

**MANAGEMENT PERCEPTION OF THE ROLE OF STRATEGIC  
ALLIANCE ON THE BUSINESS GROWTH OF KCB GROUP**

**BY**

**MARK OTIENO MIRUKA**

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**DECLARATION**

This research project is my original work and has not been presented for examination in this or any other university.

Signed.....

Date.....

**MARK OTIENO MIRUKA**

**REG. NO D61/70862/2014**

This research project has been submitted for examination with my approval as a University Supervisor.

Signed.....

Date.....

**DR. VINCENT MACHUKI**

**SENIOR LECTURER,**

**SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

## **DEDICATION**

This research project is dedicated to my elder brother, John who inspired me to attain my academic potential and also to my dear wife, Ruth for her patience and encouragement throughout the period of my research writing. For this I say thank you all and God bless.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

|             |  |
|-------------|--|
| <b>ATM:</b> | Automatic Teller Machine                 |
| <b>CEO:</b> | Chief Executive Officer                  |
| <b>CBK:</b> | Central Bank of Kenya                    |
| <b>KCB:</b> | Kenya Commercial Bank                    |
| <b>CMA:</b> | Capital Markets Authority                |
| <b>IT:</b>  | Information Technology                   |
| <b>KES:</b> | Kenya Shillings                          |
| <b>ICT:</b> | Information and Communication Technology |
| <b>NSE:</b> | Nairobi Securities Exchange              |

## ABSTRACT

Strategic unions pool particular assets and abilities by the coordinating associations keeping in mind the end goal to accomplish shared objectives and objectives particular to the individual accomplices. Today, the methodology of aligning with different associations has turned out to be progressively pervasive with numerous associations settling on vital unions so as to reinforce their market positions, enhance their budgetary execution and develop their organizations. This examination tried to decide the administration impression of the part of vital organization together on the business development of KCB Group. The examination embraced a cross-sectional elucidating research plan and was guided by the accompanying goal; to build up administration's observation on the part of key cooperation on business development at KCB. Primary information was used in the investigation. Essential information was gathered utilizing a semi-organized poll. A 5-point Likert scale was utilized to quantify the yield of everything replied by the members. The respondents in the investigation were key supervisors of the different SBUs at KCB Group. Cochran's model (1963) was utilized to decide the specimen estimate from the objective populace of 400 vital directors. A Proportionate stratified specimen (196 administrators) was chosen for the examination. Distinct and inferential insights were utilized to portray (and investigate) the factors numerically. These included: basic means; standard deviations by utilization of SPSS variant 21. The investigation discovered vital cooperation of the bank incorporates shares in various nations with auxiliaries. The examination infers that administration see that the vital collusion result to expanded business turnover and this prompts higher gainfulness finished by diminishment in exchange Cost, through vital cooperation the bank has capacity to learn and disguise new or efficient aptitudes and innovations from the accomplice and the bank is in a position to achieve great use for its operations along these lines fabricating new abilities required for future business this prompts improved present abilities by working with union accomplices. The examination suggests that watchful decision of the key accomplices is likewise imperative to maintain a strategic distance from clashes of any kind. This will likewise guarantee a reasonable relationship where the accomplices can supplement each other in more synergistic way.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Partnerships have progressively considered organizations together to be appealing vehicles through which they can develop and extend their degree, and the rate at which between firm's cooperation have been shaped over the most recent two decades has been remarkable (Robbins, 2005). Business directors assess and pick procedures that they think will make their business effective (Pearce and Robinson, 2005). Observation can be characterized as an "intricate process by which individuals select, compose, and decipher tangible incitement into an important and intelligible photo of the world" (Zjac, 1990). In a similar vein, recognition is "tied in with getting, choosing, procuring, changing and sorting out the data provided by our faculties" (Scholes and Johnson, 2008). In managing the idea of hierarchical conduct, discernment ends up plainly vital in light of the fact that 'individuals' conduct depends on their view of what the truth is, not on reality itself; the world as it is seen is the world that is behaviorally vital (Robbins, 2005).

Asset reliance hypothesis underscores the significance of partnerships in a few survey and studies: Teece et al (1997); Inkpen (2011); Scholes and Johnson (2008) which agree on the significance of this hypothesis in clarifying the activities of associations, by framing interlocks, cooperations, joint endeavors, and mergers and acquisitions, in endeavoring to accomplish development. The elective view is that organizations procure information through vital cooperations keeping in mind the end goal to contend at various levels of the esteem chain, and along these lines modify the hierarchical structure in which they work (Doz, 2006). Vital unions are generally considered as communitarian techniques detailed and actualized to meet shared destinations and

create prevalent assets agreeably. Asset reliance hypothesis keeps up that associations are asset inadequate; they endeavor to obtain and support assets from their outer condition. Assets are controlled by outer on-screen characters who apply requests on the association. These performing artists see certain points of interest in their association with the association and exercise control through control over assets. The heavier the reliance on outside assets, the more the requests of specific performing artists controlling these assets are powerful (Pfeffer & Salancik, 1978).

Business development result from various elements: joint wander or partnerships, better promoting, an adjustment in the market, entering another market, building up another item, unions among others. To help profitability estimation, there is have to gauge development as a solitary factor - the distinction accomplished in yield, expecting rolls out no improvements to our valuing or efficiency levels. Viable hierarchical development forms are fundamental to new item achievement, yet advancement is the development driver. New key union market position in existing markets and give roads to entering new markets (Zajac, 1990).

The choice people make in an association and the nature of their last decisions is impacted to a great extent by their discernments. Basic leadership happens as a response to an issue. That is there is an inconsistency between some present situation and some coveted state requiring the thought of elective strategies. The individual leader's perceptual procedure will have an expansive bearing on the ultimate result of the choice made. All through the whole choice process, perceptual bends frequently surface that can possibly inclination investigation and conclusions.

The psychological approach which centers a person's psychological procedure perceives that organizations or rather their directors see the earth diversely and defectively. This approach underlines the need to extend our comprehension of chief's psychological outlines in the event that we are to comprehend corporate conduct and association's key procedures completely. Banks are framing organizations together to get innovation, to access particular markets, to decrease money related hazard, to diminish political hazard, to accomplish or guarantee upper hand supporting the requirement for concentrates to examine the administration's observation on the part of key partnership on business development in the keeping money industry.

### **1.1.1 The Concept of Perception**

Discernment is the comprehension or view individuals have of things in their general surroundings (Mahoney, 2001). Distinctive people may have entirely unexpected perspectives of things which impact their business choices in an unexpected way. Discernment is the procedure by which people select, arrange, store, and decipher tangible incitements into a significant and cognizant picture of world around them (Organ and Bateman 1991). Mullins (1999), characterizes discernment as the psychological capacity of offering importance to boosts, for example, sentiments and shape. At the point when an individual takes a gander at an objective and endeavors to decipher what he or she sees that understanding is vigorously impacted by the individual attributes of the individual perceiver (Robbins, 2005).

The perception process takes place in two stages, the first one is selection and the second I organization. Identifying certain features of an event to notice is referred to as selection. Individuals are continually faced by a mélange of sounds and sights. In a situation so many stimuli bombard the individual concerned that they find it difficult to

take full account of all of them. Individuals tend to select and attend to only some of the features that they are present in any situation. Attention is paid to the actions and conversations of only a certain person or object. This selection process helps people to avoid dealing with information that seems to them to be irrelevant and avoid information overload (Inkpen, 2011).

### **1.1.3 The Concept of Business Growth**

Business improvement is a trademark system of modification and headway that occurs under positive conditions. The improvement of a business firm resembles that of a man who experiences the periods of beginning, youth, adulthood and advancement. Various business firms started pretty much nothing and have ended up being gigantic through interminable improvement. Regardless, business advancement isn't a homogeneous method. The rate and case of improvement vacillates from firm to firm. A couple of firms create at a fast rate while others grow progressively. In like manner, not all endeavors make due to end up plainly huge. This may be required either to the possibility of the firm or the business visionary. A couple of business visionaries would incline toward not to build up their undertakings, picking rather to look for after other interest, contribute more vitality with family or make distinctive business works out (Muchiri, 2012).

Christensen and Michael (2008), suggest that companies have two basic options when they seek to build new growth in business. They can pursue a sustaining innovation strategy in which they bring better products to the existing customers in existing markets or they can pursue a disruptive innovation strategy that either creates a new market by targeting non-customers or offer a good enough product to over served

customers at lower prices. For example, a bank may introduce a new service as add-on to an existing product like an account.

Development of a firm may give a couple of economies in progress, purchasing, promoting, subsidize, organization. A growing firm acknowledges the upsides of mass purchase of materials, extended trading power, spreading of overheads, ace organization. This prompts insignificant exertion of creation and higher edge of advantage. This moreover ensures full utilization of plant restrain. The proprietors of an association get a conclusive favorable position of improvement as higher advantages. They may direct the organization to reinvest an impressive piece of the salary in the business as opposed to paying them out. Fit organization may without anyone else get a kick out of the chance to go out on a limb and grow the measure of the organization (Muchiri, 2012).

### **1.1.2 The Concept of Strategic Alliance**

Burgers et al. (1993), portrayed an imperative conspiracy as a whole deal, unequivocal legitimately restricting understanding identifying with an exchange and in addition blend of a couple, yet not all, of an affiliation's advantages with no less than one distinct firms. Burgers et al. (1993), watched that key associations are molded as a framework for diminishing weakness for social events of the union. Ryan and Morris (2005) compare vital collusions to key organizations and as per Hilland Jones (1998:291), 'key unions can be seen as long haul co-agent connections between at least two organizations.'

Unions could run from moderately here and now venture based collaboration to more comprehensive long haul value based participation or joint wander ideas (Lorange & Roos, 1993). Thompson and Strickland III (1998) and Greenhalgh (2001), portray 'key

union as an agreeable association with different organizations to supplement their own particular key activities and fortify their aggressiveness.' In a key cooperation game plan, each gathering has a remark the other which has any kind of effect (Newman & Chaharbaghi, 1996).

The advantages of vital partnerships can be isolated into two significant classes: those that work out as expected through the reducing of outside condition weakness and those that exist through the diminishing of internal legitimate defenselessness. Two associates wellsprings of external biological helplessness are asking for defenselessness and market powerlessness (Harrigan, 1988). Demand defenselessness develops as a result of whimsy of purchaser obtaining conduct. In such way, key arrangements are molded so that can get to the advantages and abilities to adjust to these engaged vulnerabilities. Forceful defenselessness is caused by centered affiliation where the exercises of one firm have a prompt and imperative effect accessible spots of others in the business regularly causing reactionary moves in kind (Hay and Morris, 1979). It is this engaged defenselessness that pushes firms to go into associations together to confine forceful dependence by compelling the amount of contenders.

The genuine sorts of essential unions are: Joint undertakings, Equity and Non-esteem key union. Joint undertakings are imperative arrangements in which no less than two firms make an authentically self-ruling association to share some of their advantages and abilities to develop a high ground. Esteem key association is a plot in which no less than two firms assert unmistakable rates of the association they have formed by joining some of their benefits and capacities to make a high ground. Non-esteem key union is an intrigue in which no less than two firms develop a lawfully restricting relationship to share some of their exceptional resources and capacities to make a high ground. In



the current past we have Global Strategic Alliances which are working associations between associations' transversely finished national cutoff points and logically across finished endeavors (Mungai, 2010).

Affiliations may grasp essential associations together for a few reasons as Webster (1999) places. These fuse enhancing their helpful points of confinement, to decrease vulnerabilities in their internal structures and outside conditions, to acquire a high ground that engages them to extend benefits, or to expand future business openings that will empower them to summon higher market regards for their yields. Despite achieving more conspicuous control, affiliations enter into an association for more operational versatility and affirmation of market potential. Their want is that versatility will come to fruition as a result of associating for new aptitudes, data, and markets through shared theory risks.

#### **1.1.4 The Perceived Role of Strategic Alliance on Business Growth**

In the worldwide economy, an all-around created capacity to make and maintain productive joint efforts gives organizations a noteworthy leg up (Mahoney, 2001). The capacity to shape and oversee key organizations together more viably than contenders can turn into an imperative wellspring of upper hand (Inkpen, 2011). Key organizations together are giving organizations an upper hand. Frequently an organization that has an effective item or administration wants to bring it into another market. However maybe the organization perceives that it does not have the fundamental showcasing ability since it doesn't completely comprehend client needs, does not know how to advance the item or administration viably, or does not comprehend or approach the best possible circulation channels. As opposed to carefully attempting to build up this aptitude inside,

the organization may distinguish another association that has those coveted promoting abilities (Yabs, 2007).

By benefiting from the item improvement abilities of one organization and the showcasing aptitudes of the other, the subsequent collusion can serve the market rapidly and viably. Collusions might be especially useful when entering a remote market out of the blue in light of the broad social contrasts that may flourish. They may likewise be successful locally when entering local or ethnic markets. This has brought about countless banks going into key collusions to increase upper hand and accordingly development because of new markets (Uddin and Akhter, 2011). Vital organizations together may enable organizations to pool capital or existing offices to pick up economies of scale or increment the utilization of offices, consequently decreasing assembling costs Many organizations are headed to offer in more than one area or nation since household deals volume isn't sufficiently expansive to completely catch fabricating economies of scale or learning – bend impacts and in this way generously enhance a company's cost aggressiveness (Ontunya, 2007).

Unions have additionally been framed by organizations with constrained assets as far as capital. A pool of assets between the two firms makes it less demanding to get the essential apparatus and in puts required empowering creation in extensive scale and in actuality lessening of generation costs. By uniting in segments creation/and additionally last gathering, organizations might have the capacity to acknowledge cost reserve funds not achievable with their own particular little volumes – Volvo, Renault, and Peugeot framed a collusion to make motors together for their bigger auto models accurately on the grounds that none of the three sufficiently required such motors to work its own motor plant financially (Thompson et al, 2004). Partnerships action has a tendency to

have a critical positive effect on benefit of banks which prompts noteworthy development (Muchiri, 2012).

Union connections enable accomplices to share the money related dangers related with growing new items and going into new markets. Eventually the advantage to creating systems partnerships with others is for arrangements through commonly advantageous endeavors. Together firms can tackle their issues, those of their client's providers and workers. Companies should know what they want to get out of the alliance relationships they establish. Strategic alliances allow partner firms to learn new ways to improve customer service from the one another as well as enabling them solve their customer's problems faster because of the newly acquired larger base of customer service people. This means that keeping the customers loyal to the organization enhances stable running of the business even in times of stiff competition and recession. Customer satisfaction therefore enhances the banks market, more sales are realized and therefore banks can opt to grow in to other services and new market niche to realize its full potential therefore resulting to substantive growth (Muchiri, 2012).

### **1.1.5 The Banking Industry in Kenya**

The Kenya banking sector has a total of 43 commercial banks, two mortgage finance companies and 125 foreign exchange bureaus (Central Bank of Kenya, 2014). Kenya has also witnessed the licensing of two Islamic banks; Gulf African Bank and First Community Bank. There have been several strategic alliances made in the banking industry especially with the mobile telephony companies like Airtel, Safaricom, and Orange and also with technology companies to help the banks increase the distribution of their products.

There has been recharged enthusiasm from banks in achieving the mass of center wage salaried people, for example, educators and government workers and this market fragment has turned out to be very aggressive (Johnson, 2004). Over the most recent five years there has been expanding rivalry from new participants in the keeping money industry, compelling banks to cut expenses and enhance proficiency through mechanization and value justification.

There has been expanding inner and political weight on banks to grow their items and administrations to the un-saved money and under-kept money (Bitner, Brown and Meuter, 2000). Because of the aggressiveness of the business many banks which amassed in corporate keeping money changed in part to retail managing an account. This is obvious from a considerable measure of items that are currently made for the SMEs. Retail saving cash has been encountering passionate operational change in the present years. Mergers and acquisitions, extended contention, new regulatory necessities have driven banks to reconsider their retail methods. For banks like KCB that have key union with various associations they have had the ability to remain relevant to their clients through relentless thing headway. It has ended up being basic for retail banks to use innovation, oversee dissemination channels, and streamline operations to secure, fulfill and accordingly hold clients.

#### **1.1.6 The KCB Group Limited**

The historical backdrop of Kenya Commercial Bank (KCB) backpedals to 1896 when its harbinger, the National Bank of India opened an outlet in Mombasa. Following eight years in 1904, the bank extended its operations to Nairobi, which had transformed into the home office of the stretching out railroad line to Uganda. The accompanying critical change in the bank's history came in 1958 when Grind Lays Bank united with the

National Bank of India to outline the National and Grind Lays Bank. Upon Kenya's self-governance in 1963, the Government of Kenya acquired 60% shareholding in National and Grind Lays Bank with a ultimate objective to pass on keeping cash closer to the predominant piece of Kenyans. In 1970, the Government of Kenya got 100% obligation regarding bank's offers and it was renamed Kenya Commercial Bank. The Government has during the time reduced its shareholding in KCB to 23%, as of December 2008. A rights issue which was done up in August 2010 further decreased shareholding by the Kenyan Government to 17.74%.

In 1972, Savings and Loan (Kenya) Limited was gained to spend significant time in contract back; this has since been consolidated into the KCB Group as Mortgage Center. This division of KCB has practical experience in the arrangement of home loan offices to individual and institutional financial specialists both locally and to residents in the diaspora. The Bank has a settled household retail and corporate keeping money establishment. Outside Kenya, it has auxiliaries in Tanzania, Uganda, South Sudan, Rwanda and Burundi. The Bank's offers are cross recorded on the Kenya, Uganda, Tanzania and Rwanda Stock Exchanges and are broadly held by Kenyan and other global speculators.

KCB Bank Uganda Limited was fused in the year 2007, with the main branch being opened at Commercial Plaza, Kampala Road. In December 2008, KCB Rwanda initiated saving money benefits in Kigali, following permitting by the National Bank of Rwanda. KCB Group has opened a backup in Burundi which incorporates two start-up branches in the capital Bujumbura with the base camp situated at the most recent city milestone.

Kenya Commercial bank assemble Limited has gone into vital collusions with different firms, for example, Visa and MasterCard to issue check cards. This is as consequences of globalization, increment vulnerabilities and hardened rivalry from nearby banks, remote banks, microfinance foundations, credit unions and media transmission organizations who have as of late actualized a cash exchange framework that empowers clients to store cash on their telephones. Notwithstanding, the bank has encounter collusion disappointments to some degree demonstrating that their mind boggling issues that must be dealt with extremely well in cooperations in the event that they are to develop to development to accomplish the underlying destinations set for them (Mungai, 2010).

## **1.2 The Research Problem**

Viable organizations together can be development and benefit motors in both residential and worldwide markets. Vital collusions offer an open door for organizations to team up in working together in this manner beating singular disservices. Key unions are frequently framed to create items, which would achievement monetarily just on the off chance that they were received as industry norms, what thus can likewise clarify even partnerships among contenders, joining their powers to infiltrate yet unfamiliar, high hazard zones (Smith and Smith, 2003). The partnership arrangement is along these lines propelled by asymmetry in assets especially in the innovative divisions, numerous organizations together connection built up huge organizations and little firms, offering them common advantages of access to market and special advances (Inkpen, 2011).

Observation assumes a significant part in the day by day basic leadership process for all chiefs. Observation is a procedure by which people arrange and translate their tangible impressions so as to offer significance to their condition (Robbins, 2005). On

the off chance that an administrator sees something somehow and constructs an imperative business choice with respect to the discernment; the association will either profit or not profit by the choice. Administrators ought to comprehend the realities alongside the circumstance to close with a suitable choice. A supervisor's discernment and choices will influence the associations conduct. Administration observations are exceptionally basic to achievement in an association since they are the main impetus behind the accomplishment of their operations. The degree to which supervisors will take part in key cooperations and what sorts of key partnerships will rely upon their impression of the upper hands got from the key collusions. Their discernment is vital in light of the fact that it will impact their activities and this will thus influence the execution of the organization.

Various examinations have been done on vital partnerships. Letangule and Letting (2012) directed an exploration to research the impression of directors on how creative systems influence the execution of firms in the media transmission segment and set up that in fact, imaginative procedures improve the benefit of the organizations. Beam (2013), did a various contextual investigation on the effect of Strategic Alliance on execution in India under Globalized Economic Scenario and found that by creating vital partnerships, firms add to their overabundance capacities and assets with others and make another element to accomplish upper hands. These investigations are however constrained to the degree that they overlook the view of supervisors. Besides the investigations concentrate on single impacts and once in a while take the setting of administrative observation which is the area of the present examination.

Makau (2012), completed an examination on vital unions and hierarchical intensity an instance of KCB. The examination found that Alliances give chance to taking an interest firms to take advantage of the assets, learning, capacities and aptitudes of their accomplices. They offer potential for a firm to use its assets abilities. Kavale (2007) analyzed the connection between focused methodologies and firm execution in Safaricom's Kenya constrained and set up that there is a noteworthy connection between the systems embraced by Safaricom's and its separate execution. Their discoveries however miss the mark regarding setting up the impression of the administration on the impact of vital organization together on Safaricom's business development. The examinations however miss the mark regarding considering the effect of the administration's state of mind towards key partnership on the general business development consequently the present investigation.

Mwangi (2014) completed an examination on the impacts of vital organization together on the development of KCB Group. The investigation found that cooperation's give chance to taking an interest banks to take advantage of the assets, learning, abilities and aptitudes of their accomplices. They offer potential for a business bank to use its assets capacities. At long last, the examination built up that vital organizations together are sure and altogether connected with banks intensity regarding enhancing the bank's capacity revenue driven augmentation, extending market position because of development in client base, and expanding deals volume. The present investigation wanders from this examination methodologically by receiving a cross-sectional clear plan other than concentrating on the administrative discernment because of vital partnership on Kenya business Bank's business development.



Tragically, the examination stream with respect to the administrative discernment on the part of vital unions on business development is moderately new. Equivocalness, ambiguity, clashing perspectives, and absence of exact information are as yet transcendent and speak to difficulties to clarifying fruitful key organizations together especially in Kenya's managing an account industry. In light of the above, there is requirement for concentrates to layout the administration view of the part of vital partnership on the business development of KCB Group. What is the administration view of the part of key cooperation on the business development of KCB Group?

### **1.3 Research Objectives**

The objective of the study was to establish management perception of the role of strategic alliance on the business growth of KCB Group.

### **1.4 Value of the Study**

This investigation tried to inspect the administration's view of the part of key organization together on business development of Kenya Commercial Bank. The discoveries of the examination would have strategy suggestions at the firm, business, and full scale levels.

At a hypothetical level, a portion of the consequences of this postulation was in line with the standard of existing writing on key cooperation and business development while in the meantime a portion of the discoveries may challenge the suppositions made in the writing. The proposal likewise contributes on the methodological level by giving extra data on both the estimation and investigation of store network plan and execution. The present examination would create and test hypotheses on worldly flow of firm intensity between firm contentions. The investigation is grounded on three principle

speculations clarifying administrative recognition and the vital collusion and business development; social subjective hypothesis, asset reliance hypothesis, asset - based hypothesis and organization together ability hypothesis.

At the administrative level, the discoveries of the investigation would be instrumental to key directors and professionals as takes after: First, the associations between key collusion and business development are reliant on the company's collective methodologies. Second the advantages of vital organizations together laid out in the investigation will give imperative experiences to key organizers in managing an account industry. The bank's administration may utilize the examination discoveries to assess the commitment of the development procedures particularly the utilization of key unions that it has embraced with a point of deliberately situating itself in the market initiative. Different banks accordingly may utilize the examination discoveries to check how the key partnerships they have gone into or are yet to go into can help in the development of their organizations.

At approach level, the discoveries of the examination give understanding into the strategy making process at the business and large scale levels. The examination would be important to the controllers like Central Bank of Kenya considering the significant position played by KCB Group in the Kenyan keeping money industry. Different controllers who may profit by the investigation incorporate Kenya Bankers Association and Capital Markets Authority.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents a review of theoretical literature as well as empirical studies that have been done on the area of strategic alliance and business growth. It starts with the theoretical foundation of the study followed by literature on strategic alliance and lastly literature on business growth.

### **2.2 Theoretical Foundation**

Key collusions are generally considered as synergistic systems planned and actualized to meet shared targets and create predominant assets helpfully. Banks are framing collusions to acquire innovation, to access particular markets, to diminish monetary hazard, to decrease political hazard, to accomplish or guarantee upper hand. To analyze the administrative discernment on the part of vital organization together on business development at Kenya business bank, the investigation was educated by the accompanying speculations: Social Cognitive Theory, Resource Dependency Theory, Resource-Based View Theory and Alliance Capability Theory.

#### **2.2.1 Social Cognitive Theory**

Bandura's Social Cognitive Theory (1986, 1997) accept individuals are deliberate, objective coordinated creatures, who are essentially propelled through their convictions of self-adequacy and result desires coming from their activities inside particular social settings. Social Cognitive Theory clarifies human organization through the association of three fundamental determinants utilizing a three-point show called "triadic proportional causation" (Bandura, 1986).

Social subjective hypothesis subscribes to a model of new intuitive office (Bandura, 1986; 1997). People are neither self-ruling specialists nor just mechanical transports of energizing ecological impacts. Mental occasions are mind exercises not irrelevant elements existing separated from neural frameworks. In any case, realism does not infer reductionism of brain science to science. Knowing how the natural apparatus functions, discloses to one little on the most proficient method to arrange that hardware psychosocially for various purposes. For instance, information of the mind hardware associated with learning says little in regards to how best to devise states of learning as far as levels of dynamics, oddity, and test; how to give motivating forces to inspire individuals to take care of, process, and sort out significant data; in what modes to exhibit data; and in the case of learning is better accomplished freely, agreeably, or aggressively. The ideal conditions must be determined by mental standards and are not resultant from neurophysiological hypothesis since it doesn't contain the pertinent psychosocial factors in its topic.

### **2.2.2 Resource Dependence Theory**

Pfeffer and Salancik (1978), used the past ecological writing to create asset reliance hypothesis. Asset reliance hypothesis depends on the thought that conditions are the wellspring of rare assets and associations are subject to these limited assets for survival. An absence of control over these assets subsequently acts to make vulnerability for firms working in that condition. Associations must create approaches to abuse these assets, which are additionally being looked for by different firms, with a specific end goal to guarantee their own particular survival.

Pfeffer and Salancik (1978), decided three factors that impacted the level of reliance associations had on specific assets. To start with, the general significance of the asset to the firm was basic in deciding the asset reliance of the firm. Second, the shortage of the asset was likewise a factor. The scarcer an asset was the more reliant the firm progressed toward becoming. At long last, another factor affecting asset reliance was the opposition between associations for control of that asset. Together, each of the three of these components acted to impact the level of reliance that an association had for a specific asset.

Asset reliance concerns more than the outer associations that give, disseminate, back, and rival a firm. Albeit official choices have more individual weight than non-official choices, in total the last have more noteworthy hierarchical effect. Directors all through the association comprehend their prosperity is fixing to client request. Administrators' professions flourish when client request grows. In this manner clients are a definitive asset on which organizations depend. In spite of the fact that this appears glaringly evident as far as income, it is really hierarchical impetuses that influence administration to consider clients to be an asset (Kay, 1993).

### **2.2.3 Resource-Based View Theory**

Asset Based hypothesis as contended by Barney (1991), states that managed upper hand gets from the assets and capacities a firm control that are important, uncommon, defectively imitable, and not substitutable. These assets and capacities can be seen as groups of substantial and elusive resources, including a company's administration abilities, its association procedures and schedules, and data and learning it controls.

The asset based view hypothesis proposes that the method of reasoning for organizations together is the esteem creation capability of firm assets that are pooled together. Certain asset attributes, for example, blemished portability, imitability, and substitutability, guarantee complemented esteem creation, and hence encourage organization together development. The asset profiles of accomplice firms would decide their auxiliary inclinations as far as four noteworthy classes of organizations together: value joint endeavors, minority value partnerships, respective contract-based cooperations, and one-sided contract based unions (Das& Bing-Sheng Teng, 2000).

#### **2.2.4 Alliance Capability Theory**

Union ability is a vital factor in deciding cooperation execution. Most specialists concur on the point that the inception of hierarchical capacity encounter (Teece et al., 1997). Analysts in hierarchical learning hypothesis (Simonin, 1992), transformative financial matters (Winter, 2003), and the asset based view (Takaya, 1992) trust that collected experience prompts ability (Shulz, 2002). In any case, there are different assessments with respect to the importance of organization together capacity and the level of examination.

By and large, organization together capacity is characterized as the capacity to deal with the union procedure overall. A few specialists characterize organization together capacity as a learning ability of cooperation administration. For instance, Winter (2003) characterized cooperation capacity similar to the instruments and schedules that are deliberately intended to aggregate, store, coordinate, and diffuse significant authoritative information about organization together administration. Existing exploration on hierarchical learning has uncovered that learning ability fundamentally effectsly affects working capacity i.e., an organization's learning capacity bolsters its

working ability. Along these lines, the definition compares to a higher request capacity stressing the authoritative learning components, or the review of learning ability at a meta-level (Winter, 2003).

Different specialists take a gander at organization together capacity at the working level. For instance, Simonin (1997) arranges "team up know-how" into five sections: synergistic administration know-how, transaction know-how, accomplice seeking know-how, learning aptitudes, and existing abilities. This definition suggests a lower arrange capacity which underlines each hierarchical working method. This investigation takes after the last definition, seeing collusion ability at the working level.

### **2.3 Strategic Alliances**

Pyka & Windrum (2003), set that a key collusion is a helpful understanding between at least two independent firms seeking after regular goals or working towards taking care of normal issues through a time of supported communication. Associations normally end up noticeably engaged with key cooperations as a result of some common favorable position for the associations included that would be troublesome if each acted alone' (Hanson et al. 2005).

Deering& Murphy (2003) watched that vital collusion is the most prevailing methodology for development and market improvement in e-business. Carlson (1996), watched that collusions are more operational and normally comprehended as key and furthermore the union can be a long haul relationship where members coordinate and energetically change their business practices to enhance joint execution.

Entrenched firms for the most part observe item innovation as a noteworthy determinant of aggressive achievement in their center organizations and, subsequently, they progressively search for new advertising systems and item innovation in different associations to use the market get to capacities that they have assembled. For instance, banks in Kenya are utilizing the innovation stages of media transmission organizations like Safaricom and Airtel to expand access of their items. It is a grievous reality, and critical reason for concern, that cooperation accomplices instinctively think about an organization together as far as its advantages to their own specific business. This frequently prompts undisclosed and mystery motivation when organizations go into a vital cooperation, and comparing troubles emerging from a powerlessness of the accomplices to have a similar vision (Mahoney et al, 2001).

Affiliations may endeavor key participations for a few reasons as Webster (1999), sets. These consolidate overhauling their valuable points of confinement, to decrease vulnerabilities in their internal structures and outside circumstances, to secure a high ground that engages them to assemble benefits, or to build future business openings that will empower them to arrange higher market regards for their yields. Despite fulfilling more unmistakable control, affiliations go into a union for more operational versatility and affirmation of market potential. Their want is that versatility will occur in view of interfacing for new aptitudes, learning, and markets through shared theory perils.

Catch et al. (1998), proposed various conceivable explanations behind union arrangement – cost reserve funds, showcase infiltration and maintenance, monetary infusion, foundation imperatives, going around institutional requirements and market soundness. All the more particularly, they recognized four preferences of organizations together with particular reference to the avionics business: Access to new markets by



taking advantage of an accomplice's underutilized course rights or openings; Traffic encourage into set up entryways to build stack factors and to enhance yield; Defense of ebb and flow showcases through seat limit administration of the common operations; and expenses of economies of scale through asset pooling crosswise over operational zones or cost focuses, for example, deals and promoting, station and ground offices and acquiring.

Zajac (1990) watched that inspirations for taking part in household joint ventures additionally apply to global vital organizations together. These include: securing methods for conveyance, pre-empting contenders, accessing new advancements, separating into new associations, getting economies of scale, fulfilling vertical consolidation, and vanquishing legitimate or regulatory obstacles. Tasteless necessities of firms searching for conspiracy join cash, economies of scale, aptitudes, get to, or their blends as included by Bleeke and Ernst (1993). Surrounding business frameworks and definitive or social unions is driven less by firms' survey financial rationalities than by their key objectives. No less than two self-decision affiliations may outline a plot for a rising joint reason. A decision to team up isn't generally a responsive movement, yet rather is for the most part a key objective, which goes for upgrading the future conditions for each individual firm and their association with everything taken into account.

The critical sorts of key collaborations are: Joint undertakings, Equity and Non-esteem imperative union. Joint undertakings are fundamental associations together in which no less than two firms make a truly free association to share some of their advantages and capacities to develop a high ground. Esteem essential association is a union in which no less than two firms have particular rates of the association they have formed by

joining some of their benefits and capacities to make a high ground. Non-esteem key association together is an organization in which no less than two firms develop a lawfully restricting relationship to share some of their fascinating resources and abilities to make a high ground. In the current past we have Global Strategic Alliances which are working relationship between associations across finished national points of confinement and logically transversely finished endeavors (Masila, 2009).

## **2.4 Business Growth**

Business improvement suggests an extension in the size or size of operations of a firm by and large joined by increase in its advantages and yield. In fact, advancement is precondition for the survival of a business firm. An endeavor that does not create time must be closed down because of its obsolete things. The market is overflowing with instances of to a great degree surely understood things vanishing from the scene for nonappearance of advancement outlines. For example, pagers vanished from the market since better development thing like cell phones were exhibited (Dollinger, 2006).

Mechanical improvements are entering drivers of advancement in the propelled society. Some business firms place assets into imaginative work activities to make new things and new techniques, while others endeavor to increase latest advancement from the market. Legitimization and robotization realizes more gainful usage of benefits and a firm may create to get them. Through advancement firms can create to wind up observably free similar to promoting of rough material or displaying of things and organizations (Muchiri, 2012).

Advancement enables the economies of Scale. Advancement of a firm may give a couple of economies in progress, purchasing, advancing, back, organization et cetera. A growing firm acknowledges the upsides of mass purchase of materials, extended managing power, spreading of overheads, ace organization et cetera. This prompts insignificant exertion of creation and higher edge of advantage. The proprietors of an association get a conclusive preferred standpoint of improvement as higher advantages. Gifted organization may alone get a kick out of the opportunity to put it all on the line and develop the traverse of the association (Saxena, 2005).

Augmentation of the market can moreover give improvement in that development looked for after for stock and ventures drives business firms to extend the supply as well. People impact and transportation provoked addition in the measure of business areas which subsequently realized substantial scale fabricating. Business firms create to deal with the growing interest. The more the measure of the business firm addition the more is the eminence and vitality of the firm. Agents satisfy their slant for control by extending the degree of their business firm (Rhonda, 2010).

Associations get improvement as a survival framework in a forceful market remembering the true objective to beat others through quick or circuitous contention. Arrange competition starts from various firms creating a comparable thing while indirect contention may begin from availability of more affordable substitutes. To survive the resistance, the business needs to perpetually convey new types of principal thing to keep up an edge over its adversaries. Genuine competition controls a firm to create and increment centered quality. A creating concern will be a pioneer and can without quite a bit of an extend confront the peril of competition. Along these lines

improvement is a strategy for survival in a forceful and testing condition (Saxena, 2005).

Improvement Strategy implies a key plan characterized and realized for developing affiliation's business. For smaller associations, advancement plans are especially basic in light of the fact that these associations get viably impacted even by the humblest changes in the business focus. Changes in customers, new moves by contenders, or differences in the general business condition can conversely influence their exchange stream out a short traverse diagram. Negative impact on salary, if not expected and adjusted for, can force them to shut down. That is the reason they need to prepare for their future (Rhonda, 2010).

A firm can pick between internal improvement procedure and outside advancement framework or have a mix of both. Internal improvement may happen either through augmentation in the offers of existing things or by including new things. Inside advancement is direct and incorporates almost little change in the present affiliation structure. It can be orchestrated and managed successfully as it is direct (Ghosh, 2000). It can incorporate improvement through upgrade and mechanical headway. Clearly banks and other financial associations in made and creating markets are getting a handle on e-dealing with a record.

External improvement incorporates advancement through outside means such a merger and joint meander. A firm may secure another firm or firms may solidify together advantages for upgrade their market forceful quality. Merger is an outside advancement strategy surmised when different associations unite together into new corporate affiliations. Merger can occur in two approaches to be particular: Acquisition or takeover and amalgamation. Takeover or getting happens when an association offers

exchange or securities out exchange for the overwhelming part offers of another association. Outside advancement can similarly occur through joint undertakings whereby no less than two firms usually develop another wander by appreciating esteem capital and in business operations (Robbins, 2005).

Unions enable associations to separate without rethinking the wheel; organizations can advance generally rapidly and can be more adaptable and less demanding to actualize in contrast with mergers and acquisitions. Shared control mitigates hazard: An accomplice can leave a vital union and less assets are required including less money. Establishments have the chance to take in more about key procedures/new ventures/new topographies. Capacity to use mark name: Organizations can concentrate on their qualities. A bank can try to accomplish showcase administration through a system of separation by expanding upon its center abilities. Cases of such capabilities incorporate client understanding, mark notoriety, decentralized operations (Scholes & Johnson, 2008).

## **2.5 Perceived Role of Strategic Alliance on Business Growth**

A prosperous cooperation can make colossal open doors for progress and development and additionally securing the business in commercial center in the meantime, because of an extra aggressive edge and limit improvement. Collusions additionally give the upside of diminished reliance on provider and make organizations possibly more independent. Numerous skylines can be opened because of a fantastic vital organization together. Some of which are decreased cost of provisions, speedy access to increasingly and solid data, investigating new markets through a certain passage, more assets and innovation progressions (Inkpen, 2011).

Partnership experience and introduction give a chance to learning and new improvements alongside other substantial advantages (Aker, 2009). A few examinations have concentrated on the slant of cooperation design while concentrating on association trademark. Then again, some different examinations have considered an organization's business position and its execution in the market (Kavale, 2007).

Key organizations together give chance to taking an interest banks to take advantage of the assets, information, capacities and abilities of their accomplices. They offer potential for business banks to use its assets abilities. Key cooperation are sure and altogether associated with banks aggressiveness as far as enhancing the bank's capacity revenue driven boost, extending market position because of development in client base, and expanding deals volume (Mwangi, 2014).

Firms embrace vital organizations together for some reasons which incorporate improving their beneficial abilities, to lessen vulnerabilities in their inner structures and outer condition. Numerous others will shape key organizations together to secure upper hands that empower them to expand benefits, or to increase future business openings that will enable them to order higher market esteems for their yield (Webster, 1999). Growing a business requires the administration and the proprietors to make strong advances which include wandering into new markets where the organization has no related knowledge. This will once in a while expect it to collaborate with others keeping in mind the end goal to increase simple passage into such markets.

In spite of the fact that there is some confirmation against execution increment coming about because of collusions, amid the most recent two decades' organization together arrangement expanded radically, particularly in the biotech and IT enterprises. Inspirations for the quest for this positive connection amongst organizations together

and firm execution are found on the cost cutting side and in addition in esteem creation. A typical inspiration with respect to how organizations can benefit by entering collusions is clarified by exchange cost hypothesis (Cherian et al., 2012). In view of market flaw, firms may pick not to get assets from the market, but instead create them inside. Where a market trade might be wasteful due to the high exchange costs, planning generation inside the firm can be a decent option. The writing states that when exchange costs are high, yet not sufficiently high to begin creating inside, cooperation development might be a productive option (Gulati, 2000).

An Alliance is to some degree in the middle of the two extremes of the settle on or purchase choice. The two firms create some portion of the great, yet there are still exchange costs through contracts and administration of the cooperation. Be that as it may, exchange costs hypothesis just gives some portion of the clarification behind why organizations frame cooperation's. An evaluate purpose of the Transaction Cost Economics approach is that it takes a gander at the cost limiting side, and gives careful consideration to esteem creation (Tsang, 2000). From this viewpoint the technique of a firm should therefore be founded on its assets and abilities (Cherian et al., 2012).

Where the TCE approach takes a gander at the idea of the exchange, this asset construct see centers in light of the arrangement of the accessible assets through cooperation development. In this sense partnerships have an essential preferred standpoint over M&A: A choice can be made of the required assets as opposed to assuming control over a whole firm (Das & Teng, 2000). Other than the TCE approach and the asset based view clarifying a potential positive connection amongst organizations together and firm execution, as the quantity of connections expanded amid the most recent two decades, firms turned out to be more centered on their arrangement of collusions. Inkpen (2011),

express that organization together portfolios turned out to be more different to enhance showcase get to, lessen advancement time-traverse lastly to coordinate correlative mechanical abilities. A partnership portfolio can likewise have genuine choice esteem. Holding a separated asset portfolio through partnership arrangements gives a firm an awesome measure of adaptability, picking up the choice to get to assets that would be too exorbitant to keep up without anyone else. Writing perceives this conceivable upper hand and furthermore focuses on the significance of a successful administration while taking an interest in different between firm joint efforts (Cooper and Laybrand, 1997).

There are four potential favorable circumstances that worldwide business may comprehend from fundamental associations (Soares, 2007). Straightforwardness of market area where, advances in media interchanges, PC development and transportation have made section into remote markets by worldwide firms less requesting. Entering remote markets moreover gives favorable circumstances, for instance, economies of scale and degree in advancing and movement. The cost of entering a worldwide market may be past the capacities of a lone firm in any case, by going into a key intrigue with an overall firm, it will fulfill the upside of brisk section while holding the cost down. Picking a key relationship as the segment mode may crush whatever remains of the preventions, which could consolidate settled in contention and threatening government headings (Chacha, 2010).

Risk sharing is another typical explanation behind endeavor a supportive strategy - when a market has as of late opened up, or when there is much weakness and trickiness in a particular market, sharing threats ends up being particularly basic. The forceful thought of business makes it troublesome for business entering another market or



impelling another thing, and surrounding a key organization is one way to deal with reduce or control an organization's perils (Biggs, 2006).

Another key preferred standpoint of going into key collaboration is to utilize shared data and expertise. Most firms are adroit in a couple of areas and need capacity in various zones; along these lines, forming a key participation can empower arranged access to data and fitness in a zone that an association needs. The information, data and dominance that a firm grab can be used, not just in the joint meander wander, yet rather for various undertakings and purposes. The dominance and data can keep running from making sense of how to oversee government controls, age data, or making sense of how to secure resources. A learning affiliation is a creating affiliation (Aker, 2009).

Fulfilling helpful vitality and a high ground may be another inspiration driving why firms go into an imperative association together. At the point when appeared differently in relation to entering a market alone, surrounding an indispensable association transforms into a way to deal with lessen the threat of market segment, overall expansion, creative work et cetera. Contention ends up being more practical when associates use off each other's qualities, conveying agreeable vitality into the strategy that would be hard to fulfill if attempting to enter another market or industry alone (Ahuja, 2000).

## **2.6 Summary of Literature Review and Key Research Gaps**

The motivation behind this examination was to inspect the recognitions, the administration's observation on the part of key collusion on business development at KCB. This section has exhibited the writing audit on the dispositions and observations that directors hold towards key unions and what factors are identified with these states of mind and discernments. Research proposes that various vital collusion factors seem

identified with authoritative execution (business development). Towards this end, the section looked into hypothetical and observational writing on the part of vital partnership on business development.

A basic survey of the observational and hypothetical writing recognizes four noteworthy floods of advantages of key unions: Ease of market section where, propels in media communications, PC innovation and transportation have made passage into outside business sectors by global firms less demanding; Risk sharing; Shared information and ability where framing a vital collusion can enable prepared access to learning and aptitude in a territory that an organization needs; and Achieving collaboration and an upper hand.

In whole, the writing explored appears to point to the way that key collusion rehearses are basic in improving an association's execution (business development). Given the centrality of key cooperation's child business development, investigation into the part of vital partnerships on business development at KCB is a legitimate research objective. On these establishments, the examination continues with a point by point depiction of technique embraced for the investigation.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This part diagrams the exploration system that was followed in finishing the investigation. In particular, the accompanying subsections are incorporated; inquire about plan, target populace, examining outline, and information gathering and information investigation.

### **3.2 Research Design**

A cross sectional examination was utilized to decide the interrelationship between the factors under thought which allow the analyst to make measurable deduction on the more extensive populace and sum up the discoveries to genuine circumstances and in this way increment the outside legitimacy of the investigation.

A cross sectional spellbinding study is any accumulation of information from a specimen of people (or gatherings) at a specific point in time as a reason for deriving the attributes of the populace from which the example comes (Kish, 2007). In this sort of study, subjects are reached at a settled point in time and applicable data is acquired from them. Based on this data, they are then named having or not having the trait of intrigue. The outline was esteemed suitable to acquire data on administration view of the part of key collusion on the business development of Kcb Group

### **3.3 Target Population**

The study focused on KCB in which case the population comprised of all the Strategic Business Units (SBUs) managers in the bank totaling 400 who had credible information on strategic alliance. The spread of the managers is presented in Table 3.1.

**Table 3.1: Total Number of Strategic Managers**

| <b>Strategic Business Unit (SBU)</b>                 | <b>Frequency</b> |
|--|------------------|
| KCB Foundation                                       | 11               |
| Audit Division                                       | 16               |
| Back Office operations division                      | 23               |
| Bancassurance division                               | 13               |
| Company secretary division                           | 12               |
| Corporate and regulatory affairs division            | 18               |
| Credit division                                      | 21               |
| Finance Division                                     | 22               |
| Human resource division                              | 32               |
| IT division  | 18               |
| Logistics division                                   | 17               |
| Marketing and communication division                 | 27               |
| Mortgage division                                    | 16               |
| Retail division                                      | 28               |
| Risk Division  | 30               |
| Strategy and New business division                   | 30               |
| Customer Experience division                         | 20               |
| Digital financial services & Mobile payment division | 28               |
| KCB Capital division                                 | 18               |
| <b>Total</b>   | <b>400</b>       |

*Source, KCB HR Department*

### 3.4 Sampling and Sample Design

Cochran's model (1963) was used to determine the sample size

$$n_o = \frac{Z^2 pq}{e^2}$$

Where,

$n_o$  = the sample size

Z = 95% confidence interval or 1.96

e = degree of precision usually set at 0.05

p = 0.5 (Maximum variability) or (50% prevalence)

Q = 1- p

The resulting sample size yielded;

$$n_o = \frac{(1.96^2)(0.5)(0.5)}{(0.05)^2} = 385$$

But for the population less than, 10,000, the formula was adjusted to;

$$n = \frac{n_o}{1 + \frac{n_o - 1}{N}} \text{ (Mugenda \& Mugenda, 2003)}$$

Where;

N = Population size

n = Sample size

$$\text{Hence the desired sample was: } n = \frac{385}{1 + \frac{385 - 1}{400}} = 196.42 \approx 196$$

From the objective populace of 400 key administrators (Table 3.1), a proportionate stratified sample 196 directors (49%) will be chosen for the examination. The

justification for picking key supervisors as the respondents in the examination is educated by the way that vital directors are associated with key arranging in all associations.

As per Mugenda and Mugenda (2003), an agent test is one which is no less than 10% of the populace subsequently the decision of 49% is considered as delegate. Table 3.2 demonstrates the proportionate stratified specimen. The example size of 196 respondents was drawn from the number of inhabitants in 400 utilizing proportionate stratified inspecting.

**Table 3.2: Proportionate Stratified Sample**

| Strategic Business Unit (SBU)             | Population |         |           |
|---|------------|---------|-----------|
|   | Frequency  | Percent | Frequency |
| KCB Foundation                            | 11         | 2.75    | 5         |
| Audit Division                            | 16         | 4.00    | 8         |
| Back Office operations division           | 23         | 5.75    | 11        |
| Bancassurance division                    | 13         | 3.25    | 6         |
| Company secretary division                | 12         | 3.00    | 6         |
| Corporate and regulatory affairs division | 18         | 4.50    | 9         |
| Credit division                           | 21         | 5.25    | 10        |
| Finance Division                          | 22         | 5.50    | 11        |
| Human resource division                   | 32         | 8.00    | 16        |
| IT division                               | 18         | 4.50    | 9         |
| Logistics division                        | 17         | 4.25    | 8         |
| Marketing and communication division      | 27         | 6.75    | 13        |
| Mortgage division                         | 16         | 4.00    | 8         |

**Table 4.3. Cont'd**

|  |            |            |            |
|--|------------|------------|------------|
| Retail division                                      | 28         | 7.00       | 14         |
| Risk Division  | 30         | 7.50       | 15         |
| Strategy and New business d                          | 30         | 7.50       | 15         |
| Customer Experience division                         | 20         | 5.00       | 10         |
| Digital financial services & Mobile payment division | 28         | 7.00       | 14         |
| KCB Capital division                                 | 18         | 4.50       | 9          |
| <b>Total</b>   | <b>400</b> | <b>100</b> | <b>196</b> |

*Source: KCB HR Department*

### **3.5 Data Collection**

Essential information was used in the investigation. Essential information was gathered utilizing a semi-organized survey. Area of the survey comprise of shut finished inquiries went for acquiring statistic data of the respondents. Segment B1 comprise of inquiries went for getting information on level of selection of key organization together at KCB while segment Bionomists of inquiries went for acquiring information on part of vital partnership on the business development at KCB

The respondents in the investigation were strategic administrators of the different SBUs in the bank inferable from the way that; by and large procedure falls in the area of key chiefs in many organizations. A 5-point Likert scale was utilized to gauge the yield of everything replied by the members.

### **3.6 Validity and Reliability**

Legitimacy is worried about the weightiness of research parts. At the point when analysts measure practices, they are worried about whether they are measuring what they plan to gauge. There are four sorts of legitimacy that scientists ought to consider:

factual conclusion legitimacy, inner legitimacy, develops legitimacy, and outside legitimacy. Dependability is the degree to which estimations are repeatable when diverse people play out the estimations, on various events, under various conditions, with as far as anyone knows elective instruments which measure a similar thing (Kothari, 2011).

Content Validation was finished by the specialist where the survey utilized as a part of stage 2 of the examination was dictated by the writing audit and in addition by the judgment of the manager. Face legitimacy which alludes to the degree to which a measuring instrument looks as if it is measuring what it backings to gauge was controlled by the lead director. Then again, build legitimacy was dictated by connecting the fundamental speculations and hypothetical conceptualization subterranean insect the things in the poll (Kothari, 2011). The specialist in discussion with the lead director tried unwavering quality by evaluating the instrument and the homogeneity of the factors previously it was utilized.

### **3.7 Data Analysis**

Spellbinding insights was utilized to depict (and break down) the factors numerically. Which incorporate mean and standard deviation. Distinct insights empower the analyst to seriously depict an appropriation of estimations (Kothari, 2011). As demonstrated in inquire about targets, this examination was occupied with looking at the apparent part of key cooperation on business development at KCB. Thus, different factors that decide the effect of key cooperations on a firm were broke down to see whether any type of straight relationship existed.



## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION**

### **4.1 Introduction**

This part exhibits information investigation, discoveries and exchange of the examination discoveries. The target of the examination was to set up administration's view of the part of key cooperation on business development at Kenya Commercial Bank. These are spoken to in composition frame in light of assessments of the respondents.

The examination focused on 196 respondents in gathering information as to administration's impression of the part of key collusion on business development at Kenya Commercial Bank. From the investigation, 190 out of the 196 example respondents filled-in and restored the polls influencing a reaction to rate of 97%. This sensible reaction rate was made a reality after the analyst made individual calls and visits to remind the respondent to fill-in and restore the surveys.

### **4.2 Respondents Demographics**

The study sought the gender of respondents, age of respondents, working experience in the bank and at current position. This information was crucial in determining the ability of the respondents to give credible information.

#### 4.2.1 Gender of Respondents

**Table 4.1: Gender of Respondents**

|              | <b>Frequency</b> | <b>Percentage</b> |
|--------------|------------------|-------------------|
| Male         | 100              | 53                |
| Female       | 90               | 47                |
| <b>Total</b> | <b>190</b>       | <b>100</b>        |

*Source: Fieldwork*

The study sought to find out the gender of the respondents. According to the findings in table 4.1, 53% of the respondents were male while 47 % of the respondents female. From these findings we can deduce that the respondents were fairly distributed across genders.

#### 4.2.2 Age of respondents

The examination tried to discover the age of the respondents. As indicated by the discoveries in table 4.2, dominant part of the respondents 42.15% of the respondents were matured 41 to 45 years, 31.6% of the respondents were matured 36 to 40years,10.5% of the respondents were matured 26 to 30 years, 5.26% of the respondents were matured over 45 years while 2.6% of the respondents were matured 18 to 25 years. From these discoveries we can derive that the respondents of age and in this way gave dependable data to the investigation.

**Table 4.2: Age of Respondents**

| <b>Age</b>     | <b>Frequency</b> | <b>Percentage</b> |
|----------------|------------------|-------------------|
| 18- 25 years   | 5                | 2.6               |
| 26 to 30 years | 20               | 10.5              |
| 31 to 35 years | 15               | 7.89              |
| 36 to 40 years | 60               | 31.6              |
| 41 to 45 years | 80               | 42.15             |
| above 45 years | 10               | 5.26              |
| <b>Total</b>   | <b>190</b>       | <b>100</b>        |

*Source: Fieldwork*

#### **4.2.3 Working experience (in years) in this Bank**

The respondents were asked for to show the quantity of years they have been working in the bank, as per the discoveries in table 4.3 lion's share of the respondents, 53.8% demonstrated that they had worked in the bank for 6 to 10 years, 42.1% demonstrated they had worked for 11 to 15 years, 2.6% of the respondents showed more than 16 years while 1.5% demonstrated 0 to 5 years. From these discoveries, we can find that the respondents had enough involvement in their banks and hence gave valid data. Table 4.3 Working knowledge (in years) in this Bank.

**Table 4.3: Working experience (in years) in this Bank**

| <b>Years</b> | <b>Frequency</b> | <b>Percentage</b> |
|--------------|------------------|-------------------|
| 0-5 yrs      | 3                | 1.5               |
| 6-10 yrs     | 102              | 53.8              |
| 11 -15 yrs   | 80               | 42.1              |
| Over 16 yrs  | 5                | 2.6               |
| <b>Total</b> | <b>190</b>       | <b>100</b>        |

*Source: Fieldwork*

#### 4.2.4 Working experience in the current position

The respondents were asked for to indicate working knowledge in the present position, as per the discoveries in table 4.4 dominant part of the respondents, 40% showed that they had worked in the present position for 11 to 15years, 27.4% demonstrated they had worked for more than 16 years, 4.7 % of the respondents demonstrated 6 to 10 years while 2.6 % demonstrated 0 to 5 years. From these discoveries, we can conclude that the respondents had enough involvement in their present positions and consequently gave tenable data and comprehended the operations of the bank.

**Table 4.4: Working experience in the current position**

| Years        | Frequency  | Percentage |
|--------------|------------|------------|
| 0-5 yrs      | 5          | 2.6        |
| 6-10 yrs     | 9          | 4.7        |
| 11 -15 yrs   | 76         | 40.0       |
| Over 16 yrs  | 52         | 27.4       |
| <b>Total</b> | <b>190</b> | <b>100</b> |

*Source: Fieldwork*

#### 4.3 Adoption of Strategic Alliance at KCB

The respondents were asked for to rate their level of concurrence on explanations identifying with reception of key cooperation at KCB. In this inquiry a Likert size of 1 to 5 was utilized to translate the consequences of the examination. In the event that the mean was observed to be near 1, the investigation viewed the announcement as unequivocally deviate, if the mean was discovered near 2, the examination viewed explanation as dissented, if the mean was near 3, the investigation viewed the announcement as impartial, if the mean was close 4 the examination viewed the

announcement as differ and if the mean was near five, the examination viewed the announcement as emphatically oppose this idea.

From the investigation discoveries in table 4.5, greater part of the respondents concurred that bank has unions in residential and retail showcases as appeared with a mean of 3.89, The respondents likewise concurred that key union the bank incorporates shares in various nations as appeared with a mean of 4.24, bank has auxiliaries in different nations as appeared with a mean of 4.34, bank has contracts with remote governments and establishments as appeared with a mean of 4.44, bank has exploited innovation and portable saving money its collusions wanders as appeared with a mean of 4.43, bank has key organization together on different keeping money items as appeared with a mean of 3.89, bank has cooperation on Non-managing an account items as appeared with a mean of 4.26. The respondents were in concession to KCB reception of key collusion which can be esteemed as positive administration impression of organization together procedure as showed by total mean of 4.21 on the reactions. One followed test was led for the mean esteems with theory mean is more noteworthy than 3(test esteem) at 95% certainty level, 189 degrees of opportunity, the basic incentive for understudy t was 1.65. As per the discoveries all the computed esteems t esteems were more noteworthy than the basic esteem 1.65, henceforth the mean esteems are factually critical.

**Table 4.5: Adoption of Strategic Alliance at KCB**

|  | Response | Frequency | %   | Mean | t values | P-values |
|--|----------|-----------|-----|------|----------|----------|
| Bank has alliances in domestic and retail markets                  | SA       | 44        | 23  | 3.89 | 6.698    | 0.02     |
|  | A        | 100       | 53  |      |          |          |
|  | N        | 30        | 16  |      |          |          |
|  | D        | 14        | 7   |      |          |          |
|  | SD       | 2         | 1   |      |          |          |
|  | Total    | 190       | 100 |      |          |          |
| Strategic Alliance the bank includes shares in different countries | SA       | 100       | 53  | 4.24 | 5.528    | 0.08     |
|  | A        | 80        | 42  |      |          |          |
|  | N        | 7         | 4   |      |          |          |
|  | D        | 3         | 2   |      |          |          |
|  | SD       |           |     |      |          |          |
| Total  | 190      | 100       |     |      |          |          |
| Bank has subsidiaries in other countries                           | SA       | 84        |     | 4.34 | 7.345    | 0.01     |
|  | A        | 90        |     |      |          |          |
|  | N        | 14        |     |      |          |          |
|  | D        | 1         |     |      |          |          |
|  | SD       | 1         |     |      |          |          |
| Total  | 190      | 100       |     |      |          |          |
| Bank has contracts with foreign governments and institutions       | SA       |           | 44  | 4.44 | 6.878    | 0.04     |
|  |          | 100       |     |      |          |          |
|  | A        | 80        | 47  |      |          |          |
|  | N        | 5         | 7   |      |          |          |

**Table 4.5 Cont'd**

|  |       |     |     |             |       |      |
|--|-------|-----|-----|-------------|-------|------|
|  | D     | 3   | 1   |             |       |      |
|  | SD    | 2   | 1   |             |       |      |
|  | Total | 190 | 100 |             |       |      |
| Bank has taken advantage of technology and mobile banking its alliances ventures | SA    | 100 | 53  | 4.43        | 8.562 | 0.01 |
|  | A     | 77  | 41  |             |       |      |
|  | N     | 8   | 4   |             |       |      |
|  | D     | 4   | 2   |             |       |      |
|  | SD    | 1   | 1   |             |       |      |
|  | Total | 190 | 100 |             |       |      |
| Bank has strategic alliance on various banking products                          | SA    | 44  | 23  | 3.89        | 5.676 | 0.03 |
|  | A     | 100 | 53  |             |       |      |
|  | N     | 30  | 16  |             |       |      |
|  | D     | 14  | 7   |             |       |      |
|  | SD    | 2   | 1   |             |       |      |
|  | Total | 190 | 100 |             |       |      |
| Bank has alliances on Non-banking products                                       | SA    | 94  | 49  | 4.26        | 4.651 | 0.01 |
|  | A     | 64  | 34  |             |       |      |
|  | N     | 22  | 12  |             |       |      |
|  | D     | 7   | 4   |             |       |      |
|  | SD    | 3   | 2   |             |       |      |
|  | Total | 190 | 100 |             |       |      |
| <b>Aggregate Mean</b>  |       |     |     | <b>4.21</b> |       |      |

**Source: Fieldwork**

#### 4.4 Type and Nature of Strategic Alliance at KCB

The respondents were asked for to demonstrate the sort and nature of vital union at KCB, as per the discoveries in table 4.6, 80% of the respondents showed contract, 70% of the respondents showed constrained organizations, 80% of the respondents demonstrated general associations, 90% of the respondents showed corporate joint endeavors. From these discoveries, we can reason that the administration embraced contracts, constrained organizations, general associations, corporate joint ventures in the key partnership.

**Table 4.6: Type and Nature of Strategic Alliance at KCB**

| <b>Nature of strategic alliance</b> | <b>Percentage</b> |
|-------------------------------------|-------------------|
| Contracts                           | 80%               |
| limited partnerships                | 70%               |
| General partnerships                | 80%               |
| Corporate joint ventures            | 90%               |

*Source: Fieldwork*

#### 4.5 Role of Strategic Alliance on the Business Growth at KCB

The respondents were asked for to rate their level of concurrence on part of key organization together on the business development at KCB. In this inquiry a likert size of 1 to 5 was utilized to translate the aftereffects of the investigation. In the event that the mean was observed to be near 1, the examination viewed the announcement as little degree, if the mean was discovered near 2, the investigation viewed proclamation as little degree, if the mean was near 3, the examination viewed the announcement as direct degree, if the mean was close 4 the examination viewed the announcement as



substantial degree and if the mean was near five, the investigation viewed the announcement as expansive degree.

From the investigation discoveries in table 4.6, the respondents demonstrated that strategic organization together has come about into increment in business turnover over the most recent five years, as it were, as appeared with a mean of 4.34, vital partnership has come about into diminishment in cost of exchange, all things considered, as appeared with a mean of 4.41, evade boundaries to entering universal markets postured by lawful administrative or potentially political factors to an awesome degree as appeared with a mean of 4.20, empowers guard of market position and upgrade advertise position in display markets, vital cooperation encourages access to a neighborhood market to an extraordinary degree as appeared with a mean of 3.91, vital union prompts asset pooling and extension to an incredible degree as appeared with a mean of 4.25, vital union empowers shared control, as it were, as appeared with a mean of 4.27.

The discoveries additionally demonstrate that the bank is in a position to make to use extraordinary assets and capacities of the key accomplices, as it were, as appeared with a mean of 3.85, there union improve simple critical thinking on managing an account difficulties, as it were, as appeared with a mean of, 4.27 through key organization together the bank has capacity to learn and disguise new or insufficient abilities and advances from the accomplice, all things considered, as appeared with a mean of 4.32, along these lines constructing new capabilities required for future business, as it were, as appeared with a mean of, upgraded give aptitudes by working union partners to an incredible degree as appeared with a mean of 4.32, the bank can share the outline of process collaboratively to an awesome degree as appeared with a mean of 4.45, the

organization keeps up participation and viable correspondence systems with vital accomplices, as it were, as appeared with a mean of 4.34, key union prompts bringing down administration expenses and showcasing costs to an incredible degree as appeared with a mean of 4.41, the bank can trade staff in joint projects to an awesome degree as appeared with a mean of 4.20, the bank can attempt synergistic planning to an extraordinary degree as appeared with a mean of 3.91, diminish vulnerabilities in their inside structures and outer environments to an awesome degree as appeared with a mean of 4.25, increase future business opportunities to an extraordinary degree as appeared with a mean of 4.33.

The discoveries likewise demonstrate that vital collusion additionally prompts operational adaptability and acknowledgment of market potential to an extraordinary degree as appeared with a mean of 4.27, adaptability which helps to shared speculation skills to an incredible degree as appeared with a mean of 3.85, asset pooling crosswise over operational territories or cost centers to an awesome degree as appeared with a mean of 4.27, upgrade economies of scales and picks up from government managing an account strategies production of a focused advantage to an incredible degree as appeared with a mean of 4.32, accomplice banks to learn better approaches to enhance client service to an awesome degree as appeared with a mean of 3.85, improves stable running of the business even in the midst of solid rivalry and recession to an incredible degree as appeared with a mean of 4.27, key organization together prompts improved mechanical innovation to an incredible degree as appeared with a mean of 4.38. The total mean on the reaction on the part of key partnership on development of KCB was 4.25. One followed test was led for the mean esteems with speculation mean is more prominent than 3(test esteem) at 95% certainty level, 189 degrees of opportunity, the basic incentive for understudy t was 1.65. As indicated by the discoveries all the

ascertained esteems t esteems were more noteworthy than the basic estimation of 1.65, henceforth the mean esteems are factually huge.

#### 4.7 Role of strategic alliance on the business growth at KCB

**Table 4.7: Role of strategic alliance on the business growth at KCB**

|  | Response | Frequency | %   | Mean | T Values | p-values |
|--|----------|-----------|-----|------|----------|----------|
| Strategic alliance has resulted into increase in business turnover in the last five years                | SA       | 84        | 44  | 4.34 | 4.651    | 0.05     |
|  | A        | 90        | 47  |      |          |          |
|  | N        | 14        | 7   |      |          |          |
|  | D        | 1         | 1   |      |          |          |
|  | SD       | 1         | 1   |      |          |          |
|  | Total    | 190       | 100 |      |          |          |
| Strategic alliance has resulted into reduction in cost of transaction                                    | SA       | 98        | 52  | 4.41 | 5.434    | 0.02     |
|  | A        | 80        | 42  |      |          |          |
|  | N        | 5         | 3   |      |          |          |
|  | D        | 5         | 3   |      |          |          |
|  | SD       | 2         | 1   |      |          |          |
|  | Total    | 190       | 100 |      |          |          |
| Circumvent barriers to entering international markets posed by legal regulatory and/or political factors | SA       | 100       | 53  | 4.20 | 6.762    | 0.03     |

**Table 4.7 Cont'd**

|   |       |     |     |      |        |      |
|---|-------|-----|-----|------|--------|------|
|   |       |     |     |      |        |      |
|   | A     | 60  | 32  |      |        |      |
|   | N     | 9   | 5   |      |        |      |
|   | D     | 10  | 5   |      |        |      |
|   | SD    | 11  | 6   |      |        |      |
|   | Total | 190 | 100 |      |        |      |
| Enables defense of market position and enhance market position in present markets | SA    | 45  | 24  | 3.91 | 9.982  | 0.01 |
|   | A     | 100 | 53  |      |        |      |
|   | N     | 30  | 16  |      |        |      |
|   | D     | 13  | 7   |      |        |      |
|   | SD    | 2   | 1   |      |        |      |
|   | Total | 190 | 100 |      |        |      |
| Strategic alliance facilitates access to a local market                           | SA    | 93  | 49  | 4.25 | 6.743  | 0.02 |
|   | A     | 64  | 34  |      |        |      |
|   | N     | 24  | 13  |      |        |      |
|   | D     | 6   | 3   |      |        |      |
|   | SD    | 3   | 2   |      |        |      |
|   | Total | 190 | 100 |      |        |      |
| Strategic alliance leads to resource pooling and extension                        | SA    | 90  | 47  | 4.33 | 10.832 | 0.01 |
|   | A     | 80  | 42  |      |        |      |
|   | N     | 15  | 8   |      |        |      |
|   | D     | 3   | 2   |      |        |      |
|   | SD    | 2   | 1   |      |        |      |
|   | Total | 190 | 100 |      |        |      |
| Strategic alliance enables Shared control   | SA    | 80  | 42  | 4.27 | 11.652 | 0.03 |

**Table 4.7 Cont'd**

|  |       |     |     |      |       |      |
|--|-------|-----|-----|------|-------|------|
|  | A     | 97  | 51  |      |       |      |
|  | N     | 3   | 2   |      |       |      |
|  | D     | 4   | 2   |      |       |      |
|  | SD    | 6   | 3   |      |       |      |
|  | Total | 190 | 100 |      |       |      |
| The bank is in a position to create to leverage unique resources and capabilities of the strategic partners  | SA    | 46  | 24  | 3.85 | 8.645 | 0.05 |
|  | A     | 88  | 46  |      |       |      |
|  | N     | 40  | 21  |      |       |      |
|  | D     | 14  | 7   |      |       |      |
|  | SD    | 2   | 1   |      |       |      |
|  | Total | 190 | 100 |      |       |      |
| The alliance enhance easy problem solving on banking challenges  | SA    | 94  | 50  | 4.27 | 5.871 | 0.07 |
|  | A     | 66  | 46  |      |       |      |
|  | N     | 20  | 1   |      |       |      |
|  | D     | 7   | 2   |      |       |      |
|  | SD    | 3   | 1   |      |       |      |
|  | Total | 190 | 100 |      |       |      |
| Through strategic alliance the bank has ability to learn and internalize new or deficient skills and technologies from the partner, thereby building new competencies required for future business | SA    | 84  |     | 4.32 | 7.654 | 0.01 |
|  |       |     |     |      |       |      |

**Table 4.7 Cont'd**

|   |       |     |     |      |       |      |
|---|-------|-----|-----|------|-------|------|
|   | A     | 66  | 46  |      |       |      |
|   | N     | 20  | 1   |      |       |      |
|   | D     | 7   | 2   |      |       |      |
|   | SD    | 3   | 1   |      |       |      |
|   | Total | 190 | 100 |      |       |      |
| Enhanced present skills by working with alliance partners   | SA    | 90  | 44  | 4.38 | 4.563 | 0.02 |
|   | A     | 89  | 47  |      |       |      |
|   | N     | 6   | 7   |      |       |      |
|   | D     | 3   | 1   |      |       |      |
|   | SD    | 2   | 1   |      |       |      |
|   | Total | 190 | 100 |      |       |      |
| The bank is able to share the design of process collaboratively                                   | SA    | 97  | 51  | 4.45 | 4.634 | 0.02 |
|   | A     | 87  | 46  |      |       |      |
|   | N     | 1   | 1   |      |       |      |
|   | D     | 4   | 2   |      |       |      |
|   | SD    | 1   | 1   |      |       |      |
|   | Total | 190 | 100 |      |       |      |
| The company maintains cooperation and effective communication mechanisms with strategic partners. | SA    | 84  | 90  | 4.34 | 6.742 | 0.05 |
|   | A     | 90  |     |      |       |      |
|   | N     | 14  |     |      |       |      |
|   | D     | 1   |     |      |       |      |
|   | SD    | 1   |     |      |       |      |
|   | Total | 190 |     |      |       |      |

**Table 4.7 Cont'd**

|   |       |       |     |      |        |      |
|---|-------|-------|-----|------|--------|------|
| Strategic alliance leads to lowering service costs and marketing Costs      | SA    | 98    |     | 4.41 | 5.745  | 0.01 |
|   | A     | 80    |     |      |        |      |
|   | N     | 5     |     |      |        |      |
|   | D     | 5     |     |      |        |      |
|   | SD    | 2     |     |      |        |      |
|   | Total | 190   |     |      |        |      |
| The bank is able to interchange staff in joint Projects                     | SA    | 100   |     | 4.20 | 8.872  | 0.02 |
|   | A     | 60    |     |      |        |      |
|   | N     | 9     |     |      |        |      |
|   | D     | 10    |     |      |        |      |
|   | SD    | 11    |     |      |        |      |
|   | Total | 190   |     |      |        |      |
| The bank is able to undertake collaborative planning                        | SA    | 45    | 24  | 3.91 | 9.432  | 0.03 |
|   | A     | 100   | 53  |      |        |      |
|   | N     | 30    | 16  |      |        |      |
|   | D     | 13    | 7   |      |        |      |
|   | SD    | 2     | 1   |      |        |      |
|   |       | Total | 190 |      |        |      |
| Reduce uncertainties in their internal structures and external environments | SA    | 93    | 49  | 4.25 | 10.653 | 0.03 |
|   | A     | 64    | 34  |      |        |      |
|   | N     | 24    | 13  |      |        |      |
|   | D     | 6     | 3   |      |        |      |
|   | SD    | 3     | 2   |      |        |      |
|   |       | Total | 190 |      |        |      |

**Table 4.7 Cont'd**

|  |       |     |     |      |        |      |
|--|-------|-----|-----|------|--------|------|
| Gain future business opportunities                                   | SA    | 90  | 47  | 4.33 | 5.762  | 0.05 |
|  | A     | 80  | 42  |      |        |      |
|  | N     | 15  | 8   |      |        |      |
|  | D     | 3   | 2   |      |        |      |
|  | SD    | 2   | 1   |      |        |      |
|  | Total | 190 | 100 |      |        |      |
| Leads to operational flexibility and realization of market potential | SA    | 80  | 42  | 4.27 | 7.651  | 0.06 |
|  | A     | 97  | 51  |      |        |      |
|  | N     | 3   | 2   |      |        |      |
|  | D     | 4   | 2   |      |        |      |
|  | SD    | 6   | 3   |      |        |      |
|  | Total | 190 | 100 |      |        |      |
| Flexibility which aids to shared investment skills                   | SA    | 46  | 24  | 3.85 | 9.767  | 0.07 |
|  | A     | 88  | 46  |      |        |      |
|  | N     | 40  | 21  |      |        |      |
|  | D     | 14  | 7   |      |        |      |
|  | SD    | 2   | 1   |      |        |      |
|  | Total | 190 | 100 |      |        |      |
| Resource pooling across operational areas or cost centers            | SA    | 94  | 49  | 4.27 | 11.878 |      |
|  | A     | 66  | 35  |      |        |      |
|  | N     | 20  | 11  |      |        |      |
|  | D     | 7   | 4   |      |        |      |
|  | SD    | 3   | 2   |      |        |      |
|  | Total | 190 | 100 |      |        |      |



**Table 4.7 Cont'd**

|  |       |     |     |      |        |      |
|--|-------|-----|-----|------|--------|------|
| Enhance economies of scales and gains from government banking policies                   | SA    | 84  |     | 4.32 | 8.987  | 0.08 |
|  | A     | 85  |     |      |        |      |
|  | N     | 19  |     |      |        |      |
|  | D     | 1   |     |      |        |      |
|  | SD    | 1   |     |      |        |      |
|  | Total | 190 |     |      |        |      |
| Creation of a competitive advantage  | SA    | 90  |     | 4.38 | 7.876  | 0.09 |
|  | A     | 89  |     |      |        |      |
|  | N     | 6   |     |      |        |      |
|  | D     | 3   |     |      |        |      |
|  | SD    | 2   |     |      |        |      |
|  | Total | 190 |     |      |        |      |
| Enhancing product demand and publicity   | SA    | 97  |     | 4.45 | 10.98  | 0.08 |
|  | A     | 87  |     |      |        |      |
|  | N     | 1   |     |      |        |      |
|  | D     | 4   |     |      |        |      |
|  | SD    | 1   |     |      |        |      |
|  | Total | 190 |     |      |        |      |
| Partner banks to learn new ways to improve customer service                              | SA    | 46  | 24  | 3.85 | 11.765 | 0.02 |
|  | A     | 88  | 46  |      |        |      |
|  | N     | 40  | 21  |      |        |      |
|  | D     | 14  | 7   |      |        |      |
|  | SD    | 2   | 1   |      |        |      |
|  | Total | 190 | 100 |      |        |      |
| Enhances stable running of the business even in times of stiff competition and recession | SA    | 94  | 49  | 4.27 | 8.751  | 0.04 |

**Table 4.7 Cont'd**

|   |       |     |     |             |       |      |
|---|-------|-----|-----|-------------|-------|------|
|   | A     | 66  | 35  |             |       |      |
|   | N     | 20  | 11  |             |       |      |
|   | D     | 7   | 4   |             |       |      |
|   | SD    | 3   | 2   |             |       |      |
|   | Total | 190 | 100 |             |       |      |
| Strategic alliance leads to enhanced technological innovation | SA    | 90  | 47  | 4.38        | 7.871 | 0.05 |
|   | A     | 89  | 47  |             |       |      |
|   | N     | 6   | 3   |             |       |      |
|   | D     | 3   | 2   |             |       |      |
|   | SD    | 2   | 1   |             |       |      |
|   | Total | 190 | 100 |             |       |      |
| <b>Aggregate Mean Index</b>                                   |       |     |     | <b>4.23</b> |       |      |

*Source: Fieldwork*

#### **4.6 Discussion of the Findings**

Confirmation appears from the examination show positive administration observation on the part of key collusion on development organization. The development is occasioned by the way that vital unions shaped at integral business levels, particularly vertical ones, have the best likelihood of making a manageable upper hand. This has brought about a substantial number of organizations going into partnerships to increase upper hand (Uddin and Akhter, 2011). Thus, key unions intended to react to rivalry and to diminish vulnerability can likewise make upper hand. Notwithstanding, the preferred standpoint made through correlative (both vertical and flat) vital cooperation are more changeless than the others that have a tendency to be impermanent. Reciprocal

organizations together are seen to be more aggressive principally in light of the fact that they have a more grounded concentrate on the formation of significant worth contrasted with rivalry, in this way lessening vulnerability while rivalry cooperation have a tendency to be shaped to react to contenders' activities instead of to assault contenders.

The Findings agree with Inkpen (2011) who contended that that cooperation portfolios turn out to be more differing to enhance advertise get to, lessen advancement time-traverse lastly to coordinate correlative innovative abilities. A partnership portfolio can likewise have genuine choice esteem. Holding a separated asset portfolio through cooperation developments gives a firm an awesome measure of adaptability, picking up the alternative to get to assets that would be too exorbitant to keep up without anyone else.

The examination discoveries likewise agree with discoveries by Cherian (2012), who contended that inspiration concerning how organizations can benefit by entering cooperations is clarified by exchange cost hypothesis Because of market flaw, firms may pick not to acquire assets from the market, but instead create them inside. Where a market trade might be wasteful due to the high exchange costs, organizing generation inside the firm can be a decent option. (Cherian, 2012).

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

The goal of the investigation was to set up administration's view of the part of key organization together on business development at Kenya Commercial Bank. This gives a synopsis of the examination and makes conclusion and suggestions in light of the discoveries. The section additionally introduces suggestions from the discoveries and territories for additionally inquire about.

### **5.2 Summary of Findings**

This study revealed that management has perceived the role of strategic alliance has having positive implications on growth of the banks. The bank has entered into alliance through adopted contracts, limited partnerships, general partnerships, corporate joint ventures in the strategic alliance.

On the issue of adopting strategic alliance the study found that strategic alliance in the bank includes shares in different countries. The banks further have subsidiaries in other countries. Bank has contracts with foreign governments and institutions, the bank has taken advantage of technology and mobile banking its alliances ventures, bank has strategic alliance on various banking products and has alliances on non-banking products.

### **5.3 Conclusion**

The study concludes that, management perceive that strategic alliance result to increased business turnover and this leads to higher profitability culminated by reduction in transaction costs. The bank is also in a position to enter international markets through the strategic alliance which help in overcoming barriers in legal/regulatory on foreign markets.

The study concludes that the management perceives strategic alliance as enabling the bank to learn and disguise new or productive abilities and advances from the accomplice and the bank is in a position to achieve great use for its operations in this manner fabricating new skills required for future business; this leads to enhanced present skills while working with alliance partners.

The study also concludes that management perceive that through strategic alliance the company maintains cooperation and effective communication mechanisms with strategic partners. This leads to lowering service costs and marketing costs. Through strategic alliance the bank has capability to gain from future business opportunities which lead to operational adaptability and acknowledgment of market potential. The adaptability helps in shared venture aptitudes and asset pooling crosswise over operational regions or cost focuses.

The study concludes that through strategic alliance partner banks can learn new ways to improve customer service. Through the good customer service there is stable running of the business even in times of stiff competition and recession. The need to maintain customers leads to creativity and innovation.

#### **5.4 Implications of the Study**

Management perceives that the strategic alliance result to increased business turnover and this leads to higher profitability culminated by reduction in transactional costs. However, globalization has without a doubt opened the way to framing universal vital cooperations - less exchange confinements. The national government approaches ought to be in line the unions and this would give banks a superior shot of entering abroad markets on the off chance that they have the correct techniques for misusing such open doors and furthermore exploit the nearby market openings too.

The findings of this study has management perceived that most banks are entering into such alliance arrangements in order to get various benefits. However due to a number of challenges encountered in some instances and management perceive the gains are not maximized. It is therefore necessary for those banks already in a strategic alliance to deal with the challenges in order to realize even more gains. Careful choice of the strategic partners is also important so as to avoid conflicts of any sort. This will also ensure a sustainable relationship where the partners can complement each other in more synergistic manner.

Having a strong agenda that catches the assemblage of learning from fruitful and fizzled cooperation's would, in the feeling of the scientist, end up being greatly valuable to existing banks and potential new contestants which will prompt accomplishment of future organizations together.

#### **5.5 Limitations of the Study**

Since the fundamental reason for this examination was to decide the administration's impression of vital organizations together on the money related execution of KCB

Group, the bank thought about some data touchy and classified and along these lines the analyst needed to persuade them that the motivation behind data is for scholarly research just and may not be utilized for some other goals.

The discoveries of this investigation may not likewise be summed up to all banks over the globe yet can be utilized as a source of perspective to business banks in creating nations since the administration works in a similar situation henceforth saw on the part vital cooperation on banks development.

### **5.6 Suggestions for Further Research**

This investigation finds the requirement for comparative examinations to be completed focusing on other money related foundations. In the meantime, there is requirement for additionally examine focusing on narrowing down on how each kind of vital collusion went into by banks add to the development of the association.

Notwithstanding the restrictions of this examination, researchers ought to have the capacity to use these discoveries to make novel examinations for facilitate examinations on other key issues identifying with vital unions in the keeping money industry. Studies could likewise be directed in different ventures Other than managing an account with a specific end goal to approve or negate the discoveries of this investigation. The extent of the examination may likewise be reached out to cover the perspectives of other key partners in the managing an account industry, for example, the Central bank of Kenya and the Mergers and Monopolies direction expert.

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## **APPENDICES**

### **APPENDIX I: LETTER OF INTRODUCTION**

**29<sup>TH</sup> SEPTEMBER, 2016**

**MARK OTIENO MIRUKA**

**KENYA COMMERCIAL BANK LTD**

**KCB SARIT CENTRE,**

**NAIROBI.**

Dear Sir/Madam.....

#### **REQUEST FOR RESEARCH PROPOSAL DATA**

I am a student undertaking a degree in Master of Business Administration, University of Nairobi. I am carrying out a research proposal project in partial fulfillment of the degree requirement. The research proposal topic is “Perceived Role of Strategic Alliance on the Business Growth of Kenya Commercial Bank Ltd”.

I humbly request you to respond to the interview I will conduct. The information you give will be used strictly and solely for academic purposes and will be treated with utmost confidentiality. Should you require a copy of the research paper, I will gladly oblige.

Regards,

Mark Otieno Miruka

## APPENDIX II: QUESTIONNAIRE

### SECTION A: BIO DATA

i. Please indicate your gender (Optional)

Male                   Female

ii. Kindly indicate your age: (Optional)

Below 18- 25 yrs                                    36 to 40 yrs

26 to 30 yrs                                    41 to 45 yrs

31 to 35 yrs                                    above 45 yrs

iii. What is your work experience (in years) in this Bank? (Optional)

5 yrs                                    6-10 yrs                 

11 -15                                    Over 16 yrs                 

iv. Working experience in the current position (Optional)

5 yrs                                    5-10 yrs                 

11 -15                                    Over 16 yrs                 

### SECTION BI: ADOPTION OF STRATEGIC ALLIANCE AT KCB

**I. In your opinion, to what extent has the Bank adopted strategic Alliance? Please indicate on a Scale of 1 – 5 where: 1 = To Avery Small Extent; 2 = Small extent; 3 = Moderate Extent; 4 = Large Extent; 5 = Very Large Extent**

|  | (1) | (2) | (3) | (4) | (5) |
|--|-----|-----|-----|-----|-----|
| Bank has alliances in domestic and retail markets                  |     |     |     |     |     |
| Strategic Alliance the bank includes shares in different countries |     |     |     |     |     |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Bank has subsidiaries in other countries   |  |  |  |  |  |
| Bank has contracts with foreign governments and institutions                     |  |  |  |  |  |
| Bank has taken advantage of technology and mobile banking its alliances ventures |  |  |  |  |  |
| Bank has strategic alliance on various banking products                          |  |  |  |  |  |
| Bank has alliances on Non-banking products                                       |  |  |  |  |  |

## **SECTION BII: TYPE AND NATURE OF STRATEGIC ALIANCE AT KCB**

Kindly indicate the nature of strategic alliance at your bank

Contracts  [ ]

Limited partnerships  [ ]

General partnerships  [ ]

Corporate joint ventures,  [ ]

## **SECTION C: ROLE OF STRATEGIC ALLIANCE ON THE BUSINESS GROWTH AT KCB**

Kindly indicate your agreement on the following statements relating to the role of strategic alliance on business growth at KCB on a scale of 1 to 5 where 1= strongly disagree, 2=disagree, 3= Neutral, 4 = agree, 5= Strongly agree

|   | (1) | (2) | (3) | (4) | (5) |
|---|-----|-----|-----|-----|-----|
| Strategic alliance has resulted into increase in business turnover in the last five years |     |     |     |     |     |
| Strategic Alliance has resulted into reduction in cost of transaction                     |     |     |     |     |     |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| circumvent barriers to entering international markets posed by legal regulatory and/or political factors   |  |  |  |  |  |
| Enables defense of market position and enhance market position in present markets  |  |  |  |  |  |
| Strategic Alliance facilitates access to a local market  |  |  |  |  |  |
| Strategic Alliance leads to resource pooling and extension   |  |  |  |  |  |
| Strategic Alliance enables Shared control  |  |  |  |  |  |
| The bank is in a position to create to leverage unique resources and capabilities of the strategic partners  |  |  |  |  |  |
| There alliance enhance easy problem solving on banking challenges  |  |  |  |  |  |
| Through strategic alliance the bank has ability to learn and internalize new or deficient skills and technologies from the partner, thereby building new competencies required for future business |  |  |  |  |  |
| Enhanced present skills by working with alliance partners  |  |  |  |  |  |
| The bank is able to share the design of process collaboratively  |  |  |  |  |  |
| The company maintains cooperation and effective communication mechanisms with strategic partners.  |  |  |  |  |  |
| Strategic Alliance leads to lowering service costs and marketing Costs   |  |  |  |  |  |
| The bank is able to interchange staff in joint Projects  |  |  |  |  |  |
| The bank is able to undertake collaborative planning   |  |  |  |  |  |
| Reduce uncertainties in their internal structures and external environments  |  |  |  |  |  |



|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Gain future business opportunities   |  |  |  |  |  |
| Leads to operational flexibility and realization of market potential                     |  |  |  |  |  |
| Flexibility which aids to shared investment skills                                       |  |  |  |  |  |
| Resource pooling across operational areas or cost centers                                |  |  |  |  |  |
| Enhance economies of scales and gains from government banking policies                   |  |  |  |  |  |
| Creation of a competitive advantage  |  |  |  |  |  |
| Enhancing product demand and publicity   |  |  |  |  |  |
| Partner banks to learn new ways to improve customer service                              |  |  |  |  |  |
| Enhances stable running of the business even in times of stiff competition and recession |  |  |  |  |  |
| Strategic alliance leads to enhanced technological innovation                            |  |  |  |  |  |

***Thank you very much for your valuable time!!!!!!!***