STRATEGY IMPLEMENTATION PRACTICES WITHIN COMMERCIAL BANKS IN KENYA

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DECLARATION

I declare that this research project is my original work and has not been presented to any other University or college for academic purposes.

Signed…... Date……………….........................…

PATRICK OTIENO KETA

REG NO: D61/72462/2011

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

Signed…... Date……………….........................…

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DEDICATION

I dedicate this project to my wife Caroline Akinyi Ogutu, children Daniel Keta, David Keta and Audrey Keta for your encouragement through my study. To my former Head of Business, Mr. Hassan Khan, a big thank you. You planted the seed for my postgraduate studies.

ACKNOWLEDGEMENT

I thank the Almighty God for the strength, wisdom and resilience that it has taken to complete this project. Special thanks to my family as well as my bosses and colleagues at work through whose cooperation and consideration, I was accorded time and space to see this project through its completion.

I also owe debt of gratitude to my Supervisor Dr. Kennedy Ogollah for his patience, guidance, correction, wealth of knowledge and experience which remained the True North of this project. I cannot forget my moderator Professor Martin Ogutu for his insights and support which has culminated in the successful completion of this project.

God Bless you all.

ABBREVIATIONS AND ACRONYMS

CBK	Central Bank of Kenya
CEO	Chief Executive Officer
ICT	Information Communication and Telecommunication
RBV	Resource Based View

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ABSTRACT

The study was aimed at establishing what are the Strategy Implementation practices within Commercial Banks in Kenya. The study was anchored on the McKinsey 7s Theory, the Stakeholder Theory and the Strategy and Structure model. These theories sufficiently explain the relationships that exist between the variables of the study. The cross sectional survey design was used for this study. The population was all Commercial Banks operating in Kenya. As at 31st December, 2018, there were 41 Commercial Banks operating in Kenya. 11 of these were foreign owned Commercial Banks whilst 30 were locally owned (Kenya Banker's Association, 2018). All these Commercial Banks participated in this study. The researcher therefore, carried out a census study. Primary data was collected through a self-completion questionnaire, where questionnaires were administered on a pick and drop basis in order to improve the response rate. Descriptive Statistics were used to describe the basic features of the data in the study. They provide simple summaries about the sample or census in this case and the measures. Factor Analysis was also performed with the objective of reducing the factors to the critical ones. Out of the 41 questionnaires that were administered, 33 were returned and were used for analysis accounting for 80% response rate. The findings showed that 100% of the respondents reported that their employees are involved in the strategic management from the planning phase. The objectives are later drawn and cascaded throughout the organization. The Factor Analysis on Strategy Implementation practices reduced to three the number of critical factors that are employed across board in the implementation of Strategy amongst Commercial Banks in Kenya. These are stakeholder involvement, mechanisms to support Strategy implementation and Performance Management. It is recommended that organizations should adopt a similar model to Commercial Banks which pays attention to staff involvement in the strategic planning process, good communication, training and development of staff in their roles, implementing reward systems for achievement of objectives, availability of implementation plans, setting of aligned objectives, availability of budget for strategy implementation and availability of systems of monitoring and control. All these factors were adopted by Commercial Banks that took part in the study and which were very profitable. It is equally recommended that future studies should be undertaken amongst non- bank institution determine if their Strategy Implementation practices are any different from Commercial Banks. A longitudinal survey on Commercial Banks would also assist in understanding how the Strategy Implementation practices are evolving over time.

CHAPTER ONE: INTRODUCTION

1.1Background of the Study

Implementation of strategy is among the key strategic management elements. (Devaus, 2007). In effect, if implementation is poor, all other elements of strategic management become a waste of time. The importance of strategy implementation was shown dramatically in a study on why CEOs lose their jobs. Charan and Colvin (1999) observed that in a majority of cases, CEOs lost their jobs not because of the strategy but because of poor strategy execution. This view is supported by Ansoff et al, (1976) who points out that, strategic planning outcome involves a combination of intentions and plans. This emphasizes the importance of strategy implementation.

This study was anchored on the following theories of Strategic Management; Chandler's (1962) Strategy and Structure Theory, the Stakeholder Theory, McKinseys 7-S Framework. The strategy – structure theory holds that the structure of the firm must be harmonized with the derived strategy if proper implementation is to be achieved. McKinsey Framework provides a useful tool in the explanation of what needs to be done in the implementation of strategy, which includes an examination of the Strategy, Structure, Systems, Shared Values, Skills, Staff and Style. The stakeholder theory is a useful model in the explanation of the expectations of the various stakeholders in the implementation of strategy. The models selected tie in with the objective of the study and the various elements were considered to determine for example how well stakeholder engagement was treated, how values were shared, skills transfer, management style and structures as well as general motivation.

The Government of Kenya introduced an Interest Capping Legislation in 2016, which was feared would greatly impact the Commercial Banks' ability to remain profitable.

The Commercial Bank adopted new strategies and implemented them successfully, making it possible to continue making profits. Some of these strategies involved the reorganization of their revenue streams and reorganization of their general operations but the bottom line remains implementation, that is how did Commercial Banks go about implementing these strategies?

1.1.1 Strategy Implementation

Research has uncovered that associations which participate in strategic management for the most part beat those that don't (Hunger and Wheelan, 2010). More distinctly, the achievement of a proper match or 'fit' between an association's environment and its procedure, structure and procedures positively affects the organization's performance. Strategic Management comprises of four fundamental components in particular environmental scanning, strategy formulation, strategy implementation, evaluation, and control (Hunger & Wheelam, 2010).

Karful (2014) notes that the process of implementing strategy begins with the intention for strategy readjustment. Strategy implementation begins with institutionalizing strategy, the development of a climate suitable for the implantation of the strategic plan, development of tasks that set into motion the process, evolving a suitable leadership culture, the development of a set of milestones that tell the implementers how far they from the targets and setting up of review structures (Atkinson, 2006).

1.1.2 The Banking Industry in Kenya

The Banking Industry in Kenya encompasses Banking Institutions or Commercial Banks and Non-Banking Financial Institutions. The industry has become very robust and is playing its rightful role as the financial intermediary in the economy and obviously catalyzing Economic Growth. This is not only exemplified by the growth in Balance Sheet for most of such institutions, but also their increased level of profitability and hence their Return on Shareholders' Equity.

Notwithstanding the unprecedented growth, the Banking Industry is faced with myriad challenges ranging from fierce competition, government regulation, ever increasing consumer demands, technological changes, escalating costs, to mention but a few. This calls for industry players to craft and implement their strategies not only efficiently and effectively, but with dexterity to be able to adjust to the ever changing macro environment and hence remain competitive.

1.1.3 Commercial Banks in Kenya

There are 41 Commercial Banks in Kenya, 11 of which are foreign owned and 30 locally owned Central Bank of Kenya, 2018). Ownership of the Banks is determined by the percentage of shares owned by local individuals and entities against those held by foreigners. A 50% plus 1 ownership will determine who the controlling partner is and hence where the Strategy will be derived from. Form the above sampling frame, 13 Commercial Banks currently operating in Kenya have a foreign ownership and therefore, their strategy formulation and implementation strategies will most probably be driven from the parent company. Depending on the form of ownership, locally drive the strategy formulation and implementation strategies could still.

Apart from the ownership structure, the Commercial Banks can also be categorized as tier 1, tier 2 and tier 3 based on the size of their market capitalization and profitability. Tier 1 Banks are the most profitable followed by tier 2 and tier 3 Banks. It is not entirely clear on whether or not there is a correlation between the size of these Banks and their strategy implementation practices. This study investigated all the 41

Commercial Banks in Kenya to clearly understand if they apply the same or different strategy implementation practices. In addition, the study sought to determine if there is a correlation between the ownership and strategy implementation practices and size of market capitalization and strategy implementation practices. This is particularly important due to intense competition that has characterized Commercial Banks in Kenya.

1.2 Research Problem

Strategy implementation is probably the most challenging aspect of strategic management (Atkinson, 2006). This is probably because implementation of strategy introduces very many constants into the equation of strategic management (Kaplan & Norton, 2004). Literature notes that whenever the environment of an industry becomes turbulent, implementation of strategy is fraught with many challenges. The success of strategy implementation just like any other aspect of management depends on the managerial practices in force (Hunger & Wheelen, 2000).

A number of changes have been taking place in the Kenyan banking sector hence the basis for this study to establish how well they are implementing their respective strategies to remain relevant in the market. The CBK has recently reviewed the minimum capital requirement for Commercial Banks operating in Kenya, with some banks floating bonds to raise additional capital.

Another monumental change that has taken place in the recent past was implementation of Interest Rate capping legislation, which took effect towards end of 2016. The change was tipped to lower profitability of Commercial Banks but some Commercial Banks seems to have weathered the storm to remain profitable with other still making losses. It has also been observed that mobile service providers are increasingly beginning to penetrate the Financial Services sector in direct competition with Commercial Banks in Kenya, particularly in the payments space. All these changes and more have forced Commercial Banks to not only review their strategies but also to ensure that the strategies are judiciously implemented.

There exist various Strategy Implementation studies both locally and internationally. The studies have collectively established that different organizations implement strategy in different ways with different results. The studies have demonstrated that there exist no direct perspective when focusing on strategy implementation. In a study of strategy implementation process at Kenya Maritime Authority, Sanga (2012) found that the main challenges to strategy implementation were difficulty in involving everyone when the participatory approach is adopted. He also found that performance management was a challenge. Makambi, Wawire and Omolo (2013) examined the nature and dynamics of adjustment of commercial banks' retail rates to monetary policy changes in Kenya. The focus of the study was not on strategy implementation practices.

Mutisya (2013) in a study on milk processing firms in Kenya, found that milk processors had built a capable organization through strategic implementation. effectively managing internal operations and developing a supporting culture and leadership practice. He recommended enhancement and alignment of the rewards and incentives system to support strategy implementation.

In a study of a premier supermarket chain in Kenya, Mbithi (2011) observed that there was no agreed upon or dominant framework for strategy implementation at Nakumatt Supermarkets. The study established various challenges faced by the firm during strategy implementation that could have been avoided if they followed guiding principles. Other studies on Strategy Implementation have been undertaken internationally. It is clear from the foregoing expose, as Aosa (1996) puts it that management is context specific.

The three companies that were studied above are different in various aspects and are from different industries, the milk processors are different types of entrepreneurs, mainly African, the Nakumatt Supermarkets are owned by families of Indian origin whilst the Kenya Maritime Authority is a state led organization which must conform with international standards. It is against this background that a study on Commercial Banks in Kenya, both foreign and locally has been selected, being from a different industry. This study seeks to answer the following research question: What are the strategy implementation practices by Commercial Banks in Kenya.

1.3 Research Objectives

The objective of this study was to identify the strategy implementation practices amongst Commercial Banks in Kenya.

Executives of Commercial Banks in Kenya and beyond will find the study useful because it addresses itself to the practices that eventually lead to successful implementation of strategy. Managers may be able to assemble resources and take ample risk through strategic planning, yet they may not be able to sustain the pressures of the environment if strategy is not implemented meticulously. The findings of this study to large extend lays bare the fundamentals which if considered for adoption would assist poorly performing Commercial Banks.

The findings of this study are equally useful to researchers in a number of ways. One, in the recommendations for further research, it sets forth the agenda for future research effort. This could target non- bank financial institutions or any other segments of the economy. The researchers can also embark on longitudinal surveys with same respondents over time to check if the Strategy Implementation practices are evolving. Secondly, the study has tested the applicability of the stakeholders theory, McKinsey 7s model and the strategy – structure theory in different contexts. The findings remain consistent with these theories.

To policy making institutions such as the Central Bank of Kenya and the Treasury, the findings provide direction by providing knowledge enabling them to oversee the design and implementation of more effective strategy plans. The policy-making institutions will be sensitive during policy formulation to ensure that their policies do not impact business. What was viewed as a good idea to cap interest rates amongst Commercial Banks turned out to be a poisoned chalice which has hurt the economy. More consideration is needed in future by regulators before they implement changes with far reaching consequences.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed selected theoretical and empirical literature over the key study variables with the aim of highlighting the study research gaps. A summary outlining the research gaps warranting the conduct of the study is presented at the end to match the objective of the study.

2.2 Theoretical Foundation of the Study

The study was anchored on The Mckinsey 7-S Framework, Stakeholder Theory and Chandler's (1962) Strategy and Structure Theory. The Strategy and Structure Theory posits that structure should follow strategy as part of the strategy implementation process. This is consistent with McKinsey's 7-S Framework, which argues that structure is an important component of any organizational performance. Although the Mckinsey's Framework downplays the idea of hierarchy, it acknowledges the importance of structure. Likewise, the Stakeholder Theory and Mckinsey's 7-S Framework outlines the need for proper stakeholder engagement in the area of management practice.

It follows from above that a common understanding and appreciation of the organisations' Mission and Vision Statements is critical if strategy is to be implemented successfully. This calls for proper communication with employees. The structure should also be re-designed in a way that will enable to organization to achieve its objectives. All these factors draw from the strategy and structure, the stakeholder and Mckinseys 7S theories upon which this study was anchored.

2.2.1 McKinsey 7-S Framework

When it was introduced in the late 1970s, the McKinsey 7-S Framework was a watershed in thinking about organizational effectiveness. Before that, managers viewed their organizations as structures, concentrating more on who does what, who reports to whom, and the like. As organizations grew in size and complexity, a more critical question became that of coordination. The Mckinsey 7-S Framework filled the gap by mapping a constellation of interrelated factors that influence an organization's ability to change. The lack of hierarchy among these factors suggested that significant progress in one part of the organization was difficult without working on the others (Peters and Waterman, 1982). The model comprised the following seven success criteria for excellence which were structure, strategy, systems, shared values, skills, staff and style.

During their study, Peters and Waterman (1982) observed that managers were getting more done if they paid attention to the seven S's instead of the first two (the hardware criteria of Structure and Strategy), and real change in large institutions is a function of how management understand and handle the complexities of the 7-S Model. Peters and Waterman (1982) also reminded the world of professional managers that it is the software criteria of the model which is often overlooked and which should have the highest focus when embarking on the journey of excellence. Some 30 years later, 7-S Model remains an important tool to understand the complexity of organizations. Today, more than ever, structure alone is not the hallmark of an organization and may therefore, not deliver results. Other factors must be considered.

This model lays out the 7s that define the issues that may need to be addressed by the management for effective strategy implementation. The firm's interpretation of the 7s model directly points to the practices that are likely to guide it in strategy implementation. This theory therefore provides the primary anchorage for this study.

2.2.2 The Stakeholder Theory

This theory is attributable to Milton Freeman (1984). The Stakeholder Theory is a theory of organizational management and business ethics that addresses morals and values in managing an organization (Freeman, 1984). Stakeholders have been defined in various ways in governance literature based in part on the economic salience of these stakeholders (Coombs & Gilley, 2005). Thus, stakeholders include shareholders (preferred and common), holders of options issued by the firm, debt holders, (banks, secured debt holders, unsecured debt holders), employees (especially those investing firm-specific human capital), local communities (e.g., charities), environment as "latent" stakeholders (e.g., pollution), regulatory authorities, the government (as tax collector), inter-organizational alliance partners, customers and suppliers.

The stakeholders often gain substantially when the firm does well and suffer economic losses when the firm does poorly (Preston and Sachs, 2002). Bowman and Useem (1995) state that: To exclude labor and other stakeholders from the governance picture … is theoretically tidy and empirically foolhardy (1995). What this suggests from a strategic management perspective and by extension from a strategy implementation perspective is that stakeholders cannot be ignored.

Freeman (1984) recommended a number of methods through which management can give due regard to the interests of stakeholders. He argued that interests of all involved would be better represented if everyone's preferred preferences could be satisfied. Obviously this is not an easy task but any organization seeking to implement strategy successfully must somehow, come up with ingenious ways of engaging with stakeholders to ensure a smooth implementation. The Implementation of strategy is shaped by the interests of the many stakeholders involved. Sometimes the interests of these stakeholders are competing. The success or otherwise of strategy implementation is dependent on how these competing interests are addressed. The stakeholder theory therefore explains the role stakeholders play in shaping strategy implantation by nay firm.

2.2.3 Strategy and Structure Theory

The proponent of this theory was Alfred Chandler (1962). In his 1962 groundbreaking work Strategy and Structure, Chandler showed that a long-term coordinated strategy was necessary to give a company structure, direction, and focus. He says it concisely; structure follows strategy (Chandler, 1962). Mintzberg (1987), argues that structure is a fundamental, tangible or intangible notion referring to the recognition, observation, nature, and permanence of patterns and relationships of entities. This notion may itself be an object, such as a built structure, or an attribute, regardless of whether officially or casually characterized, has two angles. It incorporates, first, the lines of power and correspondence between various managerial positions and officials and second, the data and information that courses through the lines of correspondence and authority (Chandler 1962). It is without a moment's delay formal dissemination of jobs and the authoritative systems, which encourage the control and joining of the various exercises, performed.

Consequently, structure is something other than an arranged system; it is additionally what occurs in the system, or the procedure that happens inside and between the constituent parts (Johnson et al. 2008). Interactions between functions or between divisions were regularly dealt with by a limit position, that is, there were a couple of managers who transferred data to and from two offices. Chandler (1962) likewise focused on the significance of taking a long-term perspective when looking to the future.

2.3 Strategy Implementation Practices

Strategy can be defined as the balance of actions and choices between internal and external capabilities of an organization. Accordingly, strategy can be seen as a plan, play, pattern, position and perspective (Mintzberg et al., 1999). The crafting of a technique speaks to an administrative pledge to seek after a specific arrangement of activities so as to develop the business, pull in and please customers, contend effectively, lead tasks and improve the organization's budgetary and market performance (Johnson and Scholes, 2008). An association's strategy is administrations' activity plan for maintaining the business and leading tasks (Thompson et al., 2007). however, strategy is viewed as pointless if it is not actualized.

A number of studies have been conducted, suggesting what strategies, tactics or models should be employed to ensure successful implementation of strategic change. Implementing strategy effectively is extremely troublesome. The more radical the level of progress, the more troublesome it is. Most importantly, change influences individuals and the accomplishment of usage basically relies upon conveying the individuals in the undertaking alongside the new system. Vital change makes huge change in individuals as they battle to adjust with the new plans. These progressions can be characterized under 3 headings as change in frameworks and procedures, change in culture and change in hierarchical structure (Ansoff et al., 1976). To get change going easily requires both leadership and management.

Leadership and Management both drive changes in frameworks, culture and organization. However, authority and the executives isn't something very similar. Initiative is tied in with picking up and holding the hearts and brains of the individuals engaged with the change that requires great program and project the management. Change administration is tied in with conveying a dream that additions acknowledgment for the new heading. This isn't an administration task. Its goal is to win hearts and brains not to regulate the exercises that should be completed to roll out the improvements successful. It is passionate in content and persuasive in reason. Change the board comprises of a progression of exercises to administer and control the huge swath of undertakings that should be done if change is to be practiced and the enthusiastic and passionate vitality of those included is to be tackled.

Change of leadership and change of the management go about as the powers for change on procedure, culture and structure, the three instruments of progress. Procedure change ordinarily requires a significant level of program and project the management. Fruitful culture and structure changes depend considerably more on effective leadership.

(Ansoff et al., 1976). This is contrary to McKinsey's 7 – S Framework which does not lay much emphasis on leadership per se but is implied that the 7 – S's can only be implemented through apt leadership.

A different author, Lehner (2004) identified three factors which he postulated could lead to the successful implementation of strategy. The assumption here is that change is a linear process in which once people are involved, they will automatically implement change without resistance which is contrary to Ansoff et al's (1976) assertion. The autocratic tactics can work if action is taken against anyone seen to be resenting change. Likewise, participative tactics ensured successful outcomes but only if the organization has the luxury of time. Both tactics emanate from the Change Management practice.

According to Burnes (2009), the received wisdom in the literature on organizational change is that employee involvement is crucial to successful change, especially in situations that require attitudinal and cultural change. He outlines three theories that that underpin many of the arguments for employee involvement as the depth of the intervention, cognitive dissonance and the psychological contract. These theories suggest that any change that is viewed negatively will meet resistance if employees are not engaged; therefore, employee engagement in this case is more important than any other factor. The point of divergence is that engagement may involve trade off which is contrary to the espoused strategy. Indeed, engagement is essential but any organization seeking to implement strategy must decide on how to do it based on the prevailing circumstances. These may include the timing of the change, cost, impact, degree of flexibility and the available options.

A broader framework for strategy implementation is provided by Pearce 11 and Robinson (2011), who looked at the entire strategic management process including setting of objectives, reward systems, functional tactics and policies. They also looked at the structure, leadership and culture and finally the strategic control process. Whilst certain elements of this expose are similar to McKinsey's 7 S, the main assumption was that all teams were motivated to work as long as there was a reward system in place which might not necessarily be the case. Moreover, it is not clear as to whether or not the employees would embrace the reward structure as a fair system of remuneration.

strategic success. In a study titled 'refining the search for organizational success measures', Maltz et al. (2003) identified twelve potential baseline measures across five major success dimensions (financial performance, market/ customer, process, people development and future) that can be examined as applicable to different firms and firm types.

The measure of organizational success is critical in ensuring that strategy is being implemented as per plan, but certainly measurement remains a continuous challenge for both managers and researchers. Whilst the old adage of what gets measured gets done has become a cliché, it continues to hold true and any organization seeking to implement strategy successfully must put in place a structure to measure strategic success. Various scholars and practitioners have developed models for measuring

The above findings were a slight modification to the views of Kaplan and Norton's (1996), regarding their Balanced Score Card model. The Balances Score Card model is a multi-dimensional framework that translates a company's strategy into specific measurable objectives. Kaplan and Norton's (1996) combination includes 20 measures that are translated into four dimensions (customer, internal, innovation and learning and financial performance). Shenhar and Dvir's (1996) 'Success Dimensions' model is a multi-dimensional concept that defines effectiveness across three organizational levels (project, business unit, and company) and four time horizons (very short, short, long, very long time-frames).

Their key premise is that measuring the success of an organization using one-time dimension can be misleading. In the 'very long' term, Shenhar and Dvir (1996) suggest using the 'ability to see the future' and 'define new needs' before competitors and customers as the critical success factors. They equate measurement of projects to implementation of strategy.

Whilst measurement of strategic success is a precursor for success, Kaplan and Norton (2000) have in the past observed that an excellent set of measures does not guarantee a winning strategy. What this means is that other variables or considerations may impact the organizations' ability to implement strategy successfully. In fact, in a separate study, Kaplan and Norton (2004) argued that the Balanced Score Card can be used to measure the strategic readiness of intangible assets before an organization embarks on strategic implementation. In a nutshell, the above studies have indicated that besides McKinsey's 7-S Framework, there are other contributory factors that could lead to the successful implementation of strategy such as performance management.

Hrebiniak (2008) argues that strategy formulation and implementation are both separate sets of activities but at the same time interdependent activities. The activities were viewed as interdependent to the extent that not involving those responsible for execution in the planning process could threaten knowledge transfer, commitment to the sought after outcomes and the entire implementation process. This thought is consistent with McKinsey's 7-S view which holds that the vision should be shared and by extension everyone should be involved in the strategic management process. The only downside to this is that some strategies may have a direct impact on the employees themselves, hence the need to withhold some information from them.

Hrebiniak (2008) notes that by involving staff during the formulation process, strategy implementation would be a lot easier. In a study conducted to understand why

perfectly sound strategies were not easily implemented, Beer and Eisenstat (2000) identified what they referred to as 'The Silent Killers of Strategy Implementation and Learning'. The silent killers of strategy Implementation were identified as, top-down or laissez-faire senior management style, Unclear strategy and conflicting priorities, an ineffective senior management team, poor vertical communication, poor coordination across functions, businesses or borders and inadequate down-the-line leadership skills and development. Most of these 'killers' are symptomatic of a fundamental failure in both leadership and management. Communication is touted as an underlying problem but this would be resolved as part of the overall leadership and management.

Most of the barriers identified resonate well with McKinsey's 7- S although in this case leadership has equally been identified as a major barrier to strategy implementation. The foregoing literature has reviewed a number of articles regarding strategy implementation. A few other theoretically grounded studies are reviewed which may not have a direct correlation to strategy implementation but may provide some insights regarding strategic management practices in Kenya, the role of leadership in success and context for management practice. In a study conducted to establish the state of strategic management planning or formulation amongst private manufacturing companies in Kenya, Aosa (2011) found that a larger proportion of foreign own companies had formulated strategies, compared to the indigenous and Asian companies. This study was consistent with other studies that were conducted by Aosa (1996) which established that management practice is context specific. Although the study did not investigate the strategy implementation practices, it has much relevance to the current study which focuses on both the local and foreign owned Commercial Banks in Kenya. It was interesting to find out if local firms have embraced strategic implementation practices since the previous study was undertaken.

In a separate study which reviewed theory and empirical literature 28 years later on the Upper Echelons Theory and Research, Kinuu et al., (2011) found that Top executives matter as much to company outcomes as the theory seems to presume for good and for ill of the organization. In a separate but related study, Letting and Aosa (2012), looking at Board Diversity and Performance of Companies Listed in the NSE, found that there is a correlation between the board membership and attribute and the company's strategic performance. Both studies contradict McKinsey's 7-S Framework which delimits hierarchy and leadership from organizational success. This study sought to establish the state of the two postulations.

The strategy implementation process has established steps which include the derivation of short term objectives, development of reward systems, crafting of functional tactics and development of policies (Pearce II and Robinson, 2011). To make the grand strategies become a reality, people in an organization who actually 'do the work' of the business need guidance in exactly what they need to do. Short term objective does help to a greater extent to achieve this objective. Short term objectives must be specific, measurable, achievable, realistic and time bound. Short term objectives are usually accompanied by action plans, which enhance these objectives.

The objectives also state who is accountable for what. Functional tactics are the key routine activities that must be undertaken in each functional area to provide business's products and services. In a sense, functional tactics translate thought into action designed to accomplish short term objectives. The business should also consider building or buying certain activities as part of strategy implementation. Other aspects include policy formulation, measurement and reward systems.

2.4 Summary of Literature and Knowledge Gaps

The above literature review suggests the importance of identifying factors that can be used in different models of strategy implementation such as the Balanced Score Card. There have also been suggestions in the literature that motivation plays a big role in the implementation of strategy making it important to develop and adopt motivational systems that would be useful to an organization. Other authors have argued that type of management style is what would determine success or failure in the implementation process for strategy.

They posit that human beings are motivated differently and so situational leadership should be considered in determining how to manage for success. There is clearly a knowledge gap in determining whether application of all these varied strategies would yield the desired results. This study was aimed at filling this void by addressing issues such as motivation where poor performance is punished whilst good performance is rewarded. The study also examined importance of clearly articulating objectives that are measurable for effectiveness. There were issues too to do with training and measurement and support structures that were addressed in this study. It was clear from the findings that strategy implementation strategies amongst Commercial Banks are broad based and do take into consideration the various aspects that have been picked from the literature review.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that the researcher used when conducting the study with a view to arrive at the desired results. It described the selected research design, population of the study, data collection including a description of the data collection instrument and finally the data analysis techniques.

3.2 Research Design

The cross sectional survey design was used for this study. A research design provides a framework for the collection and analysis of data. A choice of research design reflects the decisions about the priority being given to a range of dimensions of a research process. According to Bryman, (2004), these include, expressing the causal connections between variables; generalizing to larger groups of individuals than those actually forming part of the investigation; understanding behavior and the meaning of that behavior in its specific social context and having a temporal appreciation of social phenomena and their interconnections.

Zikmund (2003) notes that the cross sectional survey design which was used in this study, provides a quick and accurate means of assessing information, particularly if it is properly conducted. It also assists the researcher to establish whether significant associations exist among variables at one point in time. The use of this design was ensured that results that are produced had the qualities of internal validity, external validity and reliability.

3.3 Population of the Study

A population according to Cooper and Schindler (2000) explains the totality of the items, persons, events among others that may be of interest to the researcher. In identification of the population of the study the researcher ought to be guided by the research question and the objectives. The population for this study was all Commercial Banks operating in Kenya. As at 31st December, 2018, there were 41 Commercial Banks operating in Kenya. 11 of these were owned locally whilst 30 were foreign owned (Kenya Banker's Association, 2018). All these Commercial Banks participated in this study. The researcher therefore carried out a census study since the sample size was manageable.

3.4 Data Collection

Quantitative primary data was collected for this study. Data was collected through a self – completion questionnaire which were administered on a pick and drop basis in order to improve the response rate. The questionnaire was designed in two parts, the first one comprising of demographic information, with the second part focusing on variables assisted the research to achieve the desired objective. The questionnaire was tested by requesting a CEO of a Bank to review it and feedback obtained. This ensured that ambiguous questions were rephrased so that responses could be consistent. The questionnaire was later circulated to Heads of Strategy in all the Commercial Banks with a covering letter from the University of Nairobi School of Business. A follow up was made several times to ensure maximum participation. Upon attainment of 80% response rate, a decision was taken to proceed with the analysis.

3.5 Data Analysis

The cross sectional survey design was used for this study. A research design provides a framework for the collection and analysis of data. A choice of research design reflects the decisions about the priority being given to a range of dimensions of a research process. According to Bryman, (2004), these include, expressing the causal connections between variables; generalizing to larger groups of individuals than those actually forming part of the investigation; understanding behavior and the meaning of that behavior in its specific social context and having a temporal appreciation of social phenomena and their interconnections.

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CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study and an analysis of the results. The study sought to analyze strategy implementation practices within commercial banks in Kenya. The research findings were computed from responses of senior managers from each of the commercial bank used in the study.

4.2 Response Rate

Out of the 41 questionnaires that were administered among the various respondents from the Commercial Banks, 33 were returned and were used for analysis accounting for 80 % response rate. A response rate of 80 % was considered adequate for further analysis. Related studies have preceded with analysis with lower response rates. To ensure adequacy of response, the researcher discussed the benefits of this kind of a study with individual managers and promised to share the findings with them so that they can improve on their strategy implementation practices by drawing from the industry wisdom.

4.3 Demographic Information of the Respondents

The background information that was retained for analysis relating to the respondents included the number of years the institution has been in existence, gender distribution and the number of years worked at the firm. The results are summarized in Table 4.1

Table 4.1: Demographic Information of the Respondents

Variable	Category	Frequency	Percentage(%)
Experience at the firm	3 -9 years	10	29.3
	9 -12 years	19	58.5
	12 years and above	4	12.2
	TOTAL	**33**	**100**
Age	21-30 years	4	9.8
	31-40 years	4	9.8
	41-50 years	14	41.5
	Above 51	13	39.1
	TOTAL	**33**	**100**
Level of management	Middle management	2	9
	Senior management	19	58.5
	Executive management	12	36.6
	TOTAL	**33**	**100**
Gender	Male	19	56.1
	Female	14	43.9
	TOTAL	**33**	**100**
Education	Under graduate diploma	2	4.9
	Under graduate degree	22	68.3
	Post graduate	9	26.8
	TOTAL	**33**	**100.00**

Source: Research Data, 2019

The results in Table 4.1 show that a majority (70.7%) of the respondents had worked in the banks for nine years and above. This signifies that there is low staff turnover by management employees in the firms. Hence, they could employ their long years of tacit knowledge with their respective firms to improve strategy implementation.

It is also clear from the results that majority (56.09%) of the respondents were male while 43.9 % were female implying that the organization human resource department has met the two third gender rule stipulated in the constitution of Kenya, (2010). In terms of age, Majority of the respondents were aged 41-60 years (70.8%) signifying that most management post are occupied by employees who are highly experienced hence can pursue strategy implementation aggressively. Finally, in terms of education, majority of the respondents had either bachelor's degree or postgraduate degree (95.1%) implying that the firms had management employees who are highly educated and this could translate to superior strategy implementation practices.

Table 4.2: Firm Characteristics

This question sought to establish the characteristics of the bank. The indicators for firm characteristics used were age, number of employees and the ownership.

Variable	Category	Frequency	Percentage (%)
Age of firm	Below 10 years	3	9.8
	11-50 years	28	85.4
	50 years	2	4.9
Total		**33**	**100**
Number of employees	Below 500	6	14.6
	501-1000	5	24.4
	1001-2000	14	36.6
	Above 2000	8	24.4
Total		**33**	**100**
Ownership	Local	24	73.1
	Foreign	9	26.9
Total		**33**	**100**

Source: Research Data, 2019

From Table 4.2, the study sought to establish the firm characteristics including age, number of employees and ownership structure. The study established majority (85.4%) of firms had been in operation for between 10-50 years implying they have had enough experience in the development and implementation of strategy. In terms of number of employees, a majority of firms (24.4%) had above 2000 employees. Finally a majority of the firms (73.1%) were locally owned with the remaining 26.9% being foreign owned.

4.4 Readiness for Strategic Planning

The study sought to establish whether the firms have the requisite preparedness for developing and launching strategic plans. The responses were based on a number of multiple-choice questions. The findings are shown in Table 4.3.

Table 4.3: Readiness for Strategic planning

Item on Readiness	Yes	%	No	%
Existence of strategic plan	31	100	0	0
Knowledge of mission	31	100	0	0
Communication of objectives	31	100	0	0

Source: Research Data, 2019

The study sought to establish the extent of preparedness for strategic planning in commercial banks in Kenya as shown in Table 4.3. All the respondents used in the analysis reported that their banks had a strategic plan in place. Additionally, all the respondents were aware of the mission and vision of their firms. Finally, the study sought to establish whether the strategies were communicated to members of the staff. The findings show that 100% of the respondents reported that their employees are involved in strategic objectives and that the objectives are well communicated to the staff.

4.5 Attributes of Objectives

This section of the questionnaire sought to establish the various attributes of the objectives using the parameters of the objectives being specific, measurable, realistic and time bound. The findings are as shown in Table 4.4.

Table 4.4: Attributes of Objectives

Attribute of objective	**1**	**2**	**3**	**4**	**5**
Specific	53.7	41.5	4.9	0	0
Measurable	36.6	53.7	9.8	0	0
Realistic	70.7	24.4	4.9	0	0
Time bound	87.8	12.2	0	0	0

Source: Research Data, 2018

The researcher sought to establish the attributes of the objectives set in the strategic plan to examine if they are SMART as presented in Table 4.4. Majority of the respondents (95.2%) agreed that the objectives set were specific meaning that they were stated in terms that are not general. Still majority if the respondents (90.3%) were of the opinion that the objectives set were measurable implying that their achievement could be measured in quantitative terms. About 95.1% of the respondents were of the opinion that the strategic objectives set are realistic meaning they can be achieved in a practical business environment. Finally, the study established that 100% of the respondents were of the opinion that the goals set by the firm in the strategic plan are time bound implying that the goals are achievable within set time span.

4.6 Strategy Implementation Practices

In this section, the researcher sought to examine strategy implementation practices within Commercial Banks in Kenya. Data was collected using an a question scaled 1-5. The results are presented in Table 4.5.

Table 4.5: Strategy Implementation Practices

Practice	1	2	3	4	5	Mean	Std. Dev
Staff involvement in the strategic planning process	0	0	0	20%	80%	4.18	0.391
Setting of aligned objectives	14%	13%	20%	19%	34%	3.46	1.199
Implementing reward systems for achieving objectives	0	5%	15%	30%	50%	4.72	0.450
Training or development of staff in the roles	0	0	8%	28%	63%	4.18	0.583
Availability of implementation plans	0	4%	5%	16%	76%	4.33	0.888
Availability of budget	0	13%	25%	16%	46%	3.70	1.221
Good communication	0	4%	4%	36%	56%	4.32	0.640
Signing and periodic review of performance contracts	3%	21%	3%	45%	28%	3.67	1.032
Implementing reward systems for achieving objectives	0	0	4%	26%	60%	4.72	0.450

Source: Research Data, 2019

Table 4.5 shows the data presentation and analysis of responses about strategy implementation practices in commercial banks Kenya. All (100%) respondents supported the statement on staff involvement in the strategic planning process. The implication is that employee stakeholders are fully appraised of the strategic planning process. Setting of aligned objectives aligned to the bank's mission and vision was supported by (53%) respondents. A majority of the respondents (80%) were of opinion that the Implementing reward systems for achieving objectives was done by commercial banks in Kenya. A similarly high number (91%) were of the opinion that the bank has procedures for transferring organizational knowledge to employees through training. Almost all the respondents (91%) supported the statement that implementation plans or schedules were available. Finally, the statement on the availability of budget and the presence of good communication was supported by 62% and 91% respectively.

4.7 Success of Strategy Implementation

This section sought to determine whether the respondents thought the implementation of strategy was successful. The responses are captured in Table 4.6 as follows:

Table 4.6: Success of Strategy Implementation

Success of strategy implementation	Yes	%	No	%
In your opinion, was the strategy implemented successfully	33	100.%	0	0 %
Was your organization structure changed as part of strategy	25	85.36%	6	14.63%

Source: Research Data, 2019

The results are presented in Table 4.6, the question on whether the organization had successfully implemented strategy. This was supported by 100 % of the respondents. Finally, on the question on whether the organization structure was changed due to strategy implementation was supported by 85.36 % of the respondents. The implication is that most respondent banks reorganized their structures in response to strategy.

4.8 Strategy Implementation Outcomes

The process of strategy implementation is expected to accrue results for the company. This question sought to establish the outcomes of strategy implementation by commercial banks in Kenya. The outcomes of strategy implementation were measured using both financial and non-financial measures. The findings are presented in Tables 4.7 and 4.8 respectively:

Table 4.7: Profitability of the Company

Class	Frequency	%
Below I billion	2	4.9
1-2 billion	15	36.6
2-4 billion	14	34.1
4-8 billion	10	24.4
Above 8 billion	0	0

Source: Research Data, 2019

Table 4.7 shows the distribution of profitability of Commercial Banks in Kenya. From the banks that participated in the study, a majority of the banks (36.6%) made between ksh.1-2 billion, followed 34.1% of the commercial banks that made profits between ksh. 2-4 billion. This was followed by 19.51% of the commercial banks that made about ksh.2-4 billion, 24.4% of the banks made 4- 8 billion and finally 4.9% of the commercial banks made less than ksh. 1 billion. Generally majority of banks made profits of between ksh.1-8 billion.

Table 4.8: Achievement of Nonprofit Objectives

Objectives	1	2	3	4	5
Financial objectives	39	51.2	9.8	0	0
Process efficiency objectives	29.3	70.7	0	0	0
People/employee oriented objectives	85.4	14.6	0	0	0
Client objectives	29.3	61	4.9	4.9	29.3
Future growth objects	56.1	39	4.9	0	0

Source: Research Data, 2019

The study sought to establish the extent to which different nonprofit objectives were being met by commercial banks in Kenya. Table 4.8 presents results of data analysis about the responses on the statements about achievement of nonprofit objectives. The statement that the firm had achieved financial objectives set was agreed upon by majority of respondents (90.2%). All of the respondents (100%) also agreed with the statement that the firm had achieved process efficiency objectives. Equally, all respondents also agreed with the statement that the firm has achieved people /employees oriented goals. The statement that the firm had achieved client-based objective was supported by majority (90.3%) of the respondents showing that firms have embraced an integrated system to steer the firm forward. Finally, the statement that the firm had achieved future growth objective was supported by about 95.1 % of the respondents.

4.9 Factor Analysis

Confirmatory factor analysis was performed on the strategy implementation practices to determine those practices that were deemed very important by respondents. The findings of the factor analysis are presented in Table 4.9

Table 4.9: Rotated Component Matrix for Strategy Implementation Practices

Item description	Component		
	1	**2**	**3**
Staff involvement in the strategic planning process	0.965		
Good communication	0.921		
Training or development of staff in the roles	0.867		
Implementing reward systems for achieving objectives	0.756		
Availability of implementation plans		0.645	
Setting of aligned objectives		0.564	
Availability of budget			0.433
Signing and periodic review of performance contracts			0.421
Availability of systems of monitoring and control			0.410

Rotation Method: Varimax with Kaiser Normalization.
Extraction Method: Principal Component Analysis

Table 4.9 shows that only 3 factors were retained. An examination of the practices loading onto factor 1 reveals that they all explain issues to with employee involvement in the strategy implementation process. The practices loading onto factor 2 are about putting in place implementation mechanisms which are made available to the employees. Practices loading onto factor 3 are on performance and performance measurement. The three factors have a cumulative variance of 77.626 %. The implication is that they explain up to about 78 % of all the practices (Appendix 3).

4.10 Discussion of the Findings

From the analysis of data performed, the level of awareness about the mission and vision statements of commercial banks by employees is quite high. This practice of ensuring awareness of mission statements by employees if they are to support strategy initiatives is supported by several works (Campbell, 1997; Mullane 2002; Rigby, 1994; Matejka et al., 1993) that have delineated how mission and vision statements can be used to build a common and shared sense of purpose and also serve as conduit through which the focus of employees is shaped. Going hand in hand with knowledge of mission and vision statements is communication of objectives.

Practices such involvement of employees in designing the strategy, training them in readiness for the implementation of strategy and availing implementation schedules were all heavily supported. This finding is consistent with literature. Ezekwe (2016) reports that employees need to be oriented to the strategy and be provided with all pertinent information. Similar findings are reported by Mullane (2002).

The results of Factor Analysis shows that three main factors are considered. Factor 1 can be summarized as addressing employee related issues. Factor 2 includes statements whose focus is on putting in place implementation mechanisms. Factor 3 loads with issues on performance. This is once again with literature. Eyceoz (2009) argues that when it comes to implementing strategy, companies may have to develop manuals to guide employees, invest in a lot of training to prepare them for any turbulences that may be occasioned by the strategy in addition clarifying on the roles they are expected to play to deliver the strategy.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter provides a summary of the study, presents conclusions from the findings upon which recommendations are made, and then finally suggestions for further research. This study aimed to examine strategy implementation practices within commercial banks in Kenya.

5.2 Summary

Concerning strategic planning in commercial banks in Kenya, all the respondents reported that their banks had a strategic plan in place. Additionally, all the respondents were aware of the mission and vision of their firms. The study also sought to establish whether the strategies were communicated to members of the staff. The study showed all of the respondents reported that their employees are involved in strategic objectives and that the objectives are well communicated to the staff.

Further, concerning attributes of strategic objectives, the study established that Majority of the respondents (95.2%) agreed that the objectives set were specific meaning that they were stated in term that are not general. Still majority if the respondents (90.3%) were of the opinion that the objectives set were measurable implying that their achievement could be measured in quantitative terms. About 95.1% of the respondents were of the opinion that the strategic objectives set are realistic meaning they can be achieved in a practical business environment. Finally the study established that 100% of the respondents were of the opinion that the goals set by the firm in the strategic plan are time bound implying that the goals are achievable within set time span.

The study also sought to establish factors affecting strategy implementation in commercial banks in Kenya. The statement that Staff involvement in the strategic planning process was upheld by every single respondent indicating that the organizations hold the clients enthusiasm on a fundamental level.

Setting of aligned objectives was supported by (53%) respondents. Most respondents (80%) were of feeling that the Implementing reward systems for achieving objectives was done by commercial banks in Kenya. The statement that Implementing reward systems for achieving objectives. Dominant part of respondents (91%) additionally upheld the explanation that the firm has systems for moving hierarchical information to people indicating the development of the firm is conveyed to every one of the workers. Practically every one of the respondents (91%) upheld the explanation that Availability of execution plans. Finally, the statements that there was Availability of budget and that there was good communication was supported by 62% and 91% respectively.

Concerning outcomes of strategy implementation, the outcomes were considered in terms of profit and nonprofit outcomes. Concerning profitability, Majority of the banks (36.6%) made between ksh.1-2 billion, followed 34.1% of the commercial banks that made profits between ksh. 2-4 billion. This was followed by 19.51% of the commercial banks that made about ksh.2-4 billion, 24.4% of the banks made 4- 8 billion and finally 4.9% of the commercial banks made less than ksh. 1 billion in 2013.Generally majority of banks made between ksh.1-8 billion.

In addition, the study examined nonprofit outcomes of strategy implementation. The statement that the firm had achieved financial objectives set was agreed upon by majority of respondents (90.2%). All of the respondents (100%) too agreed with the statement that the firm had achieved process efficiency objectives. Equally, all respondents also agreed with the statement that the firm has achieved people /employees oriented goals. The statement that the firm had achieved client-based objective was supported by majority (90.3%) of the respondents showing that firms have embraced an integrated system to steer the firm forward. Finally, the statement that the firm had achieved future growth objective was supported by about 95.1 % of the respondents.

5.3 Conclusion of the Study

Based on the results, the following conclusions are made. Concerning strategic planning in commercial banks in Kenya, given fact that all the respondents reported that the banks had a strategic plan in place for the operation of their various commercial banks. Additionally, all the respondents were aware of the mission and vision of their firms. Additionally, study showed that all respondents reported that their employees are involved in strategic objectives and that the objectives are well communicated to the staff. The study thus concludes that the commercial banks in Kenya have well developed strategic planning showing strategic objectives and that the strategies are communicated to all employees

Based on study findings about factors affecting strategy implementation, The study concludes that the strategy implementation is affected by factors including: Staff involvement in the strategic planning process, Setting of aligned objectives, Implementing reward systems for achieving objectives, procedures for transferring organizational knowledge to individuals and Availability of budget and that there was good communication.

Finally concerning strategy implementation outcomes, given the fact that most banks had achieved profitability between 2-8 billion and that other nonprofit objectives were met as evidenced by high percentages of respondents who agreed with statement on nonprofit objectives achievement. The study concludes that implementation of strategy in commercial banks was successful and had contributed to achievement of banks objectives including profit and non-profit objectives. The findings of the study further conclude that structure follows strategy since Commercial Banks indicated that they changed their structures in response to strategy readjustments.

5.4 Recommendations

The study recommends the following: It is necessary for managers to realize that strategy formulation is the precursor to structure change and prepare the employees accordingly. On the conclusion that strategy implementation is affected by factors including Staff involvement in the strategic planning process, Setting of aligned objectives, Implementing reward systems for achieving objectives, how to transfer organization knowledge to individual and availability of budget and that there was proper communication the study recommends that management of commercial banks must be aware of the influence of employee dimensions on the success of strategy implementation.

5.5 Recommendations for Further Studies

This study sought to establish Strategy Implementation practices within Commercial Banks in Kenya. Further studies should be carried out focusing on non-bank financial institutions to establish if the same findings will hold. A variation in the context will enhance knowledge on Strategy Implementation practices in a comprehensive manner. Future research effort could also be based on a longitudinal research design. A longitudinal research design enables performance data to be captured over a period of time. This will provide a more scientific understanding of the relationship between strategy implementation practices and performance.

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APPENDICES

Appendix I: Letter of Introduction

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
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P.O. Box 30197
Nairobi, Kenya

DATE 22/11/2014

TO WHOM IT MAY CONCERN

The bearer of this letter Patrick Otieno Keta

Registration No. D61/72462/2011

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix II: Questionnaire

This questionnaire is designed to collect data for a study on strategy implementation practices within Commercial Banks in Kenya. The data remains anonymous and will be used for academic purposes. The data will be handled with utmost confidentiality. Kindly respond to the statements in this questionnaire in the most truthful and objective way as possible. Your participation in this survey will be highly appreciated.

Kindly tick in the space provided with the correct answer and also provide additional information if asked to do so in any section of the questionnaire.

Part A: Demographic Information

1. Indicate your age bracket

   21 – 30 years ( )

   31 – 40 years ( )

   41 to 50 years ( )

   Above 51 ( )

2. State your highest level of education

   Undergraduate Diploma ( )

   Undergraduate Degree ( )

   Post Graduate ( )

3. For how long have you been working in your organisation?

   Less than 3 years ( )

   3 to 9 years ( )

   9 to 12 years ( )

   Above 12 years ( )

4. Have you received any training on Strategic Management?

Yes		No	

5. What is your level of seniority at your organization?

   (Please make one choice)

Non Managerial	
Junior Manager	
Middle Level Manager	
Senior Manager	
Executive Manager	

Part B: Objective: To identify the strategy implementation practices amongst Commercial Banks in Kenya.

1. What is the ownership structure of your organization?

Over 50% foreign owned	
Over 50% locally owned	

2. How much profit did your company make in Kenya Shillings in 2013?
   (please tick one range)

Below 1 Billion	
Between 1,000,000,001 and 2 Billion	
Between 2,000,000,001 and 4 Billion	
Between 4,000,000,001 and 8 Billion	
Above 8,000,000,001 Billion	

3. How many employees does your organization have?

Below 500	
Between 501 and 1000	
Between 1001 and 2000	
Above 2000	

4. For how many years has your organisation been in existence in Kenya with the current name or even with a different name?

Below 10 years	
Between 11 years and 50 years	
Above 50 years	

5. Does your company have a Strategic Plan in place?

Yes		No	

6. Do you know the Vision and the Mission of your company?

Yes		No	

7. Was the organizational structure of your organization changed as part of strategy implementation?

Yes		No	

8. To what extent do your individual performance objectives meet the following criteria?

(Please make one choice where 1 very great extent – 5 no extent)

	1	2	3	4	5
Specific					
Measurable					
Achievable					
Realistic					
Time bound					

9. In your opinion, does your organization implement or has your organization implemented their strategy successfully?

Yes		No	

10. To what extent did your organization achieve the following objectives following strategy implementation?

(Where 1 is very great extent and 5 is no extent)

Attributes	**1**	**2**	**3**	**4**	**5**
Financial objectives					
Process efficiency objectives					
People objectives					
Client objectives					
Future objectives					

11. To what extent were the following factors considered and applied during your strategy implementation process?

(Where 1 is very great extent and 5 is no extent)

Attributes	**1**	**2**	**3**	**4**	**5**
Staff involvement in the strategic planning process					
Setting of aligned objectives					
Signing and periodic review of performance contracts					
Implementing reward systems for achieving objectives					
Training or development of staff in the roles					
Availability of implementation plans					
Availability of budget					
Good communication					
Availability of systems of monitoring and control					

12. To what extent are the following factors considered during strategy implementation in your organisation?

(Where 1 is very great extent and 5 is no extent)

Factors	1	2	3	4	5
Sensitizing staff on the need for change					
Creating a desire for the change					
Training staff to enable them effect the change					
Providing all the resources to effect the change					
Rewarding and reinforcing the right behaviours					

Appendix III: List of Commercial Banks in Kenya and their Ownership

No	**Locally owned Banks in Kenya**	**No**	**Foreign Owned Banks in Kenya**
1	KCB Bank	1	Barclays Bank of Kenya
2	National Bank of Kenya	2	Standard Chartered Bank
3	Consolidated Bank of Kenya	3	CfC Stanbic Bank
4	Commercial Bank of Africa	4	Citi Bank NA
5	Co op Bank of Kenya	5	Diamond Trust Bank
6	Equity Bank of Kenya	6	Bank of India
7	Family Bank of Kenya	7	Bank of Baroda
8	HFCK	8	Bank of Africa
9	Development Bank of Kenya	9	Ecobank
10	I&M Bank	10	Habib A G Zurich
11	NIC Bank	11	Gulf African Bank
12	Krep Bank		
13	Imperial Bank		
14	ABC Bank		
15	Habib Bank		
16	City Finance Bank		
17	Credit Bank		
18	Equitorial Commercial Bank		
19	Fidelity Commercial Bank		
20	GT Bank		
21	First Community Bank		
22	Giro Bank		
23	Guardian Bank		
24	Middle East Bank		
25	Oriental Commercial Bank		
26	Paramount Universal Bank		
27	Prime Bank		
28	Southern Credit Bank		
29	Transnational Bank		
30	UBA Kenya Bank		

Source: Central Bank of Kenya, Bank Supervision Annual Report, 2018

Appendix IV: Total Variance Explained For Strategy Implementation Practices

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.161	41.613	41.613	4.161	41.613	41.613	4.161	41.606	41.606
2	1.625	16.246	57.859	1.625	16.246	57.859	1.620	16.198	57.804
3	1.106	11.060	68.918	1.106	11.060	68.918	1.111	11.115	68.918
4	.986	9.856	78.774						
5	.939	9.392	88.167						
6	.570	5.697	93.864						
7	.325	3.246	97.109						
8	.149	1.489	98.599						
9	.079	.789	100.000						

Extraction Method: Principal Component Analysis.