

**STRATEGIC RESPONSE TO CHANGES IN BUSINESS  
ENVIRONMENT BY COMMERCIAL BANKS IN KENYA**

**BY**

**JANET MWENGA**

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## DECLARATION

This research project is my original work and has not been submitted to any other college, institution or university

Signature ..... Date .....

**Janet Mwenga**

**D61/73222/2012**

This research project has been submitted for examination with my approval as the university supervisor

Signature ..... Date .....

**Prof: E. Aosa**

Department of Business Administration

School of Business

University of Nairobi

## **DEDICATION**

This project paper is devoted to my dear guardians; Mr. furthermore, Mrs. Charles Nguli, whose adoration, forfeit and responsibility towards giving all of us a training remain unrivalled as well as to my Son Lewis Auka, A happy soul, whose love and energy gave me motivation every day to keep on working hard towards completion of this project.

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# TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iv</b>
<b>LIST OF TABLES.....</b>	<b>vii</b>
<b>ABBREVIATIONS AND ACRONYMS.....</b>	<b>viii</b>
<b>ABSTRACT.....</b>	<b>ix</b>
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.1.1 Strategic Response.....	3
1.1.2 Business Environment.....	4
1.1.3 Commercial Banks in Kenya.....	5
1.2 Research Problem.....	6
1.3 Research Objectives.....	8
1.4 Value of the Study.....	9
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>10</b>
2.1 Introduction.....	10
2.2 Theoretical Foundation.....	11
2.2.1 Dynamic Capability Theory.....	11
2.2.2 Miles and Snow Model.....	12
2.2.3 Resource Dependence Theory.....	13
2.3 Strategy and Organizations.....	14
2.4 Organizations and the External Environment.....	15
2.5 Strategic Responses by Organizations.....	16
2.6 Empirical Studies and Research Gaps.....	17
<b>CHAPTER THREE: RESEARCH METHODOLOGY.....</b>	<b>20</b>
3.1 Introduction.....	20
3.2 Research Design.....	20

3.3 Population of the Study .....	21
3.4 Data Collection.....	22
3.5 Data Analysis .....	22
<b>CHAPTER FOUR: DATA ANALYSIS, RESULTS AND INTERPRETATION ....</b>	<b>24</b>
4.1 Introduction .....	24
4.2 Response Rate .....	24
4.3 General Information Analysis .....	24
4.3.1 Period in Operation.....	24
4.3.2 Bank Performance .....	25
4.4 Environment Changes faced by Commercial Banks in Kenya .....	26
4.4.1 Internal Factors .....	26
4.4.2 External Factors.....	27
4.5 Strategic Responses to Changes in the External Environment by Commercial Banks in Kenya .....	28
4.6 Discussion of Findings .....	30
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ..</b>	<b>33</b>
5.1 Introduction .....	33
5.2 Summary of Findings .....	33
5.3 Conclusions .....	35
5.4 Recommendations .....	36
5.5 Limitations of the Study .....	37
5.6 Suggestion for Further Research.....	37
<b>REFERENCES.....</b>	<b>39</b>
<b>APPENDICES .....</b>	<b>42</b>
Appendix I: Research Questionnaire.....	42
Appendix II: List of Commercial Banks in Kenya .....	45

## LIST OF TABLES

Table 4.1: Period in Operation.....	25
Table 4.2: Bank Performance .....	25
Table 4.3: Internal Factors .....	26
Table 4.4: External Factors .....	27
Table 4.5: Response Strategies .....	29

## **ABBREVIATIONS AND ACRONYMS**

**CBK** - Central Bank of Kenya

**ICT** - Information, Communication and Technology

**NBFI** - Non-Banking Financial Institutions

## ABSTRACT

The banking industry is portrayed by clients' complexity, strict control and supervision, innovation headway, progression of keeping money permit prompting fast internationalization. Vital reactions guarantee the survival of associations everywhere and in the meantime improve importance in nature in which they serve. Consequently, all around created and focused on vital reactions are imposing weapons for the firm in gaining and supporting an aggressive edge. This investigation looked to establish that vital reaction to changes in business condition by business banks in Kenya. The examination likewise tried to set up the real business condition changes looked by business banks in Kenya. To accomplish these destinations, a cross sectional engaging review configuration was received and the populace included all the 41 business banks in Kenya as at 31st December 2017. Essential information was gathered utilizing an organized survey which was controlled to the directors responsible for procedure and activities or their counterparts from each the chose business bank. The gathered information was broke down utilizing enlightening measurements which incorporated the mean, frequencies, rates and the standard deviation. The examination found that client desires and change opposition by representatives were the inside condition factors influenced business banks in Kenya to an expansive degree and that adjustments in data innovation, tax collection, unfair competition, prudential regulations, legal changes, corruption, economic conditions and inflation were the major external environment factors affecting banks. The study also found that that staff training, consultancy, innovation and ICT deployment, effective capacity utilization, customer relationships management, diversification to other sectors like banc assurance, strategic partners' management and aggressive marketing strategies were used to a large extent. The study established that that adherence to rules and regulations, aggressive marketing, insurance and transfer of risks were also effective that staff training, consultancy, agent banking, customer relationships management, corporate governance, expansion into new markets and research promotion were the most effective strategies. The study concluded that that most used response strategies were staff training, consultancy, innovation and ICT deployment, effective capacity utilization, customer relationships management, diversification to other sectors like banc assurance, strategic partners management and aggressive marketing. The study also concluded that the most effective strategies of dealing with business environment changes were staff training, consultancy, agent banking, customer relationships management, corporate governance, expansion into new markets and research promotion

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

The business environment has drastically transformed over the last two decades. Today, the key distraction of most best supervisors in associations is the improvement of a corporate technique that will give the association an aggressive edge in the exceptionally powerful condition (Kiptui, 2014). Innovative headways, ascent of educated clients and globalization have given a typical stage to all organizations along these lines trying for associations to pick up a practical upper hand (Nzewi and Moneme, 2016). The capacity of associations to oversee and endure change is winding up progressively critical in a situation where rivalry and globalization of business sectors are increasing (Kebaya, Okibo and Nyangau, 2015).

Theoretically, the resource –based view of a firm clarifies that an organization's capacity to convey reasonable upper hand when assets are overseen with the end goal that contenders can't mimic their results, which at last makes an aggressive boundary. The Miles and Snow hypothesis stresses organizations forcefully look for development openings through item and market advancement and development (Luo, Tan and O'connor, 2001). The dynamic capacities contend that organizations ought to incorporate, form, and reconfigure interior and outer skills to address quickly changing situations and intentionally make, broaden, or alter the asset base (Hallin and Andersen, 2014).

The banking industry is characterized by customers 'sophistication, strict regulation and supervision ,technology advancement, liberalization of banking license lending to rapid internalization(Nzewi and Moneme, 2016). Banks the world over face impressive difficulties: they are losing a portion of their restraining infrastructures and similar preferences which have supported their prevailing position in the money related framework (Llewellyn, 1996). In numerous nations money related frameworks, especially the saving money area, are going through a time of significant auxiliary change under the consolidated and between related weights of: inward rivalry; declining passage boundaries; changes in control; new data, exchanging and conveyance innovation (Llewellyn, 1996).

Commercial banks in Kenya assume noteworthy jobs in the money related part. They secure client stores in fluid shape and consequently loan the returns to credit commendable establishments (Thuranira, 2012). For quite a while the keeping money industry in Kenya delighted in a generally steady condition. Be that as it may, today the business is confronting forceful rivalry thinking about Kenya's high relative proportion of banks to the aggregate populace (Okari, Katula and Nyanumba, 2016). Business banks in Kenya have been exposed to huge institutional weights to enhance execution, cut task costs, upgrade corporate administration and hone their client driven activities (Ochieng and Kwasira, 2017). In this manner, business banks in Kenya need to fight with the elements of a changing aggressive condition as a result of expanded globalization and internationalization impacts (Muchoki and Were, 2016).

### **1.1.1 Strategic Response**

Strategic response is the adjustment as changes that occur after some time to the methodologies and goals of an association. It is additionally a hierarchical conduct incited by a circumstance or an occasion called improvement. A key reaction influences the long haul course of the association and requires a lot of assets. It is gone for accomplishing advantage for the association and all things considered, it is worried about the extent of the whole authoritative exercises (Muchoki and Were, 2016). In this manner, key reactions are a lot of choices and activities that outcome in the detailing and usage of plans intended to accomplish a company's objectives (Ofunya, 2015).

Strategic responses are among the aggressive methodologies that organizations apply in characterizing their destinations. Correctly they are responses to what is going on in the business condition (Ofunya, 2015). To a great extent, vital reactions upgrade business survival notwithstanding enhancing significance of the association inside nature of activity (Angara, 2010). This has seen associations grasp and spotlight on the difficulties that the earth has with an unmistakable fascination on adjustment and change that is viewed as supportable to any venture (Njiru, 2012).

Strategic responses may take numerous structures relying upon the association's capacity and nature in which it works. Very much created and focused on key reactions are considerable weapons for the firm in procuring and continuing an aggressive edge (Ofunya, 2015). Consistent checking of inside and outer condition is a need for viable vital reactions as it stays up to date with every ecological variable supporting present and future business activities of the firm (Thuranira, 2012).

### **1.1.2 Business Environment**

The business environment is defined as the totality of physical and social elements thought about by a firm to decide. The business condition is a complex versatile framework and in this way has an effect on the decision of key exercises (Mutuku, 2014). The business condition additionally depicts the legitimate, institutional and social system in which people and firms seek after business exercises (Ibrahim and Primiana, 2015).

The business environment is multi-dimensional and incorporates key parts of administration given by the state, for example, business direction and tax collection, lawfulness and the legal executive, and in addition framework and money related administrations (Ibrahim and Primiana, 2015). All associations paying little respect to the idea of their business are dependably in steady communication with the earth. The associations rely upon the earth for their proceeded with survival, this implies an association works in an open framework (Angara, 2010).

The business environment is categorized into inward and outside sets. The inner set incorporates social and physical factors inside the company's limits; the outer side contains connecting angles outside the limits (Mutuku, 2014). Interior condition factors are effectively controllable and oversee in the association. Outside variables are wild viewpoints. The outside condition gives extensive variety of dangers and openings along these lines impacting the business endeavor structure and its jobs. The large-scale condition incorporates lawful, social, monetary and innovative perspectives that impact business activity (Ibrahim and Primiana, 2015).

### **1.1.3 Commercial Banks in Kenya**

The banking sector in Kenya is included 41 business banks and one home loan back organizations (Cherotich et al., 2015). Kenyan business banks are characterized into three friend bunches utilizing a weighted composite record that contains net resources, client stores, capital and stores, number of store records and number of credit accounts (CBK, 2015). A portion of these laws incorporate however not constrained to the allotment demonstration, keeping money act, chapter 11 act, capital markets, Central Bank of Kenya act, focal stores act, checks act, general advances and stock act among different laws (Chege, 2013). The Central Bank of Kenya has generally speaking administrative specialist over the managing an account industry in Kenya (Lau, 2015).

The last five years have seen an extreme change in the Kenyan-dealing with a record portion with the change of various Non-Banking cash related foundations (NBFI) and building social requests into totally fledged banks. The augmentation in the amount of business banks in Kenya has accomplished a combination of setting aside extra cash things and organizations concentrating on various customer parts and pay social events (Kathuni and Mugenda, 2012). The Kenyan dealing with a record industry has seen enormous advancement of establishment through wide establishment of branches, extended accessibility of convenient budgetary organizations and wide usage of office setting aside extra cash illustrate (Lau, 2015). The keeping cash industry in Kenya has seen a creating number of players battling head-on, thusly to remain forceful, they have to characterize and execute philosophies that will engage them attract and hold customers (Muchoki and Were, 2016).

Commercial banks in Kenya have responded to the changing business condition with a couple of procedures went for keeping up and thusly building up its portfolio. Banks like Cooperative Bank, Family Bank, Equity Bank have extended their thing offering with a point of changing themselves to budgetary supermarkets (Tangus and Omar, 2016). Banks in Kenya have responded to the necessities of the Kenyan market for solace and profitability through alternative keeping money channels, for example, portable, web and office managing an account, Industry and wide branch arrange development technique both in Kenya and in the East African people group district (Okari, Katula and Nyanumba, 2016).

## **1.2 Research Problem**

Strategic responses ensure the survival of associations everywhere and in the meantime improve significance in nature in which they serve. This has seen associations grasp and spotlight on the difficulties that the earth has with an unmistakable fascination on adjustment and change that is viewed as reasonable to any undertaking (Njiru, 2012). Consequently, all around created and focused on vital reactions are impressive weapons for the firm in gaining and supporting an aggressive edge (Ofunya, 2015). For powerful key reactions ceaseless checking of both inner and outside condition is an essential as it stays informed concerning every natural variable supporting present and future business activities of the firm (Thuranira, 2012).

In Kenya, the banking sector has become extremely unstable after expanded political nerves, rivalry from new participants, social changes and mechanical progression(Muchoki &Were,2016). As per Kathuni and Mugenda (2012),business banks in Kenya have experienced increased competition over the last few years resulting from

increased innovations among the players and new participants. Also, regardless of the Kenyan keeping money part security and strength, Dubai Bank Limited and Imperial Bank Limited, were set in receivership by the Central Bank of Kenya in the second and third quarters of 2015 (CBK, 2015). A few different banks have been announcing misfortunes for the most part owing to focused and testing business condition (Chepngetich, 2012). This requires an investigation on the key reaction to changes in business environment.

Additionally, a few observational examinations have investigated the ideas of vital reactions and business condition changes. For instance, Levy and Kolk (2002) investigated the vital reactions to worldwide environmental change by multinationals oil introductory corporate reactions yet the examination center was worldwide firms and worldwide atmosphere changes and not business condition changes. Danciu (2013) utilizing an overview investigated the suitable reaction to nature changes and reasoned can keep associations effective subsequently; associations should give the correct apt reaction to every one of primary fates difficulties of advertising.

Additionally, in Nigeria, Eruemegbe (2015) investigated the effect of business condition on bank execution utilizing a review and found that cooperation, work dependent on contract and supervision influence banks execution however the examination did not investigate the procedures for reacting to the business condition changes. Ibrahim and Primiana (2015) evaluated the impact of business condition on association execution through an overview structure and found that business condition fundamentally influences firm execution yet the investigation explored the systems of managing business condition changes.

In Kenya, Thurairaja (2012) utilizing a graphic review investigated the reaction systems business banks in Kenya have received because of changes in the financial condition and found that business banks in Kenya had reacted to the adjustments in their condition through conservation techniques. Notwithstanding, the examination concentrated on reaction techniques towards changes in the financial condition. Angara (2010) likewise contemplated the key reactions adjusted by Kenya Commercial Bank to changes in the environment and found that the bank had prevailed in selection of its systems by adjusting procedures to the structure, sufficient asset distribution to ventures, guaranteeing of strong strategies and staff responsibility. In any case, the examination concentrated on a solitary business bank whose reaction systems might be not the same as other business banks.

From the assessed examinations universal and nearby investigations, it is clear that there is no single vital reaction material to a wide range of businesses and conditions. The accessible examinations center around either a solitary bank or different enterprises, which makes an experimental writing hole. In this manner, which key reactions are connected to changes in business condition by business banks in Kenya?

### **1.3 Research Objectives**

This study had two objectives . These were;

- i). To establish the major business environment changes faced by commercial banks
- ii). To determine the strategic response by commercial banks in Kenya to changes in the business environment.

## **1.4 Value of the Study**

The results of this research will be of noteworthiness to the administration of business banks in Kenya, arrangement producers and researchers around the world. The administration of business banks and other monetary foundations may utilize the examination ends and suggestions to make different vital reactions to counter the different business condition changes, which influence the saving money part.

The study will provide insights approach making establishments like the Central Bank of Kenya and the Capital Markets Authority. The approach influencing foundations to can utilize the bits of knowledge given by the investigation to think of powerful strategy components on key reactions towards business condition changes. At long last, the discoveries will be of an incentive to the scholastic culture in that the examination will contribute extra experimental writing on vital administration and the ideas of procedure, key reaction and business condition.

On the theoretical relationship, the examination will interface the investigation factors to the received speculations and clarify the hypothetical association between the ideas of key reactions and business condition changes. The investigation will likewise prescribe new regions which the considered speculations might be connected.

This chapter explored the concepts of vital reaction and business condition and the examination setting, which is the business banks in Kenya. The part additionally displayed the exploration issue, destinations and estimation of the examination. Chapter two reviews the existing and related literature on the study concepts.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents the writing on the idea of system and key reactions that have been embraced by different associations. The section exhibits the hypothetical establishment of the investigation, plates the idea of methodology and the different business condition changes. The part additionally sees different vital reactions, the association between key reactions and business condition changes lastly an audit of past examinations and holes emerging from the investigations.

The business environment is involved a lot of connections between operators or partners in the earth connections that are changed by individual choices taken. This condition continues changing, along these lines the associations and their advertising divisions need to distinguish the appropriate approaches to bargain and adjust with these progressions to decrease the impact of condition changes. Consequently, the business associations and banks as one of these associations should construct an unmistakable vital vision to comprehend these changes.

Businesses use strategies to plan and additionally execute methodology so as to contend effectively. Methodology is a bound together and coordinated arrangement that relates the vital preferences of the firm to the difficulties of the earth and that is intended to guarantee that the essential targets of the undertaking are accomplished through appropriate execution by the association. As there is no single technique that is material to a wide range of conditions, the adequacy of a procedure is dependent upon business environmental characteristics.

## **2.2 Theoretical Foundation**

The theoretical review section discussed mostly the speculations that exist and are known inside a specific region of study. Hypotheses help to comprehend encounters by relating them to the hypothetical ideas that have been distinguished, and the universals demonstrated by the encounters. Hypothetical audits general help to relate the investigation idea to explicit hypothesis.

A study without theory is named innocent observation (a negligible actuality discovering exercise), and is regularly looked downward on in sociology. A decent hypothetical survey depends completely on the nature of writing audit and handle of applicable hypotheses. From the hypothetical looked into, testable speculations can be produced to inspect whether the hypothesis planned is legitimate or not.

This study is anchored on the dynamic capacity hypothesis and the Miles and Snow display as the major hypothetical underpinnings of the exploration. The hypotheses are examined in the examination as pursues

### **2.2.1 Dynamic Capability Theory**

The dynamic capability hypothesis exuded from Teece (1994). The dynamic capacity hypothesis discloses how firms adjust to ecological dynamism by altering their hidden assets and abilities (Osioma, Nzewi and Mgbemena, 2016). This methodology underlines on the association's capacity to restore its assets in accordance with changes in its condition (Gabrielsson et al., 2008).

The dynamic capability theory explains how firms accomplish and support upper hand in a consistently changing condition by fittingly adjusting, coordinating, and reconfiguring inward and outside authoritative aptitudes, assets, and useful skills toward saw changes in condition (Nzewi and Moneme, 2016). As indicated by the hypothesis, capacities are the major drivers of the creation, advancement, and recombination of different assets to give new wellsprings of development (Pettus, Kor and Mahoney, 2009).

Dynamic abilities comprise of the procedures in the association through usage of assets is done to build up development and adjustment in the evolving conditions (Pettus, Kor and Mahoney, 2009). In this way, dynamic capacities help to see how associations can set up and withstand a humble preferred standpoint over different associations by replying back and shaping natural changes (Mutuku, 2014). Dynamic abilities emerge from muddled vital and hierarchical methodology in which administrators reestablish and reconfigure the asset base of a firm to make techniques that make monetary esteem

### **2.2.2 Miles and Snow Model**

The Miles and Snow model is also referred to the Miles and Snow Topology emanated from Miles and Snow (1984). It's essentially centered on the organization's patterns behavior once it reacts to environmental changes in the business; a business environment measure was assimilated to the model of research (Ofunya, 2015). The Miles and Snow model identifies organizations' parallel business strategies that condition the development of the organization (Osisioma, Nzewi & Mgbemena, 2016).

The theory categorizes four business strategy forms, that is: analyzer; prospector; reactor; and defender (Ofunya, 2015). A prospector basically tries to go into a new market and regulate his/her commodities in a manner that is well-timed. An analyzer is recognized as an efficiency promoter and/or a cost saver, particularly in risk and advanced businesses and is usually the second business to get into a new market. A defender is proficient in handling a skilled job in a steady market, with security and stability as the crucial principles. Lastly, a reactor is a contingency player and normally is in absence of a steadfast strategy (Osioma, Nzewi & Mgbemena, 2016).

These types of strategy denote the way firms are in alignment with their environments and react to the three main adaptive cycle complications of entrepreneurial, administrative, and engineering (Kiptui, 2014). The Miles and Snow's theory is among the top identified and utmost extensively acknowledged models for growth of bank and analysis of market.

### **2.2.3 Resource Dependence Theory**

The resource dependence theory refers to the study of how the organization behavior is influenced by its external resources. The procurement of these resources is a vital rule of both tactical and strategic management of any business (Hallin & Andersen, 2014). A resource dependence perspective has consequences in relation to various characteristics of organizational strategy including but not limited to: external organizational links, employees and board members recruitment, production strategies and optimal divisional structure of firms (Luo, Tan & O'connor, 2001).

An organization relies on dynamic resources such as raw material, capital, labor etc. However, firms may lack the capacity to come out with countervailing initiatives for all these multi-dimensional resources. Thus, there is need for organization to operate through principles of criticality and scarcity (Luo, Tan & O'connor, 2001).

The most definitive resource organizations depend on is the customers. It is critical for managers worldwide to appreciate that their success is tied to customer demand. Expansion in customer demands implies success for the managers (Sternad, 2012).

### **2.3 Strategy and Organizations**

Strategy is defined as the degree and heading of a business over a significant lot of time, which ends up profitable for the business through its design of the accessible assets inside a changing business condition, to satisfy the investors desires and address the issues of the market (Ofunya, 2015). As per Gnyawali and Shrestha (2008) an arrangement is a framework of choices, responsibilities, and an arrangement exercises did efficiency by attempted distinctive things as well as doing comparable things any other way from contenders (Smith, 2002).

A strategy is a uniting theme that gives rationale and course to the choices and activities of an individual or a business. The idea of an arrangement is fundamental for every one of the organizations to get by in the current and aggressive business conditions (Chepngetich, 2012). As a procedure, plan recognizes an intentionally proposed strategy set up ahead of time of the activities it oversees. It is structured with explicit or broadly useful. Technique as a ploy goes for outmaneuvering rivals in this way moderating risk of contenders (Angara, 2010).

Strategy entails putting up defenses against aggressive powers or finding a spot in the business where the contenders are weakest. A procedure sets out together association significant targets, approaches and a progression of activities (Angara, 2010). A system is recognized from strategies or quick activities with the accessible assets by its tendency of being comprehensively thoroughly considered. Great methodologies use particular skills against market openings and reduce relative shortcomings notwithstanding dangers (Smith, 2002).

## **2.4 Organizations and the External Environment**

Businesses are influenced by significant changes in their condition, those occasions and improvements outer to the association, which extensively and fundamentally influence the feasibility of an association's key targets, as well as the vital decisions open to the association (Sternad, 2012). The business condition is seen to have been surpassed infrequently in intricacy, disturbance and quick in change (Adeoye and Elegunde, 2012). Ventures and organizations are presented not exclusively to various dimensions of progress, yet additionally to various kinds of progress, with the connection of the two deciding the degree of the required reaction and at last adjustment. Changing conditions can act requirements like well as make open doors for associations so do major financial emergencies (Sternad, 2012).

In order to succeed in changing business condition associations are compelled to constant changes, a couple of associations can contend successfully utilizing the time tested methodology considerably more, association never again can manage the cost of being inactive and any choice made may be deadly (Bakanauskienė and Brasaitė, 2015). A study by Nguimkeu (2013) found that principle business condition changes by small and

medium enterprise were tax assessment, defilement, access to credit, authoritative postponements and printed material, illicit rivalry, framework, financing costs, people in general/private discourse, vitality, transportation and equity.

According to Chi (2015), the qualities of business condition confronting firms are all in all decide through the degrees of multifaceted nature, assorted variety, dynamism and consideration. Natural intricacy alludes to the degree that organizations are required to have a lot of complex information about items, clients, or any others. Natural decent variety is reflected by how much a firm is looked with homogenous or diffuse conditions while ecological dynamism is the rate of insecurity or disturbance in the earth, coming from changes in innovation, request, aggressive moves. Natural kindheartedness is how much a situation underpins the development of firms inside it, which identifies with the dimension of focused weights in the earth (Chi, 2015).

## **2.5 Strategic Responses by Organizations**

Firms are using a wide range of strategic actions because of changes in the determination of which is likewise reliant on the sort of condition they are inserted in. Techniques incorporate defense or conservation procedures from one viewpoint, and additionally methodologies of counter-repeating security or support of existing asset bases, again, with cost-cutting and conservation being extremely normal (Sternad, 2012). Other strategic responses may incorporate joint endeavor, new product development, and also appropriation of new innovation, entry into new markets, new product development, adjusting prices of new section into remote markets, value alterations, item separation and an assortment of all activities that results in upper hand (Chege, 2013). The various

response strategies used by banks incorporate exercises, for example, ICT sending, staff preparing, key accomplice the board and client relationship the executives (Muchoki and Were, 2016).

The other category of strategic responses ways to deal with the earth may incorporate slightest obstruction; continue with alert and the dynamic reaction (Chi, 2015). At all obstruction procedure few business just includes to oversee and survival by the method for adapting and changed in accordance with their dynamic outer condition. These are straightforward and objectives kept up. In the dynamic reaction technique, the outside powers in business are proficiently and halfway reasonable and controllable by their activities in organization. Feed framework is profoundly unique and amazing framework embraced in association (Luo, Tan and O'connor, 2001).

An empirical study by Njiru (2012) inspected the key reactions by the colleges in Kenya to successfully manage difficulties that exude from the outer condition. The investigation found that key reactions received by colleges included manufacturing joins with different foundations and the corporate world by and large, enhancing asset the executives and administration, expanding and broadening the income base, protecting, overhauling and completely misusing college resources and setting up a college vital arrangement for the advancement and utilization of physical offices.

## **2.6 Empirical Studies and Research Gaps**

A study by Muchoki and Were (2016) analyzed the impact of reaction systems on the execution of the business banks in Kenya. The investigation got a clear cross-sectional overview, directed all the 40 business banks in Kenya, inspected 83 respondents,

and collected data through a questionnaire. The investigation found that staff preparing, relations the board, vital accomplice's administration and ICT arrangement emphatically influences the execution of business banks in Kenya. The examination anyway centered around the connection between reaction systems and execution of business banks.

Lischka (2015) researched the relations between the corporate culture, authoritative sense creation of ecological changes, methodology reactions, and market execution of news media associations in UK and Switzerland. The investigation inferred that a change-improving corporate culture is an essential condition for an association's capacity to an administration point of view. The examination anyway centered around the natural view, uncovering that weight from the large scale condition on the authoritative errand condition.

Lengewa (2014) examined the key reactions by managing an account associations to rivalry in arrangement of retail keeping money benefits in Kenya. The examination additionally depends on client items and administrations, evening keeping money, biggest 24-hour ATM arrange, Internet managing an account, e-proclamations, SMS saving money and 24-hour Bills Pay benefit. The examination anyway considered the reaction techniques towards rivalry and not toward business condition changes.

In their study, Wanjiru and Njeru (2014) investigated the impact of key reaction to change on money related execution of business bank in Kenya. The examination focused on target 309 workers in the head offices of noteworthy banks in Kenya, to be specific: Kenya Commercial Banks, Barclays bank, standard chartered, cooperative bank of Kenya and Equity bank. The study found that technological innovations and expansive branch

Network has a strong positive association with banks execution. The examination in any case researched the connection between vital reaction and money related execution of commercial banks.

Gabrielsson et al (2008) assessed the firm reaction techniques under globalization affect in cutting edge and learning concentrated fields. The examination researched activity mode and advertising techniques as a conceivable way to react to globalization weight. The investigation accentuated on the need to create dynamic abilities, especially in arrangement and coordination of the worldwide esteem chain, and suggests use of reaction procedures that outcome in various points of interest, for example, cost and separation. The examination set up that the reaction techniques are condition and circumstance explicit and their inclination is subject to whether the business is in the development or development arrange. The examination by Gabrielsson et al (2008) investigated reaction procedures towards globalization in innovation serious associations.

This section reviewed the dynamic ability hypothesis, the miles and snow show as the hypothetical establishments of the investigation. The section additionally checked on the idea of procedure, business condition changes and a few experimental investigations and holes. The part that pursues is section three and the area audits the research methodology.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The research methodology highlights the overall approach to be undertaken in research. This section subsequently contains the examination plan, the number of inhabitants in the investigation, the information gathering and investigation strategy.

The methods and techniques by which specialists approach their work of depicting, clarifying and foreseeing wonders are called look into system. The exploration approach plots the manner by which look into is to be embraced and, in addition to other things, recognizes the techniques to be utilized.

A research methodology by and large is the general way to deal with the examination venture and may incorporate the utilization of a few strategies. The exploration philosophy to choose what they need to accomplish, the points or the inquiries it will reply. What's more, it decides how complete the examination, break down the outcomes and express the ends and (if appropriate) recommendations.

### **3.2 Research Design**

A research design is used to structure the examination, to indicate how the majority of the significant parts of the undertaking, which incorporate the examples or gatherings, measures, medications or projects, and techniques for task that cooperate to endeavor to address the focal research questions (Wyk, 2012). An exploration configuration indicates a diagram for get-together and using information so wanted data can be acquired with adequate exactness (Kothari, 2008).

The research design deals with a logical problem and not a logistical problem. Preceding building up a work plan or securing materials, an engineer or developer at first sets up the sort of structure required by imminent use and need of potential tenants. Correspondingly, in the planned investigation the issues of information accumulation strategies (e.g., record examination, perception, and survey), testing and questions configuration are for the most part auxiliary to the matter of what proof assembled (Gay et al., 2006).

This study employed a cross sectional descriptive survey design. A cross-sectional engaging overview configuration investigates and depicts the connection between factors in their common setting without controlling them. As indicated by Gay et al (2006) cross-sectional engaging study, decides and reports the manner in which things are and usually includes evaluating frames of mind, and sentiments towards people, organizations and procedures

### **3.3 Population of the Study**

A study population refers to a large collection of objects and individuals that is the principle accentuation of a logical cross examination. Research is led to help the populace. In any case, usually hard to test each individual inferable from extensive populace sizes which identify with mind-boggling expense regarding funds and time.

The population of this study comprised of all commercial banks in Kenya. As at 31st December 2017 there was a sum of 41 business banks in Kenya recorded in the Central Bank of Kenya site. The investigation gathered information from all the 41 banks in Kenya.

### **3.4 Data Collection**

Data collection entails gathering and measuring data on focused factors in a built up deliberate form, which at that point empowers one to answer pertinent inquiries and assess results. It is a part of research in all fields of study including physical and sociologies, humanities, and business (Kothari, 2008).

The goal for all data collection is to catch quality proof that enables examination to prompt the definition of persuading and valid responses to the inquiries that have been presented. This examination will totally depend on essential information. Essential information was gathered using an organized poll. A survey comprises of various inquiries printed or composed in a positive request on a shape or set of structures (Kothari, 2008).

The questionnaire was self administered to the chiefs accountable for system and tasks or their counterparts from each the chose business bank in Kenya. The survey contain four segments where the main area gathered the general data, the second segment gathered information on business condition changes while the third and fourth segment gathered information on the embraced vital reactions and the adequacy of the connected vital reactions by the business banks.

### **3.5 Data Analysis**

The process of data analysis involves includes application of logical and analytical reasoning to examine all the gave information parts. This type of examination is only one of the few phases that should be a finished while doing an exploration. Information from a number sources is gathered, looked into and examined to reach inference. There exists

Several data analysis techniques that can be connected, some incorporate information representations, business insight, information mining and content examination.

Data collected through the questionnaires was first checked for fulfillment and exactness and the right filled surveys will be coded and went into Statistical Package for Social Sciences and afterward investigated utilizing expressive insights. The enlightening statics incorporated the mean, frequencies, rates and the standard deviation. The outcomes were then exhibited utilizing tables and graphs.

This chapter entailed a review of the research design, consider populace, information gathering procedures and the strategy for information investigation. For this examination, a cross sectional graphic structure was received an evaluation of the 43 business banks in Kenya was attempted. Information was gathered by means of polls and dissected utilizing unmistakable measurements. Part four exhibited the aftereffects of the analyzed data.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND INTERPRETATION**

### **4.1 Introduction**

This chapter presents the reaction rate results, the general data investigation and the aftereffects of business condition changes influencing business banks in Kenya. The section likewise shows the consequences of reaction procedures received by banks, the aftereffects of the adequacy of the embraced techniques lastly an exchange of the exploration discoveries.

### **4.2 Response Rate**

The study carried out a census of the 41 commercial banks in Kenya yet the investigation figured out how to gather finish information from 36 business banks. The 36 business banks made up a reaction rate of 87.8%, which was viewed as adequate for the study as it more than 50% of the total population.

### **4.3 General Information Analysis**

This entailed the analysis of the period the banks had been in operation and how the respondents rated the banks performance for the last two years. Section 4.3.1 and 4.3.2 shows the results.

#### **4.3.1 Period in Operation**

This sought to assess the period in which the commercial banks have been operation. Table 4.1 shows the results

**Table 4.1: Period in Operation**

<b>Years</b>	<b>Frequency</b>	<b>Percent</b>
11-20 years	3	8.3
21-30 years	7	19.4
Over 30 years	26	72.2
Total	36	100.0

**Source: Field Data**

Table 4. 1 demonstrates that 72.2% of the business banks had been task for a time of over 30 years while 19.4% had been in activity for a time of 21 and 30 years. The outcomes additionally demonstrate that 8.3% of the banks had in task for a time of 11 to 20 years. This indicate that on average most of the banks in Kenya had been in operation for more than 20 years hence had faced a number of business environmental changes during their operations.

### **4.3.2 Bank Performance**

This part sought to rate the banks performance for the last two years. Table 4.2 shows the results

**Table 4.2: Bank Performance**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Excellent	10	27.8
Good	20	55.6
Average	6	16.7
Total	36	100.0

**Source: Field Data**

The findings on table 4.2 demonstrates that 55.6% of the respondents showed that their bank's execution was great while 27.8% show shown that their bank's execution was brilliant. The outcomes additionally demonstrate that 12.7% of the respondents showed that the execution of their separate banks was normal. The outcomes by and large demonstrate that the execution of the managing an account part in Kenya was great.

#### **4.4 Environment Changes faced by Commercial Banks in Kenya**

This part sought to establish the extent in which the different business have influenced business banks in Kenya. The accompanying scale was utilized,1 specified "Not in any manner", 2 meant "Negligible degree", 3 meant "Moderate degree", 4 designated "Expansive Extent" while 5-designated "huge degree" individually. The outcomes are exhibited under section 4.4.1 for internal factors and 4.4.2 for external factors.

##### **4.4.1 Internal Factors**

Table 4.3 shows the result of the internal business environment changes that influence commercial banks in Kenya.

**Table 4.3: Internal Factors**

<b>Internal factors</b>	<b>Mean</b>	<b>Std. Dev</b>
Administrative delays and paper work	3.00	.828
Bureaucracy	3.11	.785
Redundancy	3.53	1.028
Management challenges	3.42	.806
Customer expectations	4.56	.504
Change resistance by employees	4.31	.577

**Source: Interviews (1- Not at all 2 - Minimal extent 3 – Moderate extent 4 – Large Extent 5- Very large)**

Table 4.3 shows that the mean value for administrative delays and paper work was 3.00, which corresponds to the scale value of 3 which stands for “moderate extent” in the Likert scale hence an indication that administrative delays and paper work affect commercial banks to a moderate extent. The results also indicate that bureaucracy, redundancy and management challenges affect commercial banks in Kenya at a moderate extent as shown by the mean values of 3.11, 3.53 and 3.42, which corresponds to the scale value of 3 which stands for “moderate extent” in the Likert scale. Finally, the results show that customer expectations and change resistance by employees affect commercial banks to a large extent as indicated by the mean values of 4.56 and 4.31 respectively which stand for “large extent”

#### 4.4.2 External Factors

Table 4.4 shows the result of the external environment changes that influence commercial banks in Kenya.

**Table 4.4: External Factors**

<b>External factors</b>	<b>Mean</b>	<b>Std. Dev</b>
Changes in information technology	4.44	.607
Changes in labour and employment laws	3.50	.910
Taxation by county and central government's	4.33	.632
Unfair competition	4.25	.806
Prudential regulations by the central banks	4.28	.659
Legal changes	4.31	.856
Corruption	4.47	.654
Economic performance	4.06	.674
Inflation	4.39	.728

**Source: Interviews (1- Not at all 2 - Minimal extent 3 – Moderate extent 4 – Large Extent 5- Very large)**

Table 4.4 shows that changes in information technology, taxation by county and central government's, unfair competition and prudential regulations by the central banks affect commercial banks to a vast degree as appeared by mean estimations of 4.44, 4.33, 4.25 and 4.28 separately which relates to the scale estimation of 4 which means "expansive degree" in the Likert scale. The outcomes likewise demonstrate that adjustments in labor and business laws influence business at a moderate degree as appeared by a mean estimation of 3.50 and that legitimate changes, defilement, financial execution and swelling influence business banks in Kenya to a substantial degree as appeared by mean estimations of 4.31, 4.47, 4.06 and 4.39 separately.

#### **4.5 Strategic Responses to Changes in the External Environment by Commercial Banks in Kenya**

This part sought to establish the response strategies used by business banks in Kenya to react to business condition changes. The accompanying scale was utilized, 1 specified "Not in any way", 2 meant "Insignificant degree", 3 meant "Moderate degree", 4 designated "Substantial Extent" while 5-specified "vast degree" separately. Table 4.5 shows the results.

**Table 4.5: Response Strategies**

<b>Strategies</b>	<b>Mean</b>	<b>Std. Dev</b>
Retrenchment	3.50	1.254
Staff training	4.44	.652
Consultancy	4.00	.894
Agent banking	3.69	.668
Innovation and ICT deployment	4.50	.609
Effective capacity utilization	4.28	.741
Technology transfer	3.64	.931
Closing of branches	3.31	1.091
Customer relationships management	4.33	.676
Diversification to other sectors like banc assurance	4.39	.645
Strategic partners management	4.08	.806
Corporate governance	3.92	.770
Adherence to rules and regulations	3.89	.747
Expansion into new markets	3.25	1.052
Research promotion	3.69	.951
Aggressive marketing	4.14	.683
Insurance and transfer of risks	3.56	.773

**Source: Interviews** (1- Not at all 2 - Minimal extent 3 – Moderate extent 4 – Large Extent 5- Very large)

Table 4.5 shows that retrenchment, agency banking, technology transfer, closing of branches, use of corporate governance principles, adherence to rules and regulations, expansion into new markets, research promotion and insurance and transfer of risks strategies were used at moderate extent as indicated by the mean values of 3.50, 3.64, 3.31, 3.92, 3.89, 3.25, 3.69 and 3.56 respectively. The results also show that staff training, consultancy, innovation and ICT deployment, effective capacity utilization, customer relationships management, diversification to other sectors like banc assurance, strategic partners management and aggressive marketing strategies were used to a large

extent as shown by mean values of 4.44, 4.00, 4.50, 4.28, 4.33, 4.39, 4.08 and 4.14 respectively which stands for “large extent”.

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

The results of internal business environment changes revealed that administrative delays and paper work, bureaucracy, redundancy and management challenges affect commercial banks in Kenya at a moderate extent while customer expectations and change resistance by employees effect commercial banks to a large extent. The indicate that the major internal environment factors that influence commercial banks are customer expectations and change resistance. A study by Mutuku (2014) indicated that the internal business environment factors includes social and physical factors inside the firm’s boundaries; the external side contains correlating aspects outside the boundaries. The study by Chi (2015) explains that the characteristics of business environment facing firms are collectively determine through the degrees of complexity, diversity, dynamism and munificence.

The finding on external factors established that changes in information technology, taxation by county and central government’s, unfair competition and prudential regulations by the central banks affect commercial banks to a large extent. In addition, the findings revealed that changes in labour and employment laws affect commercial at a moderate extent while legal changes, corruption, economic performance and inflation affect commercial banks in Kenya to a large extent. This finding indicate that the major external environment factors that affect commercial banks in Kenya are changes in information technology, taxation by county and central government’s, unfair competition and prudential regulations, legal changes, corruption, economic performance and

inflation respectively. A study by Nguimkeu (2013) found that the main business environment changes by firms included taxation, corruption, access to credit, administrative delays and paperwork, illegal competition, infrastructure, financing costs, the public/private dialogue, energy, transportation and justice.

The results on response strategies established that retrenchment, agency banking, technology transfer, closing of branches, use of corporate governance principles, adherence to rules and regulations, expansion into new markets, research promotion and insurance and transfer of risks strategies were used at moderate extent by banks. The findings also revealed that staff training, consultancy, innovation and ICT deployment, effective capacity utilization, customer relationships management, diversification to other sectors like banc assurance, strategic partners management and aggressive marketing strategies were used to a large extent. This indicates that the most used response strategies include staff training, consultancy, innovation and ICT deployment, effective capacity utilization, customer relationships management, diversification to other sectors like banc assurance, strategic partners management and aggressive marketing. The study by Muchoki and Were (2016) found that staff training, customer relations management, strategic partner's management and ICT deployment positively affects the performance of commercial banks in Kenya

The results on the effectiveness of response strategies established that retrenchment, innovation and ICT deployment, effective capacity utilization, technology transfer, closing of branches, diversification to other sectors like banc assurance and strategic partners management were effective. A study by Chege (2013) observed that the major strategic responses include joint venture, new product development, and adoption of new

technology, entry into foreign markets, price adjustments, product differentiation and a variety of actions that can result in competitive advantage.

The results also indicated that adherence to rules and regulations, aggressive marketing, insurance and transfer of risks were also effective strategies while staff training, consultancy, agent banking, customer relationships management, corporate governance, expansion into new markets and research promotion were very effective strategies. This indicate that the most effective response strategies of dealing with business environment changes were staff training, consultancy, agent banking, customer relationships management, corporate governance, expansion into new markets and research promotion.

A study by Njiru (2012) found that strategic responses adopted by firms included forging links with other institutions and the corporate world in general, improving resource management and governance, increasing and diversifying the revenue base, safeguarding, upgrading and fully exploiting organizational assets.

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

### **5.1 Introduction**

Chapter five provides a summary of the research, the exploration ends and proposal dependent on the discoveries, the investigation confinements lastly the recommendations for regions which required extra research.

### **5.2 Summary of Findings**

The objectives of this study were establish the major business environment changes looked by business banks in Kenya and to decide the key reaction utilized by business banks in Kenya because of changes in the business condition. To accomplish these targets, a cross sectional expressive study configuration was embraced and the populace contained all the 41 business banks in Kenya as at 31st December 2017. Essential information was gathered utilizing an organized survey which was controlled to the supervisors responsible for technique and tasks or their reciprocals from each the chose business bank. The gathered information was dissected utilizing elucidating insights which incorporated the mean, frequencies, rates and the standard deviation. From the 41 examined banks just 36% respondent making up a reaction rate of 87.8 which was viewed as adequate for the investigation.

The findings established that administrative delays and paper work influenced commercial banks to moderate extent and that bureaucracy, redundancy and management challenges affect commercial banks in Kenya at a moderate extend the board difficulties influence business banks in Kenya at a moderate degree. The study further revealed that

customer expectations and change opposition by workers influence business banks in Kenya to a vast degree.

The finding in addition revealed that changes in information technology, tax collection by area and focal government's, out of line rivalry and prudential controls by the national banks influence business banks to an expansive degree. The investigation likewise discovered that adjustments in labor and business laws influence business at a moderate degree and that legitimate changes, debasement, financial execution and expansion influence business banks in Kenya to a vast degree.

Further, the results revealed that retrenchment, organization managing an account, innovation exchange, shutting of branches, use of corporate governance principles, adherence to rules and regulations, expansion into new markets, research promotion and insurance and transfer of risks strategies were used at moderate extent. Additionally, it was established that staff training, consultancy, innovation and ICT deployment, effective capacity utilization, customer relationships management, diversification to other sectors like banc assurance, strategic partners management and aggressive marketing strategies were used to a large extent.

Finally, the results established that retrenchment, innovation and ICT deployment, effective capacity utilization, technology transfer, closing of branches, diversification to other sectors and strategic partners management were effective. The study established that that adherence to rules and regulations, aggressive marketing, insurance and transfer of risks were also effective that staff training, consultancy, agent banking, customer

relationships management, corporate governance, expansion into new markets and research promotion were very effective strategies.

### **5.3 Conclusions**

The study found that customer expectations and change resistance by employees were the internal environment factors influenced business banks in Kenya to a huge degree. The examination in this way presumed the major interior condition factors that impact business banks are client desires and change obstruction.

Additionally, the study concludes that the significant outside condition factor that influence Kenyan business banks are changes in data innovation, tax assessment by province and focal government's, out of line rivalry and prudential controls, lawful changes, defilement, financial execution and swelling separately. According to the discoveries of the scientist the respondents demonstrates those were the key outside components influencing business banks in Kenya.

Further, the study concluded that most utilized reaction methodologies were staff preparing, consultancy, development and ICT sending, compelling limit usage, client connections the board, broadening to different divisions like banc confirmation, key accomplices the executives and forceful showcasing. In view of the discoveries these techniques to were utilized to an expansive degree.

Finally, the study concluded that most effective systems of managing business condition changes were staff preparing, consultancy, operator keeping money, also client connections the executives, corporate administration, venture into new markets and

research promotion. Based on the findings study the respondents demonstrated that these procedures were very effective..

## **5.4 Recommendations**

The findings of the study led to the conclusion that the major inside condition factors that impact business banks are client desires and change opposition. The examination in this way prescribes the administration of business banks ought to include workers in vital wanting to diminish protection from change a likewise take care of client gripes to guarantee customers grumbles are limited.

According to this study conclusion, changes in information technologies, tax assessment, out of line rivalry, prudential controls, lawful changes, debasement, financial conditions and expansion were the real outer condition factors influencing banks. The investigation in this manner suggests that the administration of business banks in Kenya ought to create compelling arrangement component to moderate the impact of outer condition factors on their operations.

Additionally, the made the conclusion that staff preparing, consultancy, development and ICT arrangement, successful limit usage, client connections the executives, broadening, key accomplices the board and forceful promoting were the most utilized key reactions. In light of this end, the investigation prescribes that the administration of business banks in Kenya ought to guarantee that the received methodologies are much of the time explored to guarantee that the location the different business natural changes that affects banks.

Finally, the study made the conclusion that staff preparing, consultancy, operator saving money, client connections the board, corporate administration, venture into new markets and research advancement were the best reaction techniques as utilized by business banks. The examination along these lines prescribes that the administration of business banks ought to embrace the most practical systems to manage business natural changes in a cost effective manner.

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

The context of this study was commercial banks in Kenya thus, the finding of the exploration must be summed up to business banks in Kenya and not other monetary organizations like microfinance banks, that do comparative business to that of business banks. This in light of the fact that the activity of the organizations are unique and they confront distinctive administrative business situations.

The study also targeted the 41 commercial banks in Kenya, which were operational as at 31st December 2017. The examination anyway figured out how to acquire finish information from 36 business banks consequently a 100% reaction rate was not gotten. Moreover, procedure and their counterparts thus information was not gathered from every one of the workers of the business banks in Kenya.

### **5.6 Suggestion for Further Research**

The focus of this study was to determine the key reaction to changes in business condition by business banks in Kenya. The examination anyway did not concentrate on building up the impact of the different reaction systems received by business puts money on their execution. The examination subsequently suggests an additional study on the

relationship between the strategic responses strategies embraced by business banks and the banks execution. The investigation likewise prescribes an addition research on other financial institutions in Kenya like microfinance banks, credit only micro finances, savings and credit cooperative societies to establish the various strategies employed in those firms with regard to dealing with business environment changes.

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## APPENDICES

### Appendix I: Research Questionnaire

**Dear respondent,**

The aim of this questionnaire is to collect data on strategic response to changes in business environment by commercial banks in Kenya. This study is academic in nature and will be used for academic purposes only. Any information provided will be kept confidential and will not be disclosed to unauthorized parties.

Please respond where appropriate

#### **Section I: General Information**

1. Bank name (optional) \_\_\_\_\_

2. Indicate the period your bank has been operation

Below 10 years [ ]

11-20 years [ ]

21 – 30 years [ ]

Over 30 years [ ]

3. How would rate your bank performance for the last two years

Excellent [ ]

Good [ ]

Average [ ]

Poor [ ]

**Section II: Business Environment Changes**

4. Please indicate the extent in which the listed business environment changes have affected your organization. Use the following scale where appropriate

**1**- Not at all **2** - Minimal extent **3** – Moderate extent **4** – Large Extent **5**- Very large

<b>Internal factors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Administrative delays and paper work					
Bureaucracy					
Redundancy					
Management challenges					
Customer expectations					
Change resistance by employees					
<b>External factors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Changes in information technology					
Changes in labour and employment laws					
Taxation by county and central government's					
Unfair competition					
Prudential regulations by the central banks					
Legal changes					
Corruption					
Economic performance					
Inflation					

Others (Specify)

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**Section III: Response Strategies**

5. Please indicate the extent in which the listed response strategies are used by your organization to respond to business environment changes. Use the following scale where appropriate

**1**- Not at all **2** - Minimal extent **3** – Moderate extent **4** – Large Extent **5**- Very large

<b>Strategies</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Retrenchment					
Staff training					
Consultancy					
Agent banking					
Innovation and ICT deployment					
Effective capacity utilization					
Technology transfer					
Closing of branches					
Customer relationships management					
Diversification to other sectors like banc assurance					
Strategic partners management					
Corporate governance					
Adherence to rules and regulations					
Expansion into new markets					
Research promotion					
Aggressive marketing					
Insurance and transfer of risks					

Others (Specify)

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**Thank You**

## **Appendix II: List of Commercial Banks in Kenya**

- 1) African Banking Corporation Ltd.
- 2) Bank of Africa Kenya Ltd.
- 3) Bank of Baroda (K) Ltd.
- 4) Bank of India.
- 5) Barclays Bank of Kenya Ltd.
- 6) CFC Stanbic Bank Ltd.
- 7) Charterhouse Bank Ltd
- 8) Chase Bank (K) Ltd.
- 9) Citibank N.A Kenya.
- 10) Commercial Bank of Africa
- 11) Consolidated Bank of Kenya
- 12) Co-operative Bank of Kenya
- 13) Credit Bank Ltd.
- 14) Development Bank of Kenya
- 15) Diamond Trust Bank Kenya
- 16) Ecobank Kenya Ltd.
- 17) Spire Bank
- 18) Equity Bank Ltd.
- 19) Family Bank Limited.
- 20) Fidelity Commercial Bank
- 21) Guaranty Trust
- 22) First community Bank.
- 23) Guardian Bank Ltd.
- 24) Gulf African Bank Limited.
- 25) Habib Bank A.G Zurich.
- 26) Habib Bank Ltd.
- 27) Imperial Bank Ltd.
- 28) I & M Bank Ltd.
- 29) Jamii Bora Bank Limited.
- 30) Kenya Commercial Bank.
- 31) Sidian Bank Ltd.
- 32) Middle East Bank (K) Ltd.
- 33) National Bank of Kenya
- 34) NIC Bank Ltd.
- 35) Oriental Commercial Bank
- 36) Paramount Universal Bank
- 37) Prime Bank Ltd.
- 38) Standard Chartered Bank Kenya Ltd.
- 39) Trans-National Bank Ltd.
- 40) UBA Kenya Bank Limited.
- 41) Victoria Commercial Bank