all the people with whom I interacted in the course of my entire study and, specifically, in the course of the preparation of this proposal. Specifically, I would like to thank my supervisor, Dr. Paul Mwenda and Mr. Eric Mathuva for the guidance they accorded me in the course of preparing this report. I also thank my colleagues and all the lecturers in my department for the knowledge they instilled in me.

ABSTRACT

Strategic innovation can be defined as re-engineering or re-designing a firm's corporate strategy to promote growth, give value to customers and the company, and gain a competitive edge. The purpose of this study was to see how strategic innovation affected corporate reputation management in microfinance institutions (MFIs) in Machakos County. Specifically, the goals were to assess the effects of process and product innovation, and market innovation and resource innovation on corporate reputation management in Machakos County microfinance institutions. In order to achieve the study's purpose, the descriptive sampling technique has been used in a research study. Population target of the study comprised of all the Microfinance Institutions (MFI's) licensed by the Association of Microfinance Institutions of Kenya (AMFI-K) as at 31st December 2019. By AMFI-K, there are (15) fifteen licensed MFIs. The study included allof the selected MFIs, with the respondents being all of the branch managers. team leadersand operations officers. The total respondents therefore were forty-five (45). The main methodologies were questionnaires, which were self-administered by the researcher and yielded an 82.2 per cent response rate. The research showed that Product development and company image management had positive and important effects association. The study also indicated that process innovation and corporate reputation management had a favorable and substantial (P-Value=0.000) association. Furthermore, the findings demonstrated that market innovation and corporate reputation management had a favorable and substantial (P-Value=0.000) link. Finally, ―resource innovation and corporate reputation management had a favorable and substantial (PValue0.000) association. Based on the findings, the study came to the conclusion that Innovation in resources, markets, processes, and products are all interrelated. all have a positive and significant impact on company reputation management. The marketing officers of MFIs should improve their marketing innovation strategies and ensure that a product innovative approach is implemented, according to the findings of this study.

TABLE OF CONTENTS

LIST OF TABLES

LISTOFFIGURES

ABBREVIATIONS AND ACRONYMS

AMFI-K	Association of Microfinance Institutions of Kenya
KWFT	Kenya Women Finance Trust
MFIs	Micro Finance Institutions
RBV	Resource Based View
USA	United States of America
UK	United Kingdom
IT	Institutionary Theory

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A company's reputation, when compared to leading competitors, is a reflection of its past performance and potential outcomes, which demonstrate the company's overall appeal to important stakeholders (Roberts & Dowling, 2018). Issues of public identification research under the Declarationof Dignity are being researched under the leadership of economists and academic scholars (Padgett & Galan, 2017), and dignity are presented as a powerful predictor of organizational performance. Organizational culture does not have to be viewed as a competition between reputation and legitimacy; rather, they are complementary parts of developing an organizational identity (Roberts & Dowling, 2018). Both signals andsymbols are required to provide visual effects if reputation is based on symbols and legality is based on emblems (Azedegan & Wagner, 2017). Maintaining a good reputation can result in favorable outcomes, such as offering premium pricing to customers, attracting better applicants, and attracting more investors (Freel, 2016).

Various experts, academicians, and corporate executives are paying attention to company reputation (Padgett & Galan, 2017). Reputation is a valuable strategic resource thatboosts a company's financial performance and, as a result, its competitive advantage. When engaging with multiple stakeholders, a company's reputation strengthens its bargaining power. Despite this, only a small percentage of businesses track their public image. Multiple countries, along with the United States ofAmerica (USA), theUnited Kingdom(UK), and others(UK), Germany, India, as well as Turkey, are among them. Some magazines produce lists of the most well-known businesses. For example, the prominent business magazine Fortune publishes an annual profile of America's

Most Influential People in the world, the UK's Most Admired Companies list, Throughout Germany, Manager Magazine‘s Image Profile, through India, Business World's Most Distinguished Companies, and in Turkey, Capital Magazine.

One of the most significant intangible assets that could offer a steady, long-term competitive advantage is reputation. Resources can be divided into three categories: personnel-based, intangible, and tangible in the resource-based paradigm (Cassiman & Veuglers, 2014). Financial reserves and economic infrastructure including such plant, equipment, and raw material stocks are examples of tangible resources. The latter includes culture, staff training and skills, as well as their dedication and loyalty. Intangible resources include dignity, technology, and human resources. In addition, (Padgett & Galan, 2017) suggests that building a good reputation takes time and requires the company to make regular and solid costs over time. The difficulty of creating, trading, or imitating it, as with any valuable resource, illustrates the strategic worth it provides for the company.

Horn (2013) sees a company's reputation as the result of a process in which businesses compete for social standing in an area where data is scarce. The reputation of a company, on the other hand, is decided not only by signals received back to the company, but also by signals obtained from other sources such as the media, the stock market, and stakeholders. Macroeconomic variables signals indicating effectiveness of the organization, institutional signals indicating organizational visibility and social responsibility, and strategy signals relating to corporate postures such as differentiation and heterogeneity are assumed to elicit responses from a firm's stakeholders. For example

‒(Freel, 2016), CR, should be noted, indicating the extent to which secondary stakeholders regard the company as excellent or poor‖. According to (Padgett & Galan,2017), there is little doubt that corporate social performance has an impact on a company's reputation.

Because innovation is today ‘s modern most essential instrument for organizations, innovation considerations are the most critical strategic decisions for every organizationin order to penetrate new markets, expand current market shares, and reinforce their competitive advantage (Gunday, 2016). This base on innovation is driven by risingrivalry on both domestic and international markets, which is fueled by quickly changing ever technologies and competitive strategies, but in turn, which threatens to underminethe market value of existing products & services. This shows that innovation, defined as the integration of ideas, knowledge, and knowledge into better competition as a long-termcompetitive advantage, is an integral part of business processes (Horn, 2013). Apart from the need to provide improved or innovative products, use more efficient production and organizational processes, improve market value, and improve customer perceptions of thecompany's products, there have been a variety of reasons for this. At the same time, it's critical to recognize that businesses have varying levels of innovative capabilities and resources.

One of the primary objects of corporation is to enhance and manage corporate reputation and one factor that affects corporate reputation is a strategic innovation (Love & Roper, 2017). Firms choose a number of innovation strategies, such as product, process, market, and service development, to guide their judgments about how to best use their limited innovation resources to meet their corporate reputation management objectives. New product innovation, according to Tavassoli and Karlsson (2015), is the presentation of thebest or most advanced service in terms of its features or objectives, which include

Significant technological improvements. A new process is the adoption of a novel or highly developed production method, which can include parts and materials, computer simulation, user friendliness, and other functional aspects. Creating a new marketing strategy with material differences in customer design or packaging, product placement, or pricing strategy is referred to as new market innovation, whereas creating a new marketing strategy with material differences in customer design or packaging, product placement, or pricing strategy is referred to as organizational innovation. Establishment is the process by which a new organization approach to corporate business operations, workplace organization, or a pricing strategy, and perhaps a combination of both.

Surprisingly, few businesses track their corporate reputation management. Several journals published in different nations, such as the United States, the United Kingdom, Germany, and France, as well as Turkey and others, publish lists of the most reputable corporations. For example, the prominent business magazine Fortune publishes an annualManager Magazine Image Profile' in Germany, Business World In the Most Respected Companies' in India, and Capital Magazine in Turkey all had members of America's Most liked Companies and Britain's most Lauded Companies. Magazines, research firms, and scholars assess corporate reputation management. Companies and businesses, on theother hand, are not actively involved in the assessment of their own reputation management. There could be multiple ways for this: one is the difficulty of evaluating reputation, and the other is that organizations may not use reputation as a strategic resource.

It's possible that this is due to the complexity of the reputational concept. It's a long-term strategy that's difficult to quantify. There is no adequate method for evaluating and measuring it. Evaluating reputation as a view of multiple stakeholders is a costly endeavor. Strong brand management helps a company's strategic innovation, and it also helps the company's reputation. Many studies have discovered that strategic innovation has a positive impact on company reputation management (Sabate & Puente, 2013). There is suggestion that strategic innovation has an impact on corporate reputationmanagement (Roberts & Dowling, 2018). This evaluation stimulates this researcher to analyze the influence of Strategic innovation on corporate reputation management in microfinance institutions (MFI‘s).

1.2. Statement of the Problem

Firms may maintain a durable competitive edge and preserve long-term relationships with numerous stakeholder groups by focusing on their reputation (Sharma, 2018). It is the most key strategic asset that contributes to the organization's long-term viability. Furthermore, a positive corporate reputation is supposed to protect a company in times of crisis. Nonetheless, a reputation can be ruined by just one unpleasant episode. A reputation takes 20 years to develop and five minutes to destroy (Roberts & Dowling, 2018).

Different authors, academicians, and corporate executives are paying attention to company reputation (Padgett & Galan, 2017). Reputation is a valuable strategic resource that boosts a company's financial performance and, as a result, its competitive advantage. When engaging with multiple stakeholders, a company's reputation strengthens its bargaining power. Despite this, only a small percentage of businesses track their public image.

Because of a variety of elements, including quick technological advancements and corporate actions and issues, assessing a company's reputation is more important than ever before., increased demand for transparency, better prospects from different social categories,Customers' personal observations with a company‘s products and services, as well as word-of-mouth and social networking, the effect of organizational change management' influence, growth-in-interest groups, and greater exposure for the company's productsand services.

Although corporate reputation has been a hot topic in public debates due to its impact on microfinance institutions' operations, as Appiah and Arthur (2016) point out, there appears to be relatively little study on the matter, particularly in the developing world likeKenya. Whereas other previous studies have attempted to narrow down this dilemma in the empirical studies by analyzing the impact of strategic innovation on corporate reputation in developing economies, for example, (Roberts & Dowling, 2018) many ruralbanks in Ghana were investigated for the relationship between credit risk and performance. Appiah and Arthur (2016) looked at the corporate reputation procedures ofa few Kenyan listed commercial banks, while Ashanti, (2014) looked into the impact of credit corporate reputation for commercial bank performance.

On the other hand, Bougatef (2017) examined commercial bank corporate reputation tactics. However, the majority of this research either focused on commercial banks or ignored microfinance institutions entirely. As a result, when it comes to microfinance credit risk management, there is indeed a gap in the literature. As a result, the goal of this project was to fill a space in the previous investigation by looking into the influence of strategic innovation on corporate reputation management among microfinance institutions (MFIs).

1.3. General Objective

The goal of this study was to see how strategic innovation affected the management ofbusiness reputation in Machakos county microfinance financial institutions (MFIs).

Specific Objectives

The following were the precise research goals:

i. To determine the effect of product innovation on corporate reputationmanagement in microfinance institutions in Machakos County.

ii. Examining the effect of process innovation on corporate reputation management in Machakos County microfinance institutions.

iii. To look into the effect of market innovation on corporate reputationmanagement in the county of Machakos microfinance institutions.

iv. To explores the effect of resource innovation on corporate reputationmanagement in Machakos County microfinance institutions.

1.4 Research Questions

Below are investigation questions led this investigation:

i. How does product innovation affect corporate reputation management in Machakos County microfinance institutions?

ii. How does process innovation affect corporate reputation management in Machakos County microfinance institutions?

iii. How does market innovation affect corporate reputation management in Machakos County microfinance institutions?

iv. What impact does resource innovation have on corporate reputation management in Machakos County microfinance institutions?

1.5 Significance of the study

This study impacted a wide range of stakeholders in a number of ways, as detailed below:

Management of the MFI

The investigation would make information about variables that can affect theperformance of MFIs' companies in terms of reputation more readily available, as well as what they can do to overcome them and protect themselves from failure. The knowledge they will gain as a result of the research will help them not just with reputation management, as well as with survival. It will be utilized by strategic-managers to plan up their employees' training programs, since it will emphasize some of the programs offered and their advantages.

The Community

A flourishing MFI sector adds to the community's financial development andempowerment. In both urban and rural regions, they come along with increased margin ofpropensity to save and invest for the general benefit through savings academia andindustry skills education. Nonetheless, MFIs have been able to account for a significant portion of the new jobs created across both rural and urban areas.

Government and policy makers

The government and policymakers will benefit from the report (at the county and nationallevels) as it will have unearthed the specific factors that determine the influence of Strategic innovation on corporate reputation management among microfinance institutions (MFI‘S) Given its importance to the economy, the government will use the information to improve its operations so as to create amicable environment to operatewith little inhibition. This can be through legislating policies that are favorable to the MFI‘s business environment so that the MFI‘S can gain the maximum and hence help drive the economy of the country at large.

The General public

The study would be significant to the general public since the results of the study would help in the expansion of MFI‘S industry, therefore help create employment to a number of people who may otherwise be jobless. Different scholars will find it beneficial as a source of information for future research. Scholars will find the study's findings beneficial as a repository of literature review for conducting research in other connected fields.

The Researcher

The outcome of the study will be witnessed to be of great help to the researcher in that he gained much knowledge in the field of MFI‘S and factors bedeviling their management such that the researcher can then become an advisor in the area. In this sense, theresearcher was gaining enough knowledge in the area to enable him advice on the right practices in the MFI‘s sector that can lead to better reputation management.

1.6. The scope of the research study

The key management level was considered in the analysis, which included 45 respondents across Machakos County's 15 regulated microfinance institutions. Thesewere; Branch managers, Team leaders and operations officers who are in a better positionto answer corporate reputation matters. The research focused to the analysis of the influence of strategic innovation on corporate reputation management in Machakos County microfinance institutions (MFI).

1.7 Limitations of the Study

Some restrictions were experienced in the course of conducting the research. Somerespondents were unwilling to cooperate due to fear consequences from peers emanating from openly sharing information thus leading to unnecessary time being consumed explaining about the importance of the study and trying to find more information. The author reduced this risk by ensuring the respondents that the analysis was conducted specifically for academic purposes and was not intended to disrupt natural employment oremployment relationships. Other respondents were too preoccupied with their jobs, rendering it difficult for the researcher to collect information for this study on time. To resolve this researcher worked with an assistant to help administer the questionnaires in person. Dissimilar microfinance institutions had diverse business reputation management procedures and characteristics ranging from geographical, market nature, and forms of products they offer, and they had strict rules in regard to the privacy of corporateinformation, making them hesitant to share such information for fear of being sued and that they may be victimized. The researcher did reassure the microfinance institutions management that the researcher will not release any given information to outsiders and that findings thereof may be to the microfinance institutions benefit.

1.8 The Study Assumptions

This researcher believe was that the participants should-be available and willing to have influence in the study and to respond to the questions and also are aware of the influence of strategic innovation on corporate reputation and employees was not be barred by their employment contracts to freely talk on the area of study. The study relied on information produced by the respondents and also the assumption that they were be open and available to fill the questionnaires**.**

1.9 Definition of terms

Product-innovation. A well-developed product or service with Important advancements in technical specifications, parts and construction materials, embedded software, user friendliness, or other aspects, such as important advancements in technical specifications, parts and building materials, embedded software, user friendliness, or other aspects. Performance attributes, is called product innovation. If businesses are to stay active and viable, they must establish their own products (Tavassoli & Karlsson, 2015)

Corporate reputation. Customer trust, service quality, corporate social responsibility, management practices, business principles, and corporate policy agencies are all factors to consider.as well as compliance; all contribute to corporate reputation (Roberts & Dowling, 2018).

Process-innovation. ATMs, Internet payment services (Mpesa, Office automation, RTGS, accounting software, banking firms, mobile banking, and customer data management software (Airtel, Orange Money). areall examples of client data management software. examples of process innovation (Appiah & Arthur 2016). The process innovations that effect corporate reputation management in Kenyan MFIs were the subject of this research.

Market innovation. Market innovation focuses on market selection and mix in order to cater to customer preferences. Innovative marketing is crucial for satisfying customer needs and assuring client satisfaction. Market innovation also enables SMEs to tap into new markets and increase the accessibility of their goods and services. This is particularly true online, where it is simple to advertise and reach customers anywhere. Sales are impacted by market innovation because it increases market share or growth, which increases revenues. Furthermore, market innovation may result in cost savings (selling and distribution costs) (Brooks, 2014)

Microfinance Institution (MFI's). Microfinance institutions (MFIs) were established to provide financial services to low- income individuals who are frequently overlooked by commercial banks. MFIs provide financial services using carefully devised techniques that assure lender sustainability and increase the standard of living for clients, all while ensuring a triple bottom-line of human development and positively influencing communities the providing a wide range of financial services such as deposits, loans, and payment services, is included. On asmall scale a microfinance institution (MFI) is a company whose main business is to provide microfinance services, such as microcredit (Bougatef, 2017).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this part is about reviewing information concerning the influence of Strategic innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County.

2.2 Theoretical Review

From a theoretical standpoint, this researcher has separated current study on corporate reputation the theory, signaling and lastly a resource-based insight into institutionaltheory. A number of theories have been developed regarding strategic management. This research will be based on three theories: the resource-based perspective, institutional theory, plus signaling theory, as well as institutional theory, signaling theory, overall resource-based view.

Institutionary theory

Institutional theory is a research tradition that can be traced back to seminal papers published in the 1950s and 1960s. investigated the interactions of According to the theory of the time, organizational creation and evolution were driven more by symbolic activities and outside influences than by functional considerations (Meyer, 2007). Institutional theory aims toexplain why countries support scientific institutions and what shapes they take. The key argument is that policymakers, funders, and other nations consider organizational structures produced in industrialized countries as indicators of progress towardcontemporary institutional development and therefore worthy of financial support. The goal of institutional theory is to explain how companies understand and apply prior shared rules, beliefs, and norms in their external environments. Despite its sociological roots in organizational concepts such as legitimacy, rational myths, and isomorphic compels, communicative institutionalism focuses on discourse forms Rhetoric, framing, messages, vocabulary, tropes, narratives, slogans, metaphors, idioms, and selective typographic styles are examples of how communication can be demonstrated. can influence cognition and behavior (Lammers, 2017).

The purpose of organization is important in deciding if a firm or organization achieves itsaims and objectives while staying true to its mission. However, there are a variety of organizational theories that can be used, including the institutional theory (I.T) of organization. This theory focuses on an organization's external aspects, "External orsocietal norms, standards, and standards that an organization must adhere to in order to gain legitimacy and support," for example. The institutional theory relies heavily on social concepts for support. determine an organization's practices and systems Adherence has been the most fundamental premise and distinguishing feature of institutional theory. Conformity is the yardstick by which an organization's legitimacy is measured. The concept of compliance creates "rational myths," in which an organization's objective and goals are simply "logical" if specific societal norms, standards, and requirements are incorporated. In order to be accepted as a legitimate organization, this would comply to the "rational myths."

Since it bridges the gap between social ideas and organizational actions, the theory has a lot of promise. Management is more aware of societal ideas and opinions, and is more willing to incorporate cultural norms and expectations, laws, regulations, and requirements into the organization's everyday operations. In contrast to isomorphism, the

Concept of uniting these two entities: environment and management has demonstrated to be the ultimate value to theory.

In social rational knowledge, the nature of institutions and their constraints over action were never clear and consensual. Economic, political, and religious theories were all presented. They also placed different emphasis on even more cultural or organizational kinds of control. Anything else than the behavior of the people under investigation may be interpreted back then, as it is now, as constituting a dominant institutionalized pattern (a strikingly clear definitional discussion is in Jepperson (2002). Institutional ideas evolved and refined throughout the lengthy framework of political scientific thought through the mid-twentieth century. Nonetheless, they did come into dialectical conflict with another aspect of Modernity. As ‗men' came to feel that those who understood the institutional foundations of human activity, they also grew to believe that they could rise above and manage them no longer subject to, but acting in the place of the now-dead cultural lords. As a result, institutional thought may survive in anthropology and studiesof primitive cultures (including previous Western history), but only on the periphery of Modernity's social sciences (Meyer, 2007). In a nutshell, the evolution of notions ofsocial existence as a collection of intentional, bounded, reasonably sensible, and somewhat autonomous individuals. Individuals pushed the old institutionalisms to the margins.

Commerce, freedom, property rights, and religious freedom liberated the human being as an individual agent. And rationalized social life was discovered and praised, consisting primarily of state-delegated bureaucracies (like in Weber or Fayol) or by individual actors forming groups (as in Barnard). Conventional institutional ideas tended to dissolve in the new schemes, which were structured upon notions of society as a collection of autonomous players.

As such, with the exception of anthropology (where older institutionalisms haven't ever receded), new' institutionalism theorizing has emerged in every social science field sincethe 1970s, For a review, see Jepperson (2002). With frameworks once again viewing persons and organizations as embedded in larger systems and cultures of one kind or another. There were as many variations of 'old' institutionalisms as there were of 'new' institutionalisms, but they all had one thing in common. They've all agreed that society is made up of motivated, intentional, and often rational beings in some manner.

The emerging institutionalisms involve a tension in the theorized actor–environmentrelationship, whereas the previous institutionalisms saw people and groups as quite naturally embedded in large cultural and structural settings. This is frequently interpreted as a conflict between structure, such as the environment, as well as agency or actor hood (Giddens, 1984; or Sewell, 1992), evoking discussions about free choice and determinismin classical institutionalism. People and groups now seen as delimited, purposeful, and sovereign actors are affected by the social environment, and as per the newinstitutionalisms. There are numerous schools of thought involved, each with its own definition of what an actor is and what attributes of which contexts are relevant (known as "path dependency"). So that, when confronted with a new problem, individuals or organizations fall back on their previous solutions, whether or not they have ever performed or can be reasonably predicted to work.

The concept of uniting these two entities: environment and management has proven to be the ultimate advantage to theory. Nonetheless, there are a few drawbacks to the hypothesis. One consequence of the institutional theory has been that it puts a lot of pressure on management to follow the norms, regulations, and standards. High levels of limitation can be harmful to a company since they limit adaptability, innovation, and originality within a given field. The significance and relevance of this theory to this study is that institutional theory addresses matters pertaining to the establishment of a corporate reputation, more specifically, how organizations gain legitimacy and recognition as entities. (Deephouse &Carter, 2005).

Organizational/institutionary theory attempts to explain the causes and processes of organizational behavior, as well as the consequences of organizational behavior patterns in a larger, inter-organizational context. Organizational institutions are studied in a variety of fields, including sociology, business, and communication, and it aids public relations professionals in better understanding corporate reputation and legitimacy. Traditional, predictable patterns of behavior that give social exchange and order meaning can be found within and across organizations. Behavioral patterns are examples of organizational and industry standards, practices, and norms. According to institutional theory, organizational actions are copied and replicated, resulting in widely accepted norms and, eventually, widespread standardized practice expectations.

Scholars can conceptually separate institutions from an organization's reputation or perceived status by comprehending how institutions, or relatively set and formal working procedures, confer legitimacy on organizations. The development of institutional theory, current scholarship on the subject, and the consequences of the theory for corporate reputation are all covered in this article. The foundations of institutional theory were planted between 1977 and 1983.

placed as a part of a bigger investigation to learn more about the elements that support effective and long-term organizational performance. During this period, organizational study began to recognize the interaction between an organization and its environment rather than just analyzing the components contained within the boundaries of the organization (known as a closed system) (known as an open system).

Concurrent theories made an effort to explain why the organization was able to adequately adapt to its surroundings and boost its market or industrial performance. Sociologists John Meyer and Brian Rowan merged and expanded Max Weber's theory of bureaucratic rationalization with Philip Selznick's administrative work on community organizational leadership. They developed this environment-focused study out of Weber's version of institutionalism, known as new institutionalism, with a crucial, original piece published in 1977. approach. According to Meyer and Rowan, complex relational networks between companies, as well as societal conventions, norms, and ideologies of the institutional framework, are responsible for Weber's rationalization and diffusion of formal bureaucracy.

The principles of legitimacy and isomorphism are central to the relationship between institutional theory and reputation. Organizations must legitimate and achieve legitimacy by adapting to the institutions in their environment, and the concept of legitimacy, which the institutional approach highlights, can be said to represent cultural support. Organizations can achieve legitimacy as part of the social system by adhering to societal norms and norms; otherwise, their legitimacy is jeopardized. Three essential criteria that shape organizational legitimacy are articulated in the framework of the institutionalism paradigm. ―These variables are the institutional environment's qualities, organizational

traits, and the process of legitimacy that is shaped by the environment's opinion of the organization‖ (Arslan & Sayl,2006). When considering the institutional environment as a mirror of culture, we should not limit the influence of culture on organizations to directly affecting social structures, because the meaning given to this social construct is also formed by culture (Scott, 1991). According to Parsons (1964), who takes a cultural sociology approach, legitimacy can be achieved by anticipating the social system's normsand values. Weber (1961), on the other hand, addresses the concept of legitimacy in the context of power and authority. For him, legal power equals authority. However, there is one very essential issue to consider when dealing with the concept of legitimacy within the context of the new institutional theory and the theory of resource dependency. Legitimacy, contrary to what the idea of resource reliance says, is not a resource that organizations strategically employ to obtain or improve reputation. Rather, it is theconsequence of a spontaneous self-harmonization between organizations and their cultural circles (Schuman,1995). Similarly, adaptation is the consequence of an effort in the organization-environment interaction to harmonize with the outside environment and an endeavor to compose self-integrity (Barutcugil, 2011). Walker's (2010) survey mentions the institutional approach in the pre-action and action stages, and it is used in a situation where attempts to develop corporate reputation are beginning from scratch. Thismethod also addresses how firms achieve legitimacy and how they can profit from the institutional structure and cultural constructs that surround them. Nonetheless, it is worthwhile to emphasize a point here. According to Deep house and Carter (2005), organizational legitimacy and organizational repute are two distinct conditions. Ruef and Scott (1998) attribute this distinction to a comparison of organizational standing.

Meyer and Rowan (1977) distinguish two types of isomorphism. The first isisomorphism, which is caused by technological and interchange dependencies with the environment. The second is isomorphism inside the corporate context (Sargut & Ozen, 2010). As a result, it is more appropriate to declare that the concepts of reputation and isomorphism should be related based on the latter. Max Weber, the source of inspiration for institutional theory, says that cultural conventions such as laws and similar rule systems form social structures and shape social behavior, as described above under the topic of institutional theory. DiMaggio and Powell's (1991) notion of coercive isomorphism backs up his claim. As a result, coercive isomorphism arises as a result of official or informal constraints imposed by other organizations on which the organizations rely, or by societal cultural norms (Sargut & Ozen, 2010). In other words, this type of isomorphism is caused by formal and non-formal constraints onorganizations, as well as cultural expectations from the surrounding community.

Resource Based View (RBV)

Amongst the recognized impressive theoretical viewpoints in today strategic management literature is the resource-based view (RBV) (Eisenhardt & Martin, 2000). RBV's theoretical foundations can be traced all the way back to Marshall (1890). According to Barney (1991), the key assumptions of RBV include the heterogeneity of each firm's resources and competencies, as well as the long-term persistence of these differences inside the firm. He also said that the assets and capacities are path-dependent, and that they can only be grown over the years. Statistical ambiguity (it's not always evident how these qualities affect the firm's performance) and social complexity (can't be purchased orsold in some situations) are equally important in nature (Barney, 1991).

The theory backs up the idea that if a resource is valued, it can assit an organization/company realize a competitive advantage. Similarly, /at the same time, the company can assess possible resources that will assist the company and allow it to succeed in emerging markets (Kozlenkova 2014).

The corporation is prompted to assess whether its assets are valued at the anticipated level by this similar resource-based strategy. Additionally, this approach is employed to assess the company's resource availability (Barney et al. 2001). To determine if a resource is exclusive and unavailable to rivals, the competitive advantages of the assets are evaluated. Non-substitutable resources can benefit the company more because rivals won't be able to match the same market expectations as the company. (Wernerfelt, 2011). Barney (2011) asserts that resource-based organizational practices allow for long-term growth as well as the ability for the company to innovate products in response to customer demand.

In this method, by discovering, developing, deploying, and protecting certain resources and distinguishing them from its competitors, an organization could be ableto sustain its corporate reputation so as to support its accomplishment in a competitive market (Carmeli & Tishler, 2004). Other aspects of strategic skills were further explored by Peteraf (1993), who proposed that a corporation can only maintain its corporate reputation across four primary scenarios: Ex post competition restrictions, imperfect mobility, and ex inter competition limits are all examples of resource heterogeneity (Peteraf, 1993).In other words, Peteraf (1993) stated that a company's corporate reputation can be preserved if it can generate long-term economic rent through improving internal resources. To support the long-term viability of the firm's economic rent, the better resources must remain steady in supply, inimitable, nor non-substitutable (Dierickx & Cool, 1989). (Lippman & Rumelt, 1982), and the resources' costs must be lower than their excess profits (Barney, & Clark, 2007).

A resource is commonly defined as a company's assets that it owns or controls (Amit & Schoemaker, 1993). A firm's resources, according to Wernerfelt (2011), are quasi connected tangible and intangible assets to the company (Wernerfelt, 2011). Tangible resources are important items or assets inside a business, such as equipment, buildings, raw materials, and equipment (Carmeli & Tishler, 2004). Intellectual capital, on the other hand, is a set of assets that includes know-how, talents, knowledge, perspectives, product reputation, culture, & network. Heterogeneous and static in nature (Connor, 2002) (Barney, 1991).

The resource-based approach aims to provide an explanation for why businesses expand and diversify. The idea was inspired by Penrose's (1959) study, in which she identified underutilized management resources as a crucial engine for growth. Penrose asserts that internal management resources act as both catalysts and restraints for the development that any one organization can pursue. Following major diversification and company expansion in the 1970s and early 1980s, this body of literature was enlarged (Teece 1998)

The RBV has become a management tool as well as a theoretical foundation. that may be used by businesses to assist them discover strategies for developing and deploying strategic resources. The RBV theory assumes that a firms' success is directly proportional to its critical intangible assets (Auger etal. 2013). This is due in part to the fact that intangible strategic resources provide businesses with a difficult-to-copy competitiveadvantage, resulting in high profitability and long-term viability.

According to Michalisin et al., (1997), RBV theory has two key assumptions that identify the nature of strategic resources (1997). First, throughout the organization, strategic resources are asymmetrically distributed and largely immobile. Prior to acquisition, resources must not be in high demand, and they must be available core competencies by being difficult to obtain, particularly due to causal vagueness.

Strategic assets, on the other hand, contain four characteristics that serve as the foundation for a company's business strategy. Simultaneously time, strategic assets constitute non-substitutable, scarce, valued, and irreplaceable. Assets missing these four important characteristics will not produce high or long-term earnings. It's also worth noting that assets may have some but not all of these traits, yet they won't necessarily be valuable and provide a long-term competitive advantage since their strategic prowess is contained within the collective scarcity created by the convergence of these four factors. Strategic assets, according to RBV theory, generally are intangible. Because tangible assets can be easily reproduced and acquired, strategic competitive advantage is built on intangible assets that are much more difficult to replicate and purchase. Difficult for competitors to obtain. Certain intangible assets can create strategic competitive advantage, as stated in considerable scientific RBV research. Employee skill or knowledge, organizational culture, and corporate reputation are three significant crucial assets that have been tested to evaluate if they provide organizations with a competitive advantage.

Worker expertise is defined as the ability to turn employee knowledge towards corporate success through collaboration. The organization's culture indicates that it is a highly holistic asset, This means that each element of the culture contributes to its growth, and ifone element changes, the culture changes as well.; it is a very holistic asset, therefore means that whenever one element changes, the culture changes as well. Finally, companyreputation refers to how customers, employees, and other constituents perceive the company. Opinions on a company's financial stability, product quality, staff quality but also retention, financial performance, investment worth, innovativeness, and corporate social responsibility are all examples of perception (Michalisin, 1997). A company's reputation is important because it allows it to grow market share, charge premium rates, and hire top-notch employees It can also influence customer purchasing decisions in favor of new products; If a buyer already knows and trusts a reputable company, they are more willing to take a chance on a new product. A good reputation, a strong brand, and a strong corporate culture are all examples of company reputation. Because they meet the four requirements of strategic assets: scarcity, A company's reputation, employee knowledge and experience, and organizational culture are all strategic assets that have value, non-substitutability, and imperfect atomicity. Employee knowledge, organizational culture, and company reputation, as a result, provide businesses with a significant competitive advantage.

Resource based theory is important and related to this research since it focuses on on the matters of corporate resource that are the outcome of corporate reputation. Corporate resources such as infrastructure, reputation, competent human capital, favorable locations among others if well managed can enable them realize corporate reputation.

Researchers in performance leadership are focusing more on company reputation becauseit is an intangible asset which can be used to gain a long-term competitive advantage (Barney, 1991). Practitioners are also interested in the topic, and one study found that CEOs regard business reputation as the most valuable intangible asset. According to Dowling et al. (2003), a good business reputation has a variety of advantages. The cognitive value of the company's products and services is assigned. Consumers' selections of comparable products are impacted by corporate reputation; otherwise, advertising and sales promotion becomes more effective. It promotes the creation of new products and gives the company a second opportunity in the event of a disaster. It increases the power of distribution networks while decreasing the perceived risk ofcustomers. It provides you with access to the most prestigious vendors, as well as financial markets and investors. Finally, it increases the chances of attracting and retaining more qualified candidates. According to Fombrun (1996) external observers place a high value on the firm's reputation when assessing product quality and future growth potential. Consumers may be prepared to pay a premium for services from companies with a high reputation, according to Roberts and Dowling (2001). A virtuous circle emerges, in which increased affluence drives enterprises to take steps to improve their already positive reputation. The resource-based view (RBV) is a newer strategic approach. Although it may be traced back to Penrose's (1959) earlier work, such as characterizing a firm as a set of resources and extracting services from these resources, and Selznick's distinctive competencies, it wasn't until the late 1980s and 1990s that it became almost a theory. Wernerfelt's (1984) paper is largely recognized as the firstin this modern stream, and he was followed by a number of other scholars (Barney, 1986), who together set the framework for what is currently in the domain called as the resource-based approach to strategy. The focused RBV takes into account a far broader variety of resources than the traditional raw materials, money, and machinery. Intangible assets like as skill, reputation, and knowledge are included (Barney, 1991). As previouslyindicated, the RBV's broad definition of resources is both a strength and a disadvantage. Businesses use both tangible and intangible assets to develop and implement their strategies, according to current usage (Barney & Arikan, 2005). The importance of a company's reputation cannot be overstated. To be a potential source of competitiveadvantage, a resource must have some value for the final client. be uncommon, only imperfectly imitable, and unreplaceable (Barney, 1991). Another factor to examine is where, how, and at what cost the resources may be obtained. According to Barney (1986), if the worth of a resource can be determined precisely ex-ante, its price willreflect that value, leaving no room for the firm to explore. Uncertainty and chance both have a role. According to Dierickx and Cool (1989) many assets within the firm are non- tradable and have accumulated over time. This aggregation process is analogous to the flow of water into and out of a bathtub, where the resource is actually accumulated.This category of assets includes the worth of a company's reputation. Because their production is path dependent, they are naturally imperfectly imitable. Because of the inherent problems in copying, Dumbar and Schwalbach (2000) contend that tangible things are usually easily reproduced by competitors, making intangible qualities of a firm more important. The fact that business reputation is built on interactions between a wide range of both the internal plus external stakeholders further contributes to its inevitability.

It is impossible to overestimate the value of a company's reputation. A good reputation improves the relationship between the firm and its partners, such as employees, customers, suppliers, and investors, allowing the company to decrease costs and raise pricing, among other things (Fombrun & Shanley, 1997). Corporate reputation is non- transferable, builds over time, and is path dependant, making it unusual and non- substitutable. As a result, corporate reputation is a strong contender for a strategic resource, or one that can help a company gain a competitive edge. Recognizing its roots and linkages with other organizational variables is crucial for the development of effective resource-based strategy theory, which is desperately needed.

A company's reputation is built on a few essential aspects. Balmer and Gray (2000) typically allude to identity, image, personality, and reputation when creating the criteria for what the firm should communicate, what it should base its corporate communication on, and how it should communicate with its diverse audiences. This construct can only be understood if these concepts and their interactions are first understood. For this purpose, the concepts and dimensions of corporate identity and image are investigated. Graphic models or visual identification, integrated corporate communication, and an interdisciplinary approach to organizational behavior have all been studied from three different angles (Van Riel & Balmer, 1997). The latter is more crucial because it is a more modern and acceptable way for identifying a firm through a complex set of criteria. Corporate identity, according to Melewar and Jenkins (2002), is the process by which businesses communicate their organizational identity to internal and external audiences through their actions, communication, and symbolism. Various writers' work has contributed to the definition of corporate identity as the company's self-introduction, manifested in the individual behaviour of its members, and expressing the company's continuity, differentiation, and centrality, according to van Riel (1997). The company's differentiation relates to how it differs from competitors, whereas its centrality refers to the issues that are regarded the essence of the organization and are shared by all of its components (Van-Riel, 1997). According to the French school (Moingeon & Ramanantsoa,1997), corporate identity is a collection of interconnected characteristics that give an organization its distinctiveness, stability, and coherence. Van-Riel (1997) and Moingeon and Ramanantsoa (1997) have very similar views about difference and specificity, continuity and stability, and centrality and coherence. The marketing approach has focused on how to portray fundamental ideas to external audiences –products, communication, behavior, and environment (Olins, 2017), whereas corporate literature has focused on employee-company relationships – dedication and identification (Ashforth & Mael, 1989). According to Albert and Whetten (1985), and as mentioned byvan Riel (1997), corporate identity has three requirements that identify and characterize it: centrality or coherence, distinctiveness or specificity, and time continuity or stability. To define corporate identity as a scientific word, this viewpoint believes that each condition or criterion is required, and that the group of three is acceptable (van Rekom, 1997).

Signaling theory

Providing a general illustration of a straightforward signaling paradigm, Kirmani and Rao (2000) As with most signaling instances, the authors distinguish between two types of businesses: those that are of high quality and those that are of low quality. Whenever there are twoor more The importance of signaling theory in understanding the behavior of parties (individuals or organizations) with access to various types of information is critical. Typically, the sender must determine whether and how to represent (or signal) such data, whereas the recipient must determine how to interpret to comprehend it. A generic illustration of a simple signaling model is presented by Kirmani and Rao (2000).

As a result, signaling has become a hot topic in management literatures like strategic management, entrepreneurship, and human resource management. Theory is frequently explored. Spencer (Spencer, et al., 2002). The extensive application of signaling theory is a result of its intuitive nature. The theory's creator, journalist Spence, was notably questioned about whether it was feasible to win the Nobel/Prize in business just for correctly noting that some markets have particular features. Members lack knowledge of certain facts that institutional investors might like to share (Spence et al., 2002), to which Spence replied that while the correct response was probably "no," there had been a real effort made at the time to record the instructive characteristics of market systems. The depth of the theory lies in allocating costs to data collection methods that solve information disparities in various economic and social circumstances.

The notion of signaling is based on situations in which there is a lack of information (Biégas, 2018). In these situations, there is a lot of confusion among the persons involved. The level of risk that Searching for and evaluating information about thecounterpart helps lessen the risks that one party assumes while engaging in any type of exchange connection with another. Interpreting observable qualities is used to carry out this action. Others can be actively influenced, while others are fixed to the entities. In signaling theory, the previous are referred to as indices, while the latter are referred to as signals (Spence et al., 2002).

For a matter of fact, insufficient information is a barrier, preventing Customers who are wary of taking risks should avoid buying from companies that are new to the market and hence unknown (Narver,1990). This first competitive disadvantage must be overcome. Addressed by clearly communicating quality to customers. This usually entails certifying the company's capacity to meet consumer needs.

Signaling theory's goal is to eliminate information asymmetry between two parties (Spence et al., 2002). Spence's seminal work on labor markets, for example, demonstrated howa job can be created. can change over time. candidate should take steps to lessen information asymmetry which hampered prospective employers' selection capacity. Spence demonstrated how the High-quality prospective students are distinguished by an expensive indication of demanding higher education employees from low-quality prospects. This discovery sparked a flood of research that used from anthropology to zoology, in a variety of disciplines, signaling theory has been applied to selection scenarios (Bird & Smith, 2005).

Signaling theory has been used by management experts to analyze the impact of information asymmetry in a variety of study scenarios. CEOs, for example, use the observable quality of their financial records, according to a recent study on company governance to indicate the intangible value of their businesses to potential investors (Wiersema&Zhang,2009). According to diversity scholars, signaling theory explains howcorporations use diverse boards to demonstrate adherence to societal ideals to a wide range of organizational stakeholders (Zamparaetal. et al., 2017). In the entrepreneurshipliterature, signaling theory is commonly utilized to investigate the (Certo, 2003), top management team (TMT) characteristics (Lester et al.2001), Engagement of venture capitalists and angel investors (Elitzur & Gavius, 2003; Busenitz et al., 2004).

Signaling during the recruitment process has been studied in a number of studies that apply signaling theory to human resource management. Signaling theory's intuitive naturecontributes to its widespread application. Spence, the man who first suggested the hypothesis, was famously asked by a journalist if it was true. Feasible to win the Nobel Prize in Physics. Economics by just observing that certain market participants are unaware of certain information that other market members may like to shareSpence (2002). Although "no" was probably the right response, Spence claims that there was a focused attempt made at the time to glean the informational characteristics of market systems. putting a price on data collection methods that address information disparities in many social and economic contexts. The profundity of the idea hinges on issues.

According to signaling theorists, reputation is the informational signals that aid to increase trust in a company's products or services. In fact, the theory's primary area of inquiry is the decrease of knowledge asymmetry between two parties. As a result, it is a good strategy for characterizing the actions of various parties if individuals and organizations have varying levels of information access (Connelly et al., 2011). Because the media is the primary and legitimate resource that organizations can employ to lessen information asymmetry among stakeholders, It is very important in the context of this approach. The asymmetry of information quantity has a significant impact on the reputation of a company. As a result, businesses must actively monitor how the media portrays the company to the public and how its stakeholders perceive the firm. Management scientists have used theory in many study contexts to try to explain the implications of the aforementioned information imbalance. This is due to the fact that information sharing is a communication aspect that promotes stakeholder participation. Indeed, this is one of the primary distinctions between the institutional approach and the resource-dependency approach that signaling theory makes. Signaling theorists regard organizations' social performance in terms of social responsibility as a variable that influences their corporate reputations (Sumer & Pernsteiner, 2014). Long-term customersvalue information sharing realized in the organizational space as a communication- specific structure. It is suggested in this procedure that investing in corporate reputation activities will mark the features of firms with high-quality items when the business's products or services aimed at long-term consumers are not readily viewable. On the other hand, it is claimed that, in contrast to other low-quality product owners who lack consumer continuity, they avoid investing in building business reputation (Fombrun & Riel, 1997). A recent survey in the context of corporate governance identified how CEOs' work exposes the institution's unobservable attributes to potential investors through their observable financial characteristics as a research concern (Zhang & Wiersema, 2009). This example is significant in understanding why Walker (2010) emphasizes signaling theory in the action stage, as the objective of these CEOs might be viewed as an effort to construct an image. The next stage in his model is to maintain and defend the previously formed image. The signaler and receiver are the basic elements of the communication process in the approach conceptualized by the signaler and receiver as the basic elements of the communication process. The signaler decides whether or not to transmit the information (signal), as well as how to transmit it, while the receiver decides how to interpret the signal. Various classifications can be created for the aforementioned signals. For example, Connelly et al., (2011) depicts the signaling process by categorizing messages as intent, concealment, or need signals.

The preceding procedure is concerned with how the revealed institutional image affects consumer behavior and may thus be viewed as a response to the image. One of the determinants of this response will be the coordination and adaption of corporate identity and corporate image. The signaler is typically a person, product, or organization in management literature. Organizational behavior and human resource management are frequently focused on signals from individuals such as employers, supervisors, or employees. According to management literature, receivers are also the organizations that individuals or individuals form. Some studies refer to organizational stakeholders, potential investors, or both as receivers within the strategic management paradigm. Even the way various stakeholders or groups perceive the same word might vary dramatically. In their studies on disparities in life in international marketplaces, Douglas and Urban (Douglas & Urban, 1977) shown that the concept of innovation is seen significantly differently among American, English, and French women. As a result, while English and American women regard innovation as a willingness to try new things, the Frenchinterpret it as the purchase of new products by linking it to fashion. As a result, it is demonstrated that various receivers can interpret the same signals in different ways.

Signaling theory is important and relevant to this study since it addresses matters pertaining to signals. Signaling theory is pertinent to this topic on how to gain, maintain, and protect business reputation. Several research used to signal theory to look at how reputation develops and how reputation as a signal helps defend a strategic location in competition (Achugamonu&Taiwo 2017)

2.3 Empirical review

Experimental work is the focus of an empirical literature review (such as scientific experiments, surveys and research studies). They are studies based on research and experimentation rather than methodical logic.

Product Innovation and corporate reputation management

Product innovation characteristics such as in case of technological items, better products, and higher quality products, efficacy and efficiency were proven to have a significant andpositive impact on corporate performance (Alegre, et al., 2016).

Furthermore, (Erickson & Jacobs, 2018), product innovation in organizations has a favorable and significant effect on organizational image. Alegre et al., (2017) researched on product innovation performance in firms and found the same results. Walker (2018) conducted comparative study on the impact of product plus processinnovations/creativity on business results According to the findings, specific product enhancement is favorably related with company growth. As a result of product developments, firms will be able to expand their brands or products in the market, giving them a competitive advantage.

Savings and product innovations are the most important innovations in microfinance organizations, according to an empirical study (Kojo, 2013). However, it should behighlighted that the MFI market in the country's northern region remains mostly untapped. As a result, it's easy that MFIs around the region develop their own products of micro MFIS, as well as other loans and utility products. products, to fulfill the expanding underprivileged and disenfranchised people who can't afford the institutes' present packages.

A research by Dacin, (2017) on the influence of a company's reputation for product innovation on consumers found positive results. It is argued that consumer commitment levels mediate the relationship between the customer perceived and the outcomes of consumers. A high customer perceived, as evaluated by the participation construct, leads to enhanced enthusiasm for and loyalty to the innovative firm, according to empirical results. Favorable outcomes identified in the research include tolerance for infrequent product failures and a more positive overall business image. A supposedly high RPI does not, in fact, indicate a high RPI contrary to popular belief, lead to a consumer willingnessto pay higher prices.

Analysis by Belder, (2019) attempts to determine what the strength of a corporate brandshapes the adoption of an innovative service, as well as the essential characteristics of theconstruct: corporate brand (CB). The marketing mix and competitive climate for a new service from three separate CBs were held constant in a real-world, online information acceleration test. Respondents were asked about their likelihood of purchasing from each of these companies, as well as their impressions of them. According to the findings, there is a link between CB strength and respondents' likelihood of adopting the service. TheCB construct was discovered to have two components: conative and cognitive, with the former having a greater impact on adoption likelihood.

Process innovation and corporate reputation management

As per a study by Lopez-Mielgo et al., (2019) processing innovating has a positivity impact on organizational reputation managing Process innovating, in addition to improving speed and quality, results in flexibility and cost efficiency, according to the study. However, according to a study of German companies, not all process changesresult in cost savings. The report went on to say that when a company's process innovation results in cost savings, it allows them to sell their products at a competitive price. Process improvements, on the other hand, have been shown to increase overall customer satisfaction and firm market share (Wang & Wei, 2015).

Furthermore, (Mabrouk & Mamoghli, 2014) stated that even if process innovation and new technology are maintained, innovative results will be achieved. Businesses would continue to make large profits. However, if inventions become more extensively acceptedand employed by competitors, profitability may suffer. Moreover, Commercial banks in Ghana benefit from process innovation and internet banking, which results in increased revenue, decreased operational costs, and higher profitability. In Kenya, researchers looked into the relationship between process innovation and commercial bank reputation (Kariuki, 2013). The study's purpose was to find out how process innovation affected bank profitability. This study used a causal research design. Kenya's commercial banks were all targeted. Commercial banks had used a variety of financial challenging projects, including process innovation, according to the data. Process innovation in addition,measures were found to have a favorable influence on performance.

The research (Singh & Sharma, 2016) looked at the Global Pulse Initiative of the Reputation Institute published current strategic communications from firms in 2008. (Five organizations were scored highly on innovation, but five were rated lower on international popularity.) The findings point to common themes, stylistic choices, and speech patterns that have been utilized to construct organizations' identities, create positive stakeholder perceptions, and establish a "innovation" reputation.

A research study by Mattera & Baena, (2015) looked at how process innovation affects the value added of a company. Firms with such a global presence, on the other side, have a large number of international stakeholders, indicating that their intangible assets are in good shape. Firms profit from stakeholders and contribute to social welfare when they honor the social contract, providing a win–win situation.

The study by Padgett and Moura-Leite, (2014) looked at the impact of R&D intensity on a company's reputation, as well as how this effect can be mitigated when process innovation has a societal benefit. In this study, as theoretical frameworks, resource-based view theory and institutional theory were used. Our models were estimated using the panel data technique in this investigation for the empirical analysis; The sample included 257 US businesses and spanned four years, from 2004 to 2007. Because R&D activities can produce innovations that have no social benefit and are thus not perceived by stakeholders, the results of this study demonstrate that R&D combined with controlled doses of high-social-benefit process innovation has a greater positive impact on corporate reputation than R&D alone.

Glawe and Wagner (2016) conducted an empirical study on the link between high-social-benefit innovation and corporate social performance. The author explains how businesses might engage in private-benefit innovation, such as enhanced products, to gain competitive advantage. These inventions can also have social advantages, such as pollution reduction through processing improvements. The author proposes that innovation should be balanced, with enterprises intangibly capital incentivized to create because they will earn higher rents while also contributing to society. A high-social-benefit invention, accordingto Wagner, is one that has a direct positive social impact, such as reducing environmental externalities/controls or providing items or services to the economically disadvantaged.

Market innovation and corporate reputation management

Further than a halo effect: the relative impact of business reputation on customer choice (Paul, et al. 2018) revealed that marketing managers should pay greater attention to corporate reputation in order to boost preferences for their products. The broad halo effect, which contends that corporate reputation management strategies can affect consumer product preferences while also enhancing the functionality of a company's product, is supported by the data in this study. In a study on market innovation (Helm, 2018) Customers' possible negative reactions to a price increase are mitigated by a positive corporate reputation, according tothe study. This implies that organizations with a better reputation can charge higher prices. While those with a lesser reputation will just have to accept a lower price for an equivalent product.

An investigation by Biegas and Steiner-Neto, (2015) on the clothing industries, found the positive relationship of marketing innovation with both reputation (image), and with the market performance (keep and attract customers). A study by Sashittal and Jassawalla, (2016) showed that the adoption and implementing of fresh marketing methods are inherent in the process of marketing strategy, always aimingthe attracting and keeping customers while also building a positive reputation. A study looked into how different sorts of innovation affected business performance. (Gunday,et al., 2017) discovered a link between marketing innovation capability and higher firm image, and validated a framework to assess the execution of promotional innovation in the context of strategic innovation Brazilian Clothing Industries' Marketing Innovation Capacity but also Firm Performance, according to an innovation study (Biégas, 2018), Market performance determines financial performance, which forecasts marketing innovation capacity. As a result, in order to get financial gains from It is critical to keep track of the components that make up market performance when marketing innovation capability.

Using a comprehensive methodology, the study (Smith, & Wang', 2017) intended to empirically examine the relationship and discover whether enterprises with a positive brand image, that is, those with a positive reputation, benefit economically. These companies are linked to a considerable market-value premium, stronger financial performance, and a reduced cost of capital, according to the findings. Given these findings, marketing executives would be wise to work hard to establish and maintain a positive brand image.

Technological improvement reputation is linked to innovative performance (citation intensity)., according to empirical findings (Höflinger, et al., 2018). Surprisingly, our findings show that marketing intensity does indeed have a negative impact on a company's technical innovation reputation the findings lead us to the conclusion that Inventiveness is linked to a reputation for technological innovation. Actual technology innovation captures customer attention That is something that larger marketing budgets cannot buy. This means that, despite the fact that R&D is expensive and uncertain, consumers reward companies that are constantly offering new products and services. As atheoretical conclusion, including intangible inputs in reputation research makes a substantial contribution to a comprehensive understanding. The findings give crucial strategic information for the development and marketing of new products and services. Units, which must coordinate their actions and investments.

Resource innovation and corporate reputation management

Berry (2016) conducted research on the impact of resource innovation methods on commercial banks' competitive advantage in Kenya. According to the findings of the study, resource innovations help managers to better understand how to use resources in order to maximize earnings, revenue generation, and the number of consumers that come to make deposits. According to the study, a necessary prerequisite for an invention's longevity is for the organizations that directly determine whether the innovation is employed or not to deem it important, and if the innovation is to survive, the firm must create new service innovations to make additional profits.

According to a study (Hermelo & Vassolo, 2017) on the factors of business growth in Ethiopia, technology, diversification, and productivity all contribute to increased corporate growth. Walker (2018) did a comparative study to see how asset innovations affect company performance. According to the findings, specific product improvements are favorably associated with company growth. As a result of product developments, firms will be able to expand their brands or products in the market, giving them a competitive advantage.

Deposits and resource innovations are the most important innovations in microfinance institutions, according to an empirical study (Kojo, 2013). However, it should be highlighted that the MFI market in the country's northern region remains mostly untapped. As a result, MFIs in the region are said to produce unique micro MFIS products. as well as various loan and service products to meet the growing needs of the poor and disadvantaged who are unable to afford the institutions' current offerings.

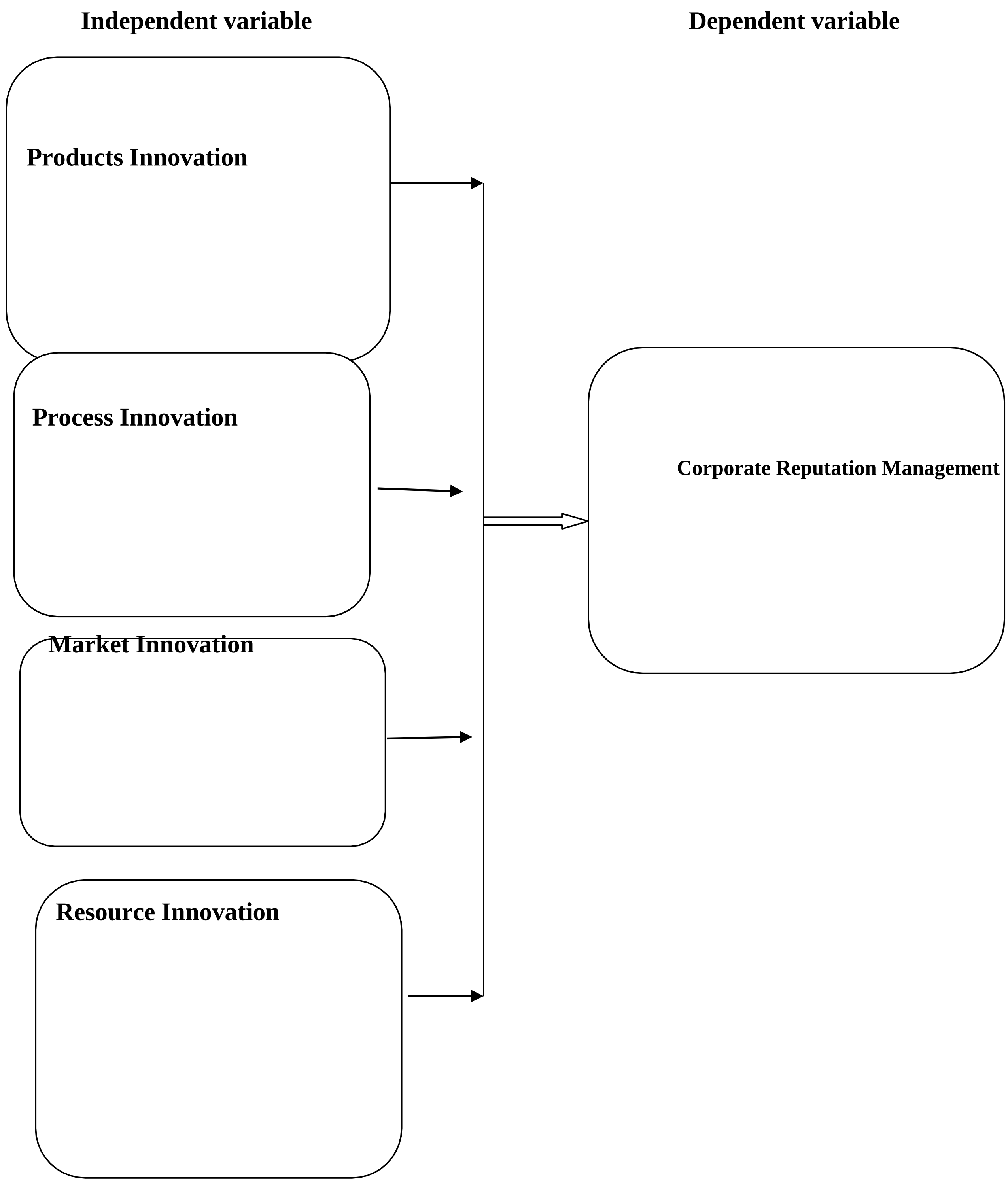
A good Potential negative reactions to a price rise are tempered by a company's reputation, according to a study on innovation (Helm, 2018). This means that companies with a better reputation can charge higher prices, while those with a poor reputation must accept a lower price for an equivalent product. Wang and Wei (2015) examined a range of approaches to the corporate reputation construct in order to come up with a comprehensive definition that can be measured and to fill in the gaps identified by previous research The authors looked at research on the link between corporate reputation and organizational performance, as well as national and global rankings of corporate reputation. The authors developed a more concise framework for the reputation construct as well as measurement methods. such as: internal, supplier, client, and financial market judgments; periodic evaluations from various Along with many other things, pay attention to organizational perspectives and theoretical assumptions.

The goal of the study Barney, et al. (2011) is to identify the antecedents of businessmodel innovation and compare the effects of corporate reputation and different organizational capabilities on business model development. The research is based on the digital disruption phenomenon, in which established businesses are disrupted by new entrants with a new business plan that takes advantage of digital capabilities. The study focuses on incumbent companies' information, communication, and technology (ICT) in generating business model innovations as the second curve in business sustainability.

The ICT sector is critical to the development of other industries and has a substantial impact on economic growth, which is now reliant on emerging countries like Indonesia. The Indonesian ICT market is distinct in that it is fast evolving, yet infrastructure lags behind and the market is very competitive. This creates disconnect between innovation opportunities and digital infrastructure development. In terms of incumbent firms, hedging from ICT investment in infrastructure and competition from new entrants with their new business model and market Incumbent firms still have the advantage of corporate reputation and must create distinctive capability. However, research into generating dynamic capabilities for market incumbents with an emphasis on corporate reputation is still in its early stages. The present study is based on an empirical sample of 35 Indonesian ICT professionals.

2.4. Conceptual framework
Figure 2.1:

Conceptual framework



2.5. Operationalization

Variables	Dimensions	Measurement/Indicators	Data Instrument	Analysis Method
Independent:- Strategic innovation	• Product innovation	• Continuous flow of new products • Improved products • New product ratio • Improvement in technological specifications. • Sales amount ratio for new products. • Sales revenue ratio for new products. • Margin ratio for ne/ products.	Questionnaire	Descriptive and inferential statistics
	• Process innovation	• Decrease in unit cost of production • Increase/improvement on product quality. • Increase/improvement on product delivery quality.		
	• Market innovation	• Significant product design changes. • Product packaging quality • Product placement changes. • Important product promotion. • Sustainable product pricing.	Questionnaire	Descriptive and Inferential statistics

	• Resource innovation	• Resource substitutability • Resource availability • Value ability of resources. • Resource rareness. • Resource substitutability • Resource availability • Value ability of resources. • Resource rareness.	Questionnaire	Descriptive and Inferential statistics
Dependent:- Corporate innovation management	• Corporate reputation management	✓ Financial soundness ✓ Values along-term investment ✓ Wise utilization of corporate assets ✓ Innovativeness fresh of products and services, ✓ Quality of management. ✓ Global competitiveness.	Questionnaire	Descriptive and Inferential statistics

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

The processes and strategies utilized to perform the study are discussed in this chapter. It explained the research methodology, study design, study location, targeted population, and sample selection strategy for the study. The research instruments utilized in the study were also discussed in the chapter, including their validity and reliability, how they were administered for information/data collection, and how the gathered data were structured and evaluated. The chapter finalized with discussion of the study's moral questions to consider.

3.2 Research Design

The study design serves as the framework for a researcher's methodology and approaches (Baker & Hart, 2008). Researchers can focus on research techniques that are pertinent to the subject matter and set up their studies for success because of the architecture. Any study that is well-designed is more likely to be successful. Successful research projects produce reliable, unbiased data. The researchers must provide a survey that satisfies each essential criteria of the design. This study used descriptive research survey design. It has four distinguishing characteristics: Neutrality: When planning a study, a researcher They might need to guess about the information they hope to gather. The study's conclusions ought to be neutral and impartial. Consider those who concur with the findings and obtain a variety of perspectives on the final scores and conclusions. When conducting research on a regular basis, the researcher wants consistent results. The study design should include instructions on how to create research questions to guarantee the effectiveness of the outcomes. If the design is dependable, the researcher got the desired findings.

Validity:

On the market, there are a plethora of instruments for measuring. Reliable measurement techniques are those that enable a researcher to evaluate results in line with the study's goals. The survey that comes out of this design will be reliable. Generalizability: The results of a study should be generalizable to the entire population, not simply a select few people. With a generic design, your survey can be carried out with the same level of accuracy on any population subgroup.

An efficient design must take into account each one since the general public affects how respondents answer research questions. A researcher must have a good awareness of the numerous forms of research design in order to choose which model to utilize for a study. Like research itself, any project can be separated into quantitative and qualitative categories.

To determine if there are any relationships between the data and observations gathered, quantitative calculations are employed in qualitative research. Statistical techniques can be applied to confirm or deny claims of natural occurrences. In order to determine "why" a theory exists and "what" respondents have to say about it, researchers employ qualitative research approaches.

Quantitative

Quantitative research is employed when statistics are needed to gather useful knowledge. You can use numbers to help you comprehend a situation better when making important business decisions. Methods of quantitative research are essential for the success of any organization. When it comes to making business decisions, insights gained from actual numerical data and analysis have shown to be of enormous value.

The various types of study designs are further subdivided into five groups:

A researcher utilizing a descriptive research design is simply interested in discussing the circumstance or topic under discussion. It is a process for gathering, interpreting, and presenting data that is based on theory. This can be used by a researcher to describe their methodology and motivations. Others will be able to understand the needs of the research due to the descriptive design. If the problem statement is unclear, exploratory research can be conducted.

The hypothesis testing proves a connection between a condition's cause and effect. Because it uses a causal design, the independent variable has an impact on the dependent variable. Investigating the effects of an independent variable like pricing on a dependent variable like client happiness or brand loyalty, for instance, It is a highly helpful research technique since it helps to solve a problem. The independent variables are altered in order to monitor the impact on the dependent variable. The comparison of two groups and the study of human behavior are frequently done in the social sciences. In order to better understand social psychology, researchers may ask participants to modify their behavior while keeping an eye on how those around them respond.

Researchers can use correlational research, a sort of non-experimental study, to determine whether two variables that are closely associated are connected. Two parties must participate in this kind of research. No assumptions are made and statistical analytic techniques are used to calculate the relationship when two variables are being studied. The relationship between two variables is determined by a correlation coefficient, which ranges from negative 1 to positive 1. Design of diagnostic research: The goal of a diagnostic design is to identify the underlying cause of a problem or occurrence. The independent correlation coefficient of -1 shows a negative link, whereas a correlation value of +1 suggests a positive relationship. This approach helps in better understanding the elements that contribute to an unsettling atmosphere. The study is divided into three parts: the problem's cause, the problem's diagnosis, and the problem's resolution.

Explanatory research design: By including their thoughts and viewpoints on a subject, researchers can use the technique of "explanatory design" to further their theories. The study clarifies the what, how, and why of research issues in addition to previously undiscovered facets of a subject.

The strategy for gathering, measuring, and analyzing data is known as the study design. It's the overarching strategy that ensures you'll correctly address the research question by connecting the different elements of the study in a manner that is logical and consistent. This study used a descriptive survey research methodology.

This survey design is a mix of several techniques to putting the strategic strategy into action. When the research goal is to determine the relationship between two variables, a descriptive research design is usually appropriate (Baker & Hart, 2008).

Thus according Monari (2016), descriptive research design is appropriate not just when the purpose of the researcher is to create a link between the variables, but also when the goal is to accurately express final results. Thus according to Monari (2016), descriptive research design is appropriate not just when the purpose of the researcher is to create a link between things, but also when the goal is to accurately express final results. According to Saunders, Lewis, and Thorn hill (2012), descriptive research is frequently used as a follow-up to exploratory research, which aims to clarify and investigate a concept, event, or poorly understood phenomenon, or to provide hypotheses for further investigation.

This design is the most appropriate method since it entails gathering opinions on the influence of strategic innovation on the corporate reputation of Microfinance Institutions (MFIs) in Kenya. The adopting of a descriptive survey design aided in the discovery of interrelationships between the variables under investigation. Furthermore, surveyresearch is utilized to acquire a significant amount of information that can be extrapolatedto a whole community, necessitating this step. Because it provides decisive results between two variables, this design was ideal (independent and dependent). Strategic innovation is the independent variable in this scenario, whereas company reputation is thedependent variable.

3.3 Targeted Population

The total number of people in a study is referred to as the population. Mugenda (2008) defines a population as a group of individuals, objects, pieces, cases, articles, or things that share common characteristics or features. The term "population" in research refers to the group of elements in which a research problem arises. In this situation, the researcher considers people of concern to be the entire count of the sample frames. The target demographic for the study was the key top management level, which included 45 respondents across Machakos County's 15 regulated microfinance institutions. The choice of these institutions is due to their strategic importance in the economic development of the Machakos County. Improved and effective corporate reputation management in these institutions will be vital to the economy of the county. The choice ofthese institutions is also informed by nature of their proximity, accessibility and their vantagepositions that make it easy for the researcher to access the subject matter objectively during the research process.

3.4 Samples/Sampling Procedure

With research, the list of the population of interest which is referred to as sampling frameneeds to be identified and appropriately listed. The list might be collected from a source or created by the researcher, according to Mugenda (2008). The list of the population or sample frame is where the sample is drawn. In this research study Simple Random sampling techniques was used. These were; Branch managers, Team leaders and operations officers who are in a better position to answer cooperate reputation matters. Given the limited number of micro financial institutions in Machakos County, the researcher conducted a population census. The requirements of the Banking

Act, as well as the Regulations and Prudential Guidelines contained within, have authorized and supervised these MFIs to function.

Table 3.1

Sampling frame

Respondents	**Target population**	**Sample size**
Branch managers	15	15
Team leaders	15	15
operations officers	15	15
Total	**45**	**45**

Sampling Technique

The process of picking samples from a population is known as sampling technique(Kothari, 2011). It's all about obtaining a subset of the population with representative qualities. According to Singh and Masuku (2014), samples are chosen in order to save time and money when collecting data. Errors and biases are common in study samples. Errors are differences in estimations, whereas biases are the use of incorrect processes.

According to Kothari (2011), errors and biases are caused by insufficient sampling, faulty measurement instruments (questionnaire or interviewer), the lack of respondents, and intrinsic biases such as a respondent's desire to impress or depressing responses. The Branch Managers, the team leaders and operations officers were censured because of the small and manageable number each branch has, (3 in each case).

3.5 Research data/information collection instructions

The procedure of gathering data begun with receiving an invitation letter from Kenya Methodist University to perform the research, with this document, the researcher was allowed to apply to the National Commission for Science, Technology, and Innovation for official permission to collect data in the field which was dully received.

Data collection is a technique for gathering and examining particular information in order to respond to relevant queries and assess the results. It focuses on discovering all there is to know about a given topic (Kothari, 2011). A strategy for seeking to understand a phenomenon, hypothesis testing, is used after data has been acquired. Hypothesis testing aids in the removal of assumptions when building a logic-based proposal.

Information is gathered by data collectors for a variety of purposes. On the other hand, a researcher's ability to make predictions about future probability and patterns is the main purpose of data collecting. Primary and secondary data are the two categories of information that can be gathered.

While the second is gathered by someone who is not the user, the first is gathered by a researcher using firsthand sources. Information is gathered by data collectors for a variety of purposes. On the other hand, a researcher's ability to make predictions about future probability and patterns is the main purpose of data collecting. Primary and secondary data are the two categories of information that can be gathered. While the second is gathered by someone who is not the user, the first is gathered by a researcher using firsthand sources. While the second is gathered by someone who is not the user, the first is gathered by a researcher using firsthand sources. Information is gathered by data collectors for a variety of purposes. On the other hand, a researcher's ability to make predictions about future probability and patterns is the main purpose of data collecting.

Collection Data type

Prior to actually diving into the various types of data collection, the researcher should be aware that there are two types of data collection: primary data collection and secondary data collection.

Primary Information/Data Collection.

Primary data collection is, by definition, the collecting of unprocessed data at the source. It is the process a researcher does to gather unique data for a particular research endeavor. The two types of data collection techniques are qualitative research and quantitative data collection methods.

Qualitative Research Method

Data collection for qualitative research does not require numerical or mathematically calculated data; rather, it is based on non-quantifiable elements like the researcher's emotions or experience. An excellent illustration is an open-ended survey. Non-quantifiable elements like the researcher's emotions or experience.

Methodology Quantitative

Quantitative methods are presented in the form of numbers that must be calculated using math. To arrive at mathematically calculable numbers, a questionnaire with closed-ended questions, for example, could be used. The mean, mode, and median, as well as correlation and regression methods are all included.

Collecting secondary data

Secondary data collection occurs when information is gathered from an origin other than the user. Data from previously published books, magazines, and/or websites are compiled in this process. It is far less expensive and less difficult to collect in terms of convenience.

Depending on the goals and objectives of your study, its type, breadth, and subject, you may choose to collect primary or secondary data. When information is obtained from a source other than the original user, this is known as secondary data gathering. Data from previously published books, magazines, and/or websites are compiled in this process. It is far less expensive and less difficult to collect in terms of convenience.

The significance of data collection

Data collection can be motivated by a variety of factors, especially for a researcher.Research Objectivity. The preservation of the research topic's integrity is one of the most important reasons forcollecting data, whether quantitative or qualitative. Reduce your chances of making a mistake. The likelihood of inaccurate results is decreased when proper data collection techniques are applied correctly.

Making a Choice

Collecting trustworthy data is essential so that the researcher doesn't make snap judgments, which lowers the possibility of error.

You can time and money by doing this.

The researcher saves time and money by gathering data that would otherwise be wasted without a deeper comprehension of the topic. to support the need for a fresh perspective, a transformation, or innovation. It is crucial to gather statistics to back up claims that a change in the status quo or the introduction of broadly accepted new knowledge is necessary.

Tool for Data Collection

It is possible to utilize a paper questionnaire or a computer-assisted interviewing system as examples of data collection tools. Case studies, checklists, interviews, and, on rare instances, observation are used to gather data in addition to surveys and questionnaires.

The selection of data collection instruments is important since research is carried out in a number of methods and for a range of goals. In order to support the need for a new point of view, change, or innovation, data collection tries to acquire high-quality evidence that can be examined to create compelling and trustworthy responses to questions.

It is crucial to gather statistics to back up claims that a change in the status quo or the introduction of broadly accepted new knowledge is necessary. Questions posed.

Questionnaires

On the other hand, there is a risk of dishonest answers or respondents losing interest inthe middle of a survey, questionnaires' inability to produce qualitative data, questions being left unanswered, respondents having a hidden agenda, and finally, not all questions can be easily analyzed.

The study used questionnaires for data collection. Questionnaires, according to Orodho (2009), are especially beneficial when the study population is big. They also have the advantage of being able to be used without the researcher present, and they deliver an even stimulation to large groups of people at the same time, making data collection very simple for the investigator (Saleemi, 2011). Interview schedules, on the other hand, are the best tools for conducting research since they allow the researcher to obtain information without omissions or distortions of facts (Orodho, 2009). When the study sample is large, however, conducting interviews becomes difficult and expensive, necessitating the use of other approaches such as questionnaires and focused groupdiscussion. The researcher employed questionnaires to obtain data for this investigation. The questionnaires were distributed using the ‗drop-and-pick approach, in which the researcher leaves the surveys with the respondents and picks them up later and then collected them after one week.

Utilizing data collection questionnaires helps researchers to obtain detailed data for their own research and provide information which would had not been accessible. Otheradvantages of questionnaires include: creating qualitative data by employing open-ended

questions, reflecting a larger population, connecting out to a big number of respondents, allowing comparisons, and so on generating structured analytical data and ensuringconfidentiality and anonymity (Mugenda & Mugenda, 2008).

3.6 Piloting of Research Instruments

In order to gauge the suitability, the study's research instruments' validity and dependability, piloting was conducted on the nine (9) respondents, with three (3) managers from each institution. Instruments for this study were piloted in the neighboring county Makueni from where the main study was not to be conducted so as to verify the validation plus reliability of the data. This is because Makueni County is bordering Machakos and both share the input/output of the MFI

3.7 Validating the Instruments

Validity refer to the degree to which the data analysis outcome essentially encapsulates the uniqueness being investigated (Mutai, 2013). The content validity of an instrument should demonstrate that the items are relevant and thorough in relation to the measurement concepts it is supposed to measure. The device's content validity was determined by discussing the items in the questionnaire with supervisors who werespecialists in the field of marketing management and examined the questionnaire's structure, suitability of the questions in light of the objectives, and measurement scales. This is done to ensure that the instrument is evaluating what it is supposed to be measuring.

3.8 Reliability of the Instruments

When a method is performed under the same conditions, reliability refers to how wellit gives the same results to the researcher (Sandin, & Simolin, 2006). Wiersma

(2014) defines dependability On the other hand, because of the consistency of the research and the extent to which respondents are studies can be reproduced. If a method is unreliable, it is also invalid, but high reliability does not always imply high validity, as it is possible to utilize a methodthat consistently produces the same findings on multiple occasions without actually measuring what it was designed to measure (Yin, 2006). The Cronbach Alpha Coefficient is the most widely utilized internal consistency indicator and is widely regarded as the most appropriate reliability metric. Because there are no rules for internal consistency, many people agree on 0.70 as the lowest allowable coefficient (Wiersma, 2014). The same criteria were used in this investigation.

3.9 Data Collect Procedures

A letter of introduction from the department was requested by the researcher, which was then used to request to the National Council for Science Technology and Innovation fora research permit (NACOSTI). After that, the researcher went to the Machakos County Commissioner's Office for additional certification and head to the respective divisions. The researcher informed the divisional officers about his intention to conduct the study intheir areas of jurisdiction, and deposit copies of the research permit at each point. He thenproceeded to the field to peruse the necessary data.

3.10 The data Analysis

On the other hand, there is a chance of dishonest respondents or answers. The Statistical Package for Social Sciences (SPSS) was utilized for the data analysis. the facts (SPSS version25).In order to evaluate the data, descriptive analysis measures such as frequency, percentage, mean, and standard deviation were used. The effects of the independent variables on product innovation, process innovation, market innovation, and corporate reputation management in Machakos County MFIs were investigated using regression analysis (the dependent variable). This method was used to determine the goodness of fit of the model under consideration using R2 analysis. The shape of the mathematical model that defines the link between the dependent variable and independent variables was determined using multiple linear regression analysis.

3.11. Regression model

Multiple regressions were used to determine the impact of strategic innovation on MFI's corporate reputation in Machakos County. The regression model follows:

$Y= \alpha+\beta_1X_{1+}+\beta_2X_2+\beta_3X_3+\beta_4X_4+\varepsilon$Where:

Y = is the dependent variable which is corporate=reputation.α = Constant term

β_1,β_2,$\beta_3$andβ_4, are the coefficients of the predictor variable and

X_1=Product innovating

X_2= Processing innovation

X_3= Marketing innovation

X4= Resourcing innovation,

ε = Error term

3.12 Ethical Considerations

Ethical Considerations includes the responsibility of the investigator to handle eachparticipant as an individual capable of making an informed decision with whether or not to engage in the research project. The researcher ensured that the participants were fully informed about the study's nature and goal, as well as the risks, rewards, and alternatives. It was promised that participants will have the opportunity to ask questions or voluntarily Opt out of the study. During the study process, confidentiality or anonymity is a necessity. No photographs or audio recording were taken.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

The reason for the analysis was-to determine the influence of Strategic innovation on corporation reputation management in microfinance institutions (MFI'S) in Machakos County. This area presents the outcomes of the study by emphasizing on descriptive statistics, data analysis, and suggestions from participants based on the study's unique objectives. Using concise and inferential statistics, data on the Strategic innovation on corporate reputation management and results were analyzed.

4.2. Response Rate

Wiersma (2014) calculates the response rate by dividing the number of completed questionnaires by the anticipated number of questionnaires from all qualified respondents; however, there is a chance of dishonest responses or respondents. As a result, 45 surveys were distributed, with 37 being completed and returned. Table 4.1 shows that 82.2 percent of the issued questionnaires were returned, which leads to an overall response rate of 82.2 percent, implying that the researcher received enoughinformation for an informed decision. The response rate of 50 and or more (Mugenda &Mugenda, 2014) is viable for study analysis, reporting and recommendations.

Table 4. 1:

Response rate

Status	Frequency	Frequency
Responded-	37	82.2%
Responded not	08	17.8%
Total	**45**	**100%**

4.3 Instrument for Data Collection Reliability

The Cronbach alpha was used to assess the mean correlation-of items in the survey toolbased on pilot test input to gage their reliability. The alpha values obtained by the Cronbach for variables greater than0.7, However, there is a chance of dishonest responses or respondents, which is acceptable in the social sciences (Hair et al., 2010). Table 4.2 provides an illustration of the results.

Table 4.2:

Reliability Analysis

Construct	Cronnbach's s Alpha	No. of Items	Status
Product's innovation	0836	5	Reliable.
Process innovation	0849	5	Reliable.
Market innovation	0738	5	Reliable.
Resource innovation	0711	5	Reliable.
Corporate reputation management	0847	5	Reliable.

Product innovation received a Cronbach's Alpha of 0.836, Process innovation received a Cronbach's Alpha of0.849, Market innovation received a Cronbach's Alpha of0.738,Resource innovation received a Cronbach's Alpha of0.711, and corporate reputationmanagement received aCronbach's Alpha of0.847, according to Table 4.2. This means that the Alpha of Cronbach's coefficient for all of the variables was greater than0.7, indicating that the research instrument was accurate and correct. Cronbach Alpha values greater than 0.7 are considered appropriate for reliability assessment in a research survey,according to the rule of thumb(Hair et al., 2010).

4.4 Characteristics of the Respondent

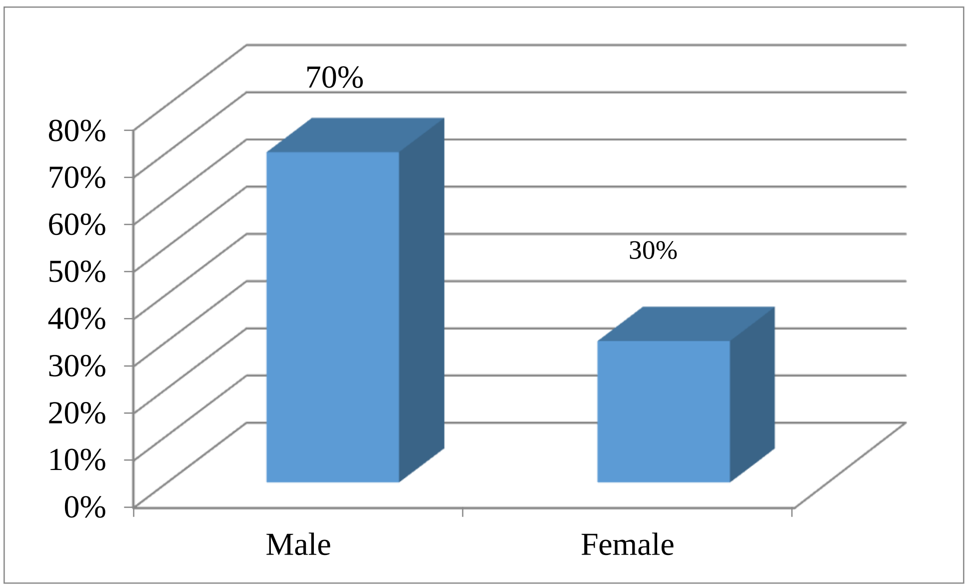
The study's goal was to learn more about the respondents' gender, age, and educational level at the institution. The findings of the respondents' characteristics are shown in the table below.

4.5 Gender of the respondents

The goal of the study was to figure out who filled out the surveys and what gender they were. The findings revealed that 70percent of the respondents were males, whereas30 percent were females, as shown in figure4.1. This indicates that there were more male MFI managers in Machakos County than female MFI managers. However, the fact that 30% of the staff were female indicates that the institutions followed Kenya'sconstitution's one-third gender requirement.

Figure 4. 1:

Characteristics of the respondents

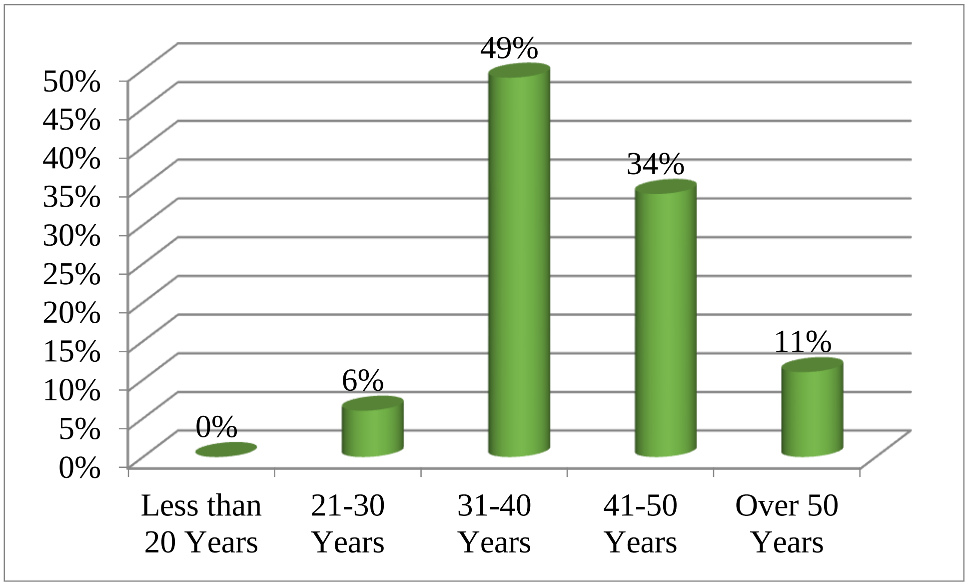


4.6 Bracket age of the respondents

The study tried to assess the respondents' age bracket, and the findings revealed that the majority of the respondents (49%) were between the ages of 31 and 40, as shown in Figure 4.2. This indicates that the workforce in this sector is active and productive, as it isin its prime years and has a few more years to work before retirement.

Figure 4. 2:

Age bracket of the respondents

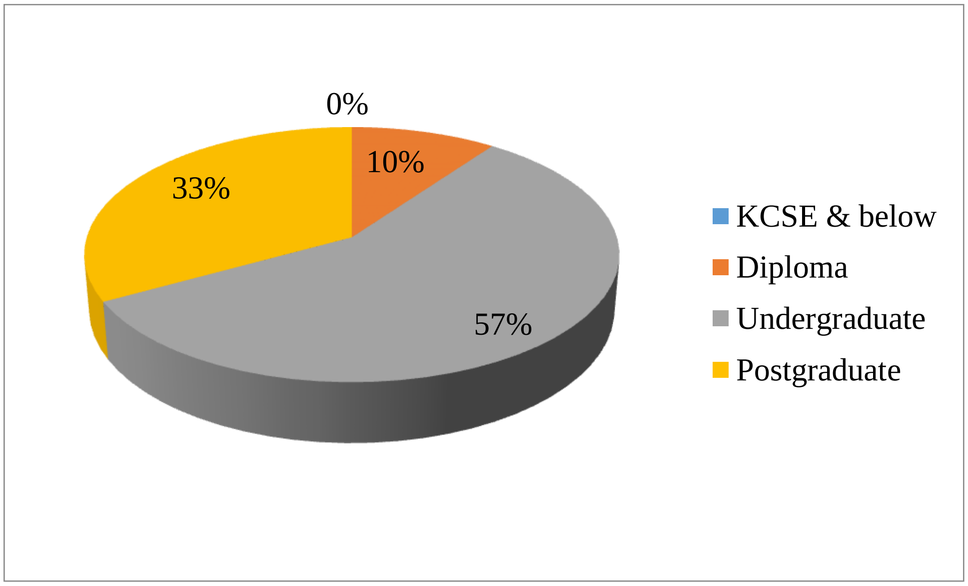


4.7. Highest Level of Education of the respondents

The goal of the study was to determine the respondents' greatest degree of education; the results were surprising indicating that the highest level of education of most respondents was 57% undergraduate. Those with postgraduate accounted for 33%. It is also seen that 10% of respondents are holders of diplomas while none of them were KCSE & below. These results show that most managers in the sector of MFI‘s are well knowledgeable and have a robust understanding of the industry.

Figure 4. 3:

Highest Level of Education of the respondents



4.8 The trend of measures of corporate reputation of MFI'S in Machakos County

The study also aimed to determine the trend of measures of corporate reputation for the MFI'S in Machakos the last five years. As a result of the research, the respondents stated that Resource innovation, Market innovation, Process innovation and Product innovation. The had mean scores of4.43, 4.26, 4.34 and 4.03 respectively. Corporate reputation scored mean in each case is above average mean, evidence that corporate reputation had upward trend. This means that corporate reputation of MFI'S in Machakos is improving and shareholders are getting their appropriate returns and most likely are motivated to invest more. Liquidity was ranked top evidence that banks mangers have managed their finance effectively.

Table 4. 3:

The trend of corporate reputation

Financial performance	Observation	Mean	Rank	Std. Deviation
Resource innovation	37	4.43	1	.778
Market innovation,	37	4.26	2	.780
Process innovation,	37	4.03	3	1.071
Product innovation	37	3.80	4	1.158

source: Researcher, 2021

4.9. Descriptive Statistics on Strategic innovation and corporate reputation management

This research study analyzed the influence of products, process, market and resource innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County. Descriptive statistics of each of these variables (products, process, market and resource) is presented and discussed below.

4.10 Product innovation and corporate reputation management

The study sought to determine the influence of product innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County. Table-

4.3-summarizes respondents' extent of agreement-on how product innovation influences corporate reputation management in microfinance institutions (MFI‘S) in Machakos County. The statement that products and services are some of the primary pillars for corporate reputation management had the highest mean score of 4.4865 and Std dev. 0,5585 while the statement that Product innovation is The export intensity of enterprises has a big impact. had the least mean score of 4.1081 and Std dev. of 0.90627 These findings imply that the innovative products and services in MFI‘s in Machakos County are some of the primary pillars for corporate reputation management since they have streamlined and enhanced corporate reputation management in microfinance institutions (MFI‘S). This finding is in line with that of (Erickson & Jacobs, 2018), who found that product innovations in businesses have a favorable and significant impact on the image ofthe company .Alegre et al, (2017) researched on product innovation performance in firms, they found the same result.

Table 4. 4:

Product innovation and corporate reputation management

Statements		**Mean**	**Std. Dev**
Products and services are some of the primary pillars for corporate reputation management	37	4.4865	.55885
Managers should look for strategies to improve public impressions of their company. products of an organization.	37	4.4324	.64724
Continues innovation helps a company to be a product innovation leader	37	4.3784	.72078
Product innovation The export intensity of enterprises has a big impact.	37	4.1081	.90627
Extent of product Export promotes growth and innovation.	37	4.1892	.77595

4.11 Process innovation and corporate reputation management

The study also tried to establish the role of process in the outcome, innovation on corporate reputation management in microfinance institutions (MFI‘S) in Machakos County. Table 4.4 summarizes-respondents' extent of agreement-on how process

Innovation influences corporate reputation management in microfinance institutions (MFI'S) in Machakos County. The statement that Innovation process enables a firm to transform its products individually had the highest mean score of4.1622 and Std Dev. of0.63378 while the statement-that Impact of investments in machinery is felt when businesses choose to mix product and process innovation had the lowest mean score of 3.9730 and Std dev. of 0.92756. These findings imply that the effective implementation of innovation process can enable a firm to transform its products individually and reflect on its corporate image. (Mabrouk & Mamoghli, 2014) agree, stating that if process innovation and new technologies are maintained, innovative organizations will continueto make considerable profits.

Table 4. 5:

Process innovation and corporate reputation management

Statements		Mean	Std. Dev
Innovation process enables a firm to transform its products Individually	37	4.1622	.63378
Machine investments have a big impact on processing innovation.	37	4.1351	.75138
Process innovation is the introduction of new machinery that incorporates new knowledge and technology.	37	4.0541	.70498
When companies opt to mix product and process innovation, the impact of machinery investments is felt.	37	3.9730	.92756
The introduction of a considerably better production method is known as process innovation.	37	4.0811	.86212

4.12 Market innovation and corporate reputation management

The researchers also wanted to know how much of an impact they had of Marketinnovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County. Table 4.5-summarizes respondents' extent of agreement-on how

Market innovation influences corporate reputation management in microfinance institutions (MFI‘S) in Machakos County. The statement that Innovation of a marketgives a products of the company a new market position with the goal of increasing sales revenue had the highest mean score of 4.5135 and Std dev. 0.65071 and that the statement that the statement that marketing innovation activities needs the development and implementation of new marketing methods had the lowest mean score of 3.9730, Std dev. 0.76327. These findings imply that the idea of innovation especially a market puts firms ‘products in a new position in the market for the purpose of increasing sales in come sand this has been found to can influence corporate reputation management in microfinance institutions (MFI‘S). This sentiment is consistent with that of a study on market innovation (Helm, 2018) where On the other side, there is a chance that responses or answers won't be truthful. It was shown that maintaining a positive corporate reputation will help to temper customers' potential negative reactions to a price increase. This means that companies with a better reputation will be able to charge higher pricing, while those with a lesser reputation will have to accept a lower price for an equivalent product.

Table 4. 6:

Market innovation and corporate reputation management

Statements		Mean	Std. Dev
Market innovation target is to better meet customer‘ needs	37	4.4054	.68554
Market innovation facilitates opening up of new markets	37	4.3514	.63317
Market innovation is the process of giving a company’s products Anew position in the market with the goal of increasing sales revenue.	37	4.5135	.65071
Objective of market innovation is to increase sales income	37	4.0541	.91122
Marketing innovation activities includes the development and implementation of new marketing methods	37	3.9730	.76327

4.13 Resource innovation and corporate reputation-management

In addition, the study further sought to determine the influence of Resource innovation oncorporate reputation management in microfinance institutions (MFI'S) in Machakos County. Table 4.6 summarizes respondents' extent of agreement on how Resource innovation influences corporate reputation management in microfinance institutions (MFI'S) in Machakos County. The statement that A firm reputation-is valuable asset because it allows the firm to attract superior human resources had the highest mean score of 4.2162, Std dev. 0.78652 while the statement that Employee expertise can generate competitive advantage for firms had the lowest mean score of 3.9730, Std dev. 1.04047. These outcomes infer that the coming up with a concept of market innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County can influence corporate reputation management in microfinance institutions (MFI'S). This perspective is shared by Berry (2016), who conducted research on the effects of resource innovation methods on commercial/business banks' competitive advantage in Kenya. According to the findings of the study, resource innovations help managers to better understand how to use resources in order to maximize earnings, revenue generation, and the number of consumers that come to make deposits.

Table 4. 7:

Market innovation and corporate reputation management

Statements		Mean	Std. Dev
Because it boosts a company's profitability, social corporate responsibility is regarded as a valuable resource.	37	4.1622	.72700
Strategic assets are usually intangible and difficult to obtain by competitors.	37	4.1087	.80711
Many intangible assets can help a company innovate strategically.	37	4.1351	.91779
Employee knowledge can help businesses gain a competitive advantage.	37	3.9730	1.04047
A company's reputation is an important asset since it allows it to attract top talent.	37	4.2162	.78652

4.14 Corporate reputation management

In the end, the study indeed aimed to determine the influence of strategic innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County. Table-4.7-summarizes respondents' extent of agreement on how strategic innovation influences corporate reputation management in microfinance institutions (MFI'S) in Machakos County The statement that The statement that reputation is an important means by which corporations can maintain a sustainable competitive advantagereceived the highest average scoreof4.2973, with a standard deviation of0.84541, while the statement that Organizations that are not competitive enough can benefit from a good industry reputation received the lowest average score of3.8108, with a standard deviation of 0.99549.Theseoutcomes infer that the coming up with a concept of market innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County can influence corporate reputation management in microfinance institutions (MFI'S). This viewpoint is shared by Berry (2016), who conducted research on the impact of resourcing innovation methods on business banks' competitive advantage in Kenya. According to the findings of the study, resource innovations help managers to better understand how to use resources in order to maximize earnings, revenue generation, and the number of consumers that come to make deposits.

These results imply that formulation of effective strategic innovation on corporate reputation management in microfinance institutions (MFI‘S) in Machakos County can influence corporate reputation management in microfinance institutions (MFI‘S). This sentiment is consistent with that of (Roberts & Dowling, 2018) that there are evidences ofconsequence of strategic innovation on corporate reputations management.

Table 4. 8:

Strategic innovation and corporate reputation management

Statements		Mean	Std. Dev
The reputation of leadership and management influences the reputation of an organization.	37	4.0000	.94281
A high industry reputation can help organizations that aren't competitive enough.	37	3.8108	.99549
Profitability positively affect reputation of a corporation	37	3.9189	1.03758
There is a link between corporate reputation and access to Capital	37	4.1892	1.02301
Reputation is a crucial tool for businesses to preserve a long-term competitive edge.	37	4.2973	.84541

4.15 Correlations Analysis

The relationship between the dependent variable, Corporate Reputation Management, and the independent variables, Product Innovation, Process Innovation, Market Innovation, and Resource Innovation, was investigated using correlation analysis. The correlation is assumed to be linear, according to Sekaran (2015), with On the other side, a correlation coefficient ranging from 1.0

(perfect negative correlation) to +1.0 (perfect positive correlation) indicates a likelihood of dishonest responses or responders (perfect positive relationship). The correlation coefficient was determined to assess the strength of the association between the dependent and independent variables (Kothari & Gang, 2014). The interaction between the dependent and independent variables, Corporate Reputation Management, and the independent variables, Product Innovation, Process Innovation, Market Innovation, and Resource Innovation, was investigated using correlation analysis.

The correlation is assumed to be linear, according to Sekaran (2015), with On the other side, a correlation coefficient ranging from 1.0 (perfect negative correlation) to +1.0 (perfect positive correlation) indicates a likelihood of dishonest responses or responders (perfect positive relationship). The correlation coefficient was determined to assess the strength of the association between the dependent and independent variables. (Kothari & Gang, 2014). At the 5% level of significance, the findings show that independent variables (Product Innovation, Process Innovation, Market Innovation, and Resource Innovation) have positive significant associations with Corporate Reputation Management (table 4.8). Product innovation and corporate reputation management had a significant positive and highly significant relationship ($r = 0.484$, P 0.05). There was a strong and statistically significant relationship between process innovation and corporate reputation management ($r = 0.674$, P 0.05).

Market innovation and corporate reputation management had a significant positive and highly significant relationship ($r = 0.525$, P 0.05). Resource innovation and corporate reputation management had a significant positive and highly significant relationship ($r = 0.372$, P 0.05). The findings suggest that in Machakos County microfinance institutions, independent variables such as product innovation, process innovation, market innovation, and resource innovation have a significant impact on the dependent variable, corporate reputation management. This finding is in line with Paul, et al. (2018), who discovered that in order to increase product preferences, marketing managers should pay moreattention to corporate reputation.

Table 4. 9:

Correlation Analysis

Variables		**Corporate Reputation Management**
Corporate Reputation Management	Pearson Correlation	1
	Sig.(2-tailed)	
	N	37
Products innovation	Pearson Correlations	.484**
	Sig. (2-tailed)	.002
	N	37
Process Innovation	Pearson Correlation	.674**
	Sig-(2-tailed)	.000
	N	37
Markets Innovation	Pearson Correlation	.525**
	Sig. (2-tailed)	.001
	N	37
Resource Innovation	Pearson Correlation	.372*
	Sig- (2-tailed)	.023
	N	37

4.16 Regression-Analysis

An overall regression analysis was performed on all of the independent variables. (Product, Process, Market, and Resource Innovation) as well as Corporate Reputation Management. On the other side, there is a chance that responses or answers won't be truthful. The regression model's suitability for describing the occurrences under investigation is displayed in Table 4.9. Innovation in resources, markets, processes, and products was shown to be a sufficient explanation for corporate reputation management. The 0.833 coefficient of determination, commonly known as the Squared R, corroborates this. This suggests that 83.3 percent of the variance in the dependent variable, corporate reputation management, can be attributed to Product Innovation, Process Innovation, Market Innovation, and Resource Innovation.

Table 4. 10:

Model Summary

Model	.R	Square	Adjusted Square	Std. Error of the Estimate
1	.913[a]	.833	.812	.24151

Table 4.10 summarizes the results of the overall analysis of variance (ANOVA). According to the findings, the overall model was statistically significant. In addition, the findings suggest that Product Innovation, Process Innovation, Market Innovation, and Resource Innovation are all good predictors of corporate reputation management. An F statistic of 39.903 was used to back this up, as was the observed p value (0.000), which was lower than the typical 0.05 significant level probability. This finding supports a studyby Sashittal and Jassawalla (2016), which found that the adoption and implementation of new marketing methods are inextricably linked to the marketing strategy process, with the goal of attracting and retaining customers as well as establishing a positive reputation.

Table 4. 11:

Analysis of Variances

Model		Sum of Square	df	Mean Square	F	Sig.
1	Regressions	9.310	4	2.327	39.903	.000[b]
	Residua	1.866	32	.058		
	Total-	11.176	36			

4.17 Regression Coefficient

The Regression Coefficients and their Significance are shown in Table4.12.

Table 4. 12:

Multiple Regression of Coefficients

		-Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std Error	Beta	T	Sig.
1	(Constant)	2.151	.284		7.581	.000
	Product Innovating	.395	.075	.501	5.285	.000
	Processing Innovation	.695	.083	.982	8.373	.000
	Marketing Innovation	.609	.116	.715	5.263	.000
	Resourcing Innovation	.356	.073	.360	4.904	.000

The coefficient of Product Innovation is.395, which means that a single unit change in Product Innovation, raises the bar, according to the regression results. Holding all other variables constant, corporate reputation management by.395 units. As a result, Product Innovation was discovered to have a statistically significant impact on corporate reputation management in Machakos County microfinance institutions (MFI's) (= 0.501; t

= 5.285;p0.05).The coefficient of process innovation is .695. This means that a single unit change in Process Innovation, raises corporate reputation management by .695 units holding other factors constant. Therefore, Process Innovation was found to have statistically significant influence on corporate reputations management in microfinance institutions (MFI'S) in Machakos County (β = 0.982; t = 8.373;$p<0.05$).

The coefficient of market innovation is .609. This means that a single unit change in market Innovation, increases-corporate reputation management by .609 units holding other factors constant. Therefore, market Innovation was found to have statistically significant influence on corporate reputation management in microfinance institutions (MFI'S) in Machakos County ($\beta = 0.715$; $t = 5.263$; $p < 0.05$).

The coefficient of resource innovation is .356. On the other side, there is a chance that responses or answers won't be truthful. This suggests that a single unit change in resource innovation results in an increase. corporate reputation management by .356 units holding other factors constant. Therefore, resource Innovation was found to have statistically significant influence on corporate reputation management in microfinance institutions (MFI'S) in Machakos County ($\beta = 0.360$; $t = 4.904$; $p < 0.05$). This finding is in line with that of (Erickson & Jacobs, 2018), who found that product innovations in businesses havea favorable and significant impact on the image of the company. When (Alegre, Lapiedra,& Chiva, 2017) researched product innovation performance in firms, they found the sameresult.

CHAPTER FIVE

SUMMARY CONCLUSIONS RECOMMENDATION

5.1 Introduction

The project's goal was to see how corporate reputation management in Machakos County's microfinance institutions was affected by strategic innovation. The study considered product innovation, process innovation, market innovation, and resource innovation to be independent variables. This chapter provided a summary of the findings,conclusions, and recommendations for future research to fill in the study's gaps, all basedon the study's objectives.

5.2 Summary of Findings

The influence of product innovation on corporate reputation management

The study's main goal was to investigate the impact of product innovation on corporate reputation management in Machakos County's microfinance institutions (MFIs). In terms of describing corporate reputation management, product innovation was considered to be adequate. Product innovation is also an excellent predictor of business reputation management, according to the findings. Product innovation was favorably and strongly connected with corporate reputation management, according to correlation analysis. Product innovation and business reputation management have a favorable and substantial link, according to coefficient regression. This indicates that better product innovation willresult in better business reputation management.

The influence of process innovation on corporate reputation management

The study's second goal was to see how process innovation affected corporate reputation management in microfinance institutions in Machakos County (MFIs). In order to explain corporate reputation management, process innovation was determined to be satisfactory. Process innovation is also an excellent predictor of corporate reputation management, according to the findings. Process innovation was favorably and strongly connected with corporate reputation management, according to correlation analysis. The coefficient regression demonstrated that process innovation and corporate reputation management had a positive and statistically significant link. This indicates that improving process innovation will help to manage corporate reputation.

The influence of market innovation on corporate reputation management

The study's third goal was to look into the impacting factor of market innovation on corporate reputation management in microfinance institutions in Machakos County (MFIs). The satisfactory explanation for corporate reputation management was found to be market innovation. Furthermore, the findings revealed that market innovation is a strong predictor of corporate reputation management. According to correlation studies, market innovation is favorably and strongly related to company reputation management. The coefficient regression analysis demonstrated a positive and substantial association between market innovation and company reputation management. This implies that a strategic emphasis on market innovation will result in corporate reputation management.

The influence of resources innovation on corporate reputation management

The study's fourth and final goal was to see how resource innovation affected corporate reputation management in Machakos County microfinance institutions (MFIs). In describing corporate reputation management, resource innovation was determined to be satisfactory. Furthermore, the findings revealed that resource innovation is a strong predictor of corporate reputation management. Correlation research found that resource innovation was connected with corporate reputation management in a positive and substantial way. Regression of coefficient revealed that there was a positive and substantial association between resource innovation and corporate reputationmanagement. This indicates that appropriately created resource will lead to company reputation management.

5.3 Conclusions

Product innovation. According to the study's findings, product innovation has a favorable and significant *(P<0.05)* influence on company reputation management. Firms' export intensity has a considerable influence on product innovation, and the extent of product export adds to innovation and growth.

Process innovation. The study found that process innovation has positive and significant (P<0.05) influence based on the findings on corporate reputation management. Innovation process enables a firm to transform its products individually.

Market innovation. According to the study's findings, process innovation has a favorable and significant (P<0.05) impact on corporate reputation management. Market innovation gives a firm's products anew place in the market with the purpose of increasing sale earnings; therefore,effective concentration on this notion is critical.

Resource innovation. The study found that resource innovation has a positive and significant (P<0.05)influence on business reputation management as a result of its findings. This lends credence to the argument that a company's reputation is a significant asset since it allows the company to attract exceptional human resources.

5.4 Recommendations

This study found that Innovation of a market gives the firm's products a new market position with the goal of increasing sales income meaning that marketing innovation is a key component. This study therefore recommends to the marketing officers of the MFI‘s to improve on marketing innovation strategies. As a result, keeping track of the factors that influence market performance is necessary in order to derive financial benefits from marketing innovation capacity. As a result, keeping track of the factors that influence market performance is necessary in order to derive financial benefits from marketing innovation capacity. Product innovations help businesses increase the visibility of their brands or products on the market, giving them a competitive advantage. As a result, the marketing officers should ensure that a product innovative approach is implemented, according to the findings of this study. This study finding contributes tothe new knowledge on the extent to which product innovation, market innovation, process innovation and resource innovation influence corporate reputation management.

5.5 Areas for Further Research

The study's goal was to determine the impact of strategic innovation on corporate reputation management in Machakos County's microfinance institutions (MFIs). This called for the analysis of Machakos County, As nothing more than a result, future research could concentrate on additional Kenyan counties to compare findings with those of the current study. The study variables only accounted for 83.3% of the variation on corporate reputation management in microfinance institutions (MFI‘S) in Machakos

County. Other factors other than Product innovation, process innovative, market innovation, and resource innovation are all examples of innovation. Studied should be identified by other researchers for further investigation.

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APPENDICES

APPENDIX I.: Research Permission

To whom it may concern

RE: Permission to conduct research study

My name is John kioko. I am asking for permission to conduct a research study at your organization. I am currently enrolled in the Masters of Business Administration (strategic management option) program at Kenya Methodist University, Mombasa County, and am in the process of writing my Masters' Thesis. The study is entitled

–influence of Strategic innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County

Your assistance will be highly appreciated.

Yours faithfullyJohn kioko

APPENDIX II: QUESTIONNAIRE

Instructions: The aim of this Questionnaire is to collect data on –**Influence of Strategic innovation on corporate reputation management in microfinance institutions(MFI'S) in Machakos County"**. I humbly request you to respondent to every statement. **SECTION A: DEMOGRAPHIC QUESTIONS**

1. **What is your gender**: Male [ ] Female [ ]
2. **What is your age bracket:**

Less than 20[ ],

21-30 [ ],

31-40 [ ],

41-50 [ ]

Over 50[ ]

3. **Highest Level of Education**

KCSE and below [ ],

Diploma [ ], Undergraduate [ ],

Post graduate [ ],

SECTION B: Corporate Reputation Management

4. In a scale of 1-5 rate the extent agreement of the **Influence of Product innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County"**. Where 5-strongly agree, 4-agree, 3unsure, 2-disagree, 1- strongly disagree.

	Corporate Reputation Management	**1**	**2**	**3**	**4**	**5**
i.	The reputation of leadership and management influences the reputation of an organization.					
ii.	Organizations that are not competitive enough can gain from a good industry reputation					
iii.	Profitability positively affect reputation of a corporation					
iv.	There is a link between corporate reputation and access to capital					
v.	Reputation is an important means by which corporations can maintain a sustainable competitive advantage					

SECTION C: Product Innovation

5. In a scale of 1-5 rate the extent agreement of the **Influence of Product innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County"**. Where 5-strongly agree, 4-agree, 3unsure, 2-disagree, 1- strongly disagree.

	Product Innovation	**1**	**2**	**3**	**4**	**5**
i.	Products and services some of primary pillars for corporate reputation management					
ii.	Managers should identify ways to improve perceptions about products of an organization.					
iii.	Continues innovation helps a firm to be a leader in product Innovation					
iv.	Product innovation is strongly influenced by the export intensity of firms					
v.	Extent of product export contributes to innovation and growth					

SECTION D: Process Innovation

6. In a scale of 1-5 rate the extent agreement of the **Influence of Process innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County"**. Where 5-strongly agree, 4-agree, 3unsure, 2-disagree, 1- strongly disagree.

	Process Innovation	**1**	**2**	**3**	**4**	**5**
i.	Innovation process enables a firm to transform its products Individually					
ii.	Process innovations are strongly influenced by machinery Investments					
iii.	Process innovations are equal to the introduction of new machinery embodying new knowledge and technologies.					
iv.	Impact of investments in machinery is felt when firms decide to combine product with process innovation.					
v.	Process innovation is the implementation of a significantly improved production method					

SECTION E: Market Innovation

7. In a scale of 1-5 rate the extent agreement of the **Influence of Market innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County"**. Where 5-strongly agree, 4-agree, 3unsure, 2-disagree, 1- strongly disagree.

	Market Innovation	**1**	**2**	**3**	**4**	**5**
	Market innovation target is to better meet customer' needs					
	Market innovation facilitates opening up of new markets					

	Innovation of a market gives a firm's products a new position in the market with the intention to increase sales incomes.					
	Objective of market innovation is to increase sales income					
	Marketing innovation activities includes the development and implementation of new marketing methods					

SECTION E: Resource Innovation

8. In a scale of 1-5 rate the extent agreement of the **Influence of Resource innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County"**. Where 5-strongly agree, 4-agree, 3unsure, 2-disagree, 1- strongly disagree.

	Resource Innovation	**1**	**2**	**3**	**4**	**5**
	Social corporate responsibility is accepted as valuable resource because it improves profitability of a firm					
	Strategic assets are normally intangible in nature and are not easily acquired by competitors					
	Many intangible assets can produce strategic innovation to a firm					
	Employee expertise can generate competitive advantage for firms					
	A firm‘s reputation is valuable asset because it allows the firm to attract superior human resources					

APPENDIX III: LIST OF MFI (MEMBERS OF AMFI-K)

S/N	MicroFinance Institutions
1	Kenya Women Finance Trust
2	Vision capital ltd
3	Uwezo credt Ltd
4	Juhudi kilimo
5	Letshego
6	Focus capital
7	Granary capital
8	Eclof
9	Musoni microfinance
10	Hand in hand
11	Bimas
12	Premier Kenya
13	Unity Micro investment ltd
14	One Africa capital
15	Platinum Credit

Source AMFI-K (2020)

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **339654**

Date of Issue: **18/July/2022**

RESEARCH LICENSE

This is to Certify that Mr.. JOHN KYALO KIOKO of Kenya Methodist University, has been licensed to conduct research inMachakos on the topic: Influence of Strategic innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County for the period ending : 18/July/2023.

License No: **NACOSTI/P/22/18939**

339654

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY

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TO WHOM IT MAY CONCERN

Reg. No: **BUS-3-7271-2/2015**

Name: **John Kioko**

This is to confirm that the above named person is a bona fide student of this University pursuing a **Master of Business Administration – Strategic Management,** as part of the degree requirements the student is required to undertake research and write a thesis in the area of specialization.

The student is undertaking research on **"Influence of Resource Innovation on Corporate Reputation Management in Microfinance Institutions (MFI'S) in Machakos County"** and is currently proceeding to collect field data.
Any assistance given towards attaining this goal will be highly appreciated.

Yours faithfully

Eric Mathuva
For Coordinator, Postgraduate Studies

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12 OCT 2020
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