

**STRATEGIC RESPONSES BY NATIONAL BANK OF KENYA TO
ENVIRONMENTAL CHALLENGES WITHIN THE FINANCIAL
SECTOR**

BY

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DECLARATION


This research project is my original work and has not been submitted for examination in any other university

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

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DEDICATION

This research is dedicated to my parents Mr and Mrs Kibet who devoted themselves tirelessly to ensure all their children get the best education. Secondly to my brothers Erick and Steve for their love, patience, encouragement and overwhelming support they provided during my entire MBA study period.

ABSTRACT

The financial sector has been growing at a rapid rate not only locally but also internationally. However, the sector has been facing many challenges which include internal and external environmental challenges and this has led to shrinking profit margins. As a result of these challenges, this study was carried out to identify environmental challenges faced by the financial sector in Kenya and strategies that can be adopted to overcome these challenges.

To achieve this, a case study of National Bank of Kenya was undertaken by interviewing senior and middle level staff to identify challenges and strategies adopted by the bank against internal and external environmental challenges. The structured interview guide was used in collecting data from NIBK staff in Nairobi head office and its branches within the Nairobi city whereby a total of 12 respondents were interviewed which included 3 general managers, 4 divisional managers and 5 branch managers. Data was analyzed using content analysis.

Environmental challenges which include entry of new competitors, high cost of operations, unstable economic conditions, tight policies and regulations among others were identified. The strategies to overcome these challenges identified include new product development and branding strategies, adopting new marketing strategies, expansion, outsourcing, ICT infrastructure upgrades to list a few.

The study observed that financial institutions have not emphasized much the influence of environment in their daily operations. Therefore, the research recommends the need for the financial sector to factor in organization environment in their operations plans and budgets.

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ACRONYMS AND ABBREVIATIONS

ATM	Automatic Teller Machine
BFUB	Bank Fusion Universal Banking System
CBK	Central Bank of Kenya
DFI's	Development Financial Institution
GDP	Gross Domestic Product
HRM	Human Resource Management
ICT	Information Communication Technology
IMF	International Monetary Fund
NBFI's	Non-Banking Financial Institution
NBK	National Bank of Kenya
PBT	Profit before Tax

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations operate within an environment that influences its operation either positively or negatively depending on the nature of its business. As Porter (1996) explains, "Many firms operate within an environment whereby they are expected to meet various stakeholders' expectations hence the need to formulate strategies that would help them meet this need" (p. 61) On the other hand organization operates within an environment with high competition which influences the firm's strategic process and hence determines the firm's achievement and purpose (Sharma, 2008)

Therefore the survival and success of an organization can be achieved if the firm has the resource capacity to create and align its strategies to the environmental challenges. This is not only influenced by the internal environment but also the external environment. Kumar (2006) explains that rapid technological change, easier entry by foreign competitors and the accelerating breakdown of traditional industry boundaries subject firms to new unpredictable competitive forces. He further adds that contemporary firms operating in a dynamic market contexts, often deal with these contingencies by implementing strategies that permit quick reconfiguration and redeployment of assets to deal with these environmental changes.

Environmental influence has not spared the financial sector either, both locally and internationally. This was observed by Kumar (2006) when he explains that "Environmental influence has necessitated the need for financial institutions to redefine their modes of

service delivery and goals so as to maintain and remain relevant in the ever changing and dynamic environment" (p 104-105) These changes therefore pose a lot of challenges to financial institution since this change comes with a cost.

The tremendous and far-reaching changes occurring in today's world can be understood by defining and examining components of the external environment. The external organization environment includes all elements existing outside the boundary of the organization that have the potential to affect the organization. The environment includes the competitors, resources, technology and economic conditions that influence the organization. It does not include those events so far removed from the organization that their impact is not perceived (Daft and Marcic, 2005)

Organization environment from the discussions of the authors cited above point out clearly that organizations operate in an open environment where it is often influenced by both internal and external environment. It is also clear that these environments has a far reaching effect to the day to day operations of an organization and should be considered of a critical value. This entails formulation objectives and strategies having in mind the fact that there will be a lot of influence from the organization environment.

1.1.1 Organization Environment interface

Daft (2010) defines organization environment as all elements that exist outside the boundary of the organization and have the potential to affect all or part of the organization. He explains that organization environment can be understood by analyzing its domain within external sectors. In this case, he points out that domain is

the chosen environment field of action which in this case it is the territory an organization stakes out for itself with respect to products, services and market served

Daft and Marcic (2005) illustrates that the environment in which organization operates is continually changing, sometimes quite rapidly and managers has to be on their toes. They further explain that organization environment has been viewed to influence the organization over time but often are not involved in day to day transaction with

In this regard, they explain that organization external environment includes all elements existing outside the boundary of the organization that have the potential to affect the organization. This environment includes competitors, resources, technology and economic conditions that influence the organization. It does not include those events so far removed from the organization that their impact is not perceived

1.1.2 Strategic Responses

According to Porter, (1996), strategic response refers to the process of creating a unique and valuable position with means of a set of activities in a way that creates synergistic pursuit of the objectives of a firm. (Olwany, (2011) refers strategic responses as the processes employed by the executives of the firm in order to deal effectively with everything that affects the growth and profitability of the firm so that it can position itself optimally in its competitive environment by maximizing the anticipation of the environmental challenges

Johnson and Scholes (2002) distinguish strategic response into three categories internal development strategies, acquisition strategy and joint development strategies. Internal

development strategy according to them refers to the point where an organization develops through its own management new markets and new product

On the other hand acquisition strategy involves mergers between two or more companies and involves full ownership between two or more companies and involves full ownership of another company. Thirdly is the joint development strategy which implies that a firm can only achieve its objectives by co-operating with other companies (Johnson & Scholes, 2002). Therefore strategic response enables organizations to deal with increased turbulence and dynamism of the environment.

1.1.3 The Financial Sector in Kenya

Kenya's financial sector can be described as being relatively diversified in terms of the number of financial institutions. The financial system had 51 commercial banks, 23 Non-Banking Financial Institutions (NBFI), 5 building societies, 39 insurance companies, 3 reinsurance companies, 10 Development Financial Institutions (DFIs), a Capital Market, 13 Forex bureau, and 2,670 savings and credit cooperative societies (Ngugi and Kabubo, 1998).

Kenya's economic performance weakened over the last decade because of the failure to sustain prudent macroeconomic policies, the slow pace of structural reform, and the persistence of governance problems. The often lax fiscal policy led to a rapid buildup of short-term government debt which, in combination with declines in the saving rate, translated into lending rates in excess of twenty percent in real terms. This, together with other high costs of doing business in Kenya - because of corruption, a deteriorating infrastructure, and an inefficient Parastatal sector (e.g., utilities, and transportation services) depressed investment and its effectiveness, and as a consequence economic growth, (International Monetary Fund, 2000).

The IMF (2000) report further explains that "since early 1998 Kenya's economic performance was mixed. It has achieved fiscal adjustment against the difficult backdrop of worsening terms of trade, a dearth of external financing, and adverse weather conditions. At the same time, the rescue of a major bank in late 1998 strained fiscal policy and temporarily weakened monetary policy. In this context, investor confidence has remained weak, and growth has continued to decline". the report concludes

Kenya's banking industry registered a 16.9 percent growth in pre-tax profits, from 34.9 billion in June 2010 to 40.8 billion as at end of June 2011, according to information published in Central Bank of Kenya (CBK) website. This rate of growth has also led to increase in mode of service deliver from hall banking to street banking.

Price Waterhouse Coopers (2012) publication explains some of the main challenges facing the financial sector today which include, new regulations imposed on financial institution by the Central Bank, for instance, the Finance Act 2008, which took effect on 1 January 2009 requires banks and mortgage firms to build a minimum core capital of KShs 1 billion by December 2012. This requirement was hoped to help transform small banks into more stable organizations.

Ngugi and Kabubo, (1998) further explain more challenges facing the growth of Kenya's financial sector which include unpredictable inflation rates. They explain that inflation remained subdued in 1998 and in the first half of 1999, but it increased in the third quarter of 1999 mainly owing to increases in fuel and food prices as well as the lagged effects of the depreciation of the shilling. Real GDP growth slowed from 2.3 percent in 1997 to 1.8

percent in 1998, and it was expected to slow further in 1999, and unemployment continued to increase

Financial Institutions play a very significant role in the Kenyan economy Banks, for example usually meet the needs of high end investors by making available high amounts of capital for big projects in the industrial, infrastructure and service sectors of the economy At the same time, the medium and small ventures must also have credit available to them for new investment and expansion of the existing units.

1.1.4 National Bank Kenya

National Bank of Kenya Limited was incorporated on 19th June 1968 The main objective of its establishment was to help Kenyans to get access to credit and control their economy after independence (National Bank of Kenya, 2012)

National bank in the past has been operating below its capacity due to increased bad debts in loan portfolio amounting to 36 billion which was politically motivated that pushed the bank into massive losses in the late 1990s and early 2000 However this situation has changed since recently the bank posted a profit before tax (PBT) of Sh2 6 billion in the year 2011 compared to Sh2 1 billion in 2009, according to its audited financial statements (NBK, 2012)

The financial changes outline by different authors above, explains some of the challenges that the financial sector is facing and in particular National Bank of Kenya In this era of

rapid technological development and changes in market environment, NBK, has to put its strategic responses right to enable it compete both locally and internationally

1.2 Research Problem

In today's fast changing world, few companies operate in a stable environment, and most managers are shifting toward culture that are more flexible and in tune with changes in the environment. The environment in which companies operate is continually changing, sometimes quite rapidly and managers have to be on their toes and to be prepared to respond quickly to even subtle environmental shifts. (Daft et al, 2010) This is further explained by Schutt (1986) where he points out those organizations do not exist in a vacuum. They function in an environment composed of other organizations and individuals, and their success and failure, their growth and contraction cannot be understood apart from that environment.

In this regard, organizations need to consider the effect of the environment in which they operate since this has an effect on their day to day activities. However, environmental uncertainties have had a great impact on organization operations and the bigger the organization, the greater the environmental influence it experiences.

In the event that financial institutions fail to develop quick response mechanism against these challenges, this often results to these institutions registering losses, and losing its customer base to their competitors. It is this strategic decision that will determine whether the institution shall remain profitable in the current and ever changing market environment. Burton and Thakur (1998) points out some of the gaps in literatures which

focus on organization environment. These include what major dimension the external environment is changing.

The research question focused in this research was what environmental challenges do financial sector in Kenya face and what strategic responses has been put in place against these challenges by these institutions, especially National Bank of Kenya.

1.3 Research Objective

The main objective of the research was to identify environmental challenges facing financial sector and in particular National Bank of Kenya and the strategic responses adopted by the bank to overcome these challenges.

1.4 Value of the study

The results of this study have value in the academic field in that it will help in filling existing gaps in literature as relating environmental challenges experienced by organizations and in particular financial institutions. This is fundamental in the academic field as it becomes a valuable repository of knowledge to academic scholars which include students, lecturers and researchers who will be able to refer to the document in the future while carrying out related studies.

The study will be of importance in policy making not only to the bank and other financial institutions but also government financial regulatory organ in developing and enacting policies which ensure sustainable operation of financial institutions in the country. External and internal environment has a great influence on operations by financial institutions, hence

the results of the study will act as a guide to all stakeholders in the financial sector in developing operational policies which will ensure that any strategic responses adopted is effective in realizing objectives of financial institutions

Furthermore, the study will be of great value in management practice in that the study will identify environmental challenges faced by financial institution in the current times and through its findings, the study will be able to recommend strategic responses that can be adopted by these institutions. In addition, having knowledge of these environmental challenges, management will be able to set their priorities and goals in line with the challenges they expect of face hence giving them better competitive advantage in the ever changing market environment.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter explores previous studies related to the topic. The chapter begins with literature on concepts of strategy, Organization and the environment, internal and external environmental challenges and lastly strategic responses to these challenges.

2.2 Organization and the Environment

The environment refers to the pattern of all the external and internal conditions that influence or affect the life and development of an entity or a business organization. According to Johnson and Scholes (2007) they explain that the organizational environment encapsulates many different influences and hence there is difficulty in making sense of this diversity. They further argue that the environment is defined by its complexity which arises because of many of the separate issues in the business environment that are interconnected.

Porter (1985) observes that the global uncertainty in environmental changes increased dramatically in the 1970's due to fluctuating raw material prices, swings in financial and currency markets, electronic revolution among others. Therefore by accepting this diversity and complexity of the environment, the organizational environment is defined in different layers.

The first general environmental layer is the macro environment layer which consists of the environmental factors that impact to a greater or lesser extent on almost all organizations, Scholes (2007). The macro-environment is defined by the PESTEL framework which can

be used to identify how future trends in the political, economic, social and technological and legal environment might impinge on the organization. This would help identify the key drivers of change which differs from one organization to another.

Organizations in the world today operate within an environment that is very dynamic and uncertain and this therefore calls for the need by the management to strategically position themselves in order to adapt to the various changes and dynamism of the environment. Kirapash (2010) explains that an organization needs to look out for opportunities to exploit their strategic abilities and seek improvements in their business units building an awareness and understanding of current strategies and success.

Porter (1985) defines the organizational environment into two categories: the external environment which is constituted by the forces that are outside the organization's control. These forces are non-specific but would otherwise affect the firm's activities and strategies. On the other hand, the internal environments consist of all the forces within the organization, and are within the organization's control.

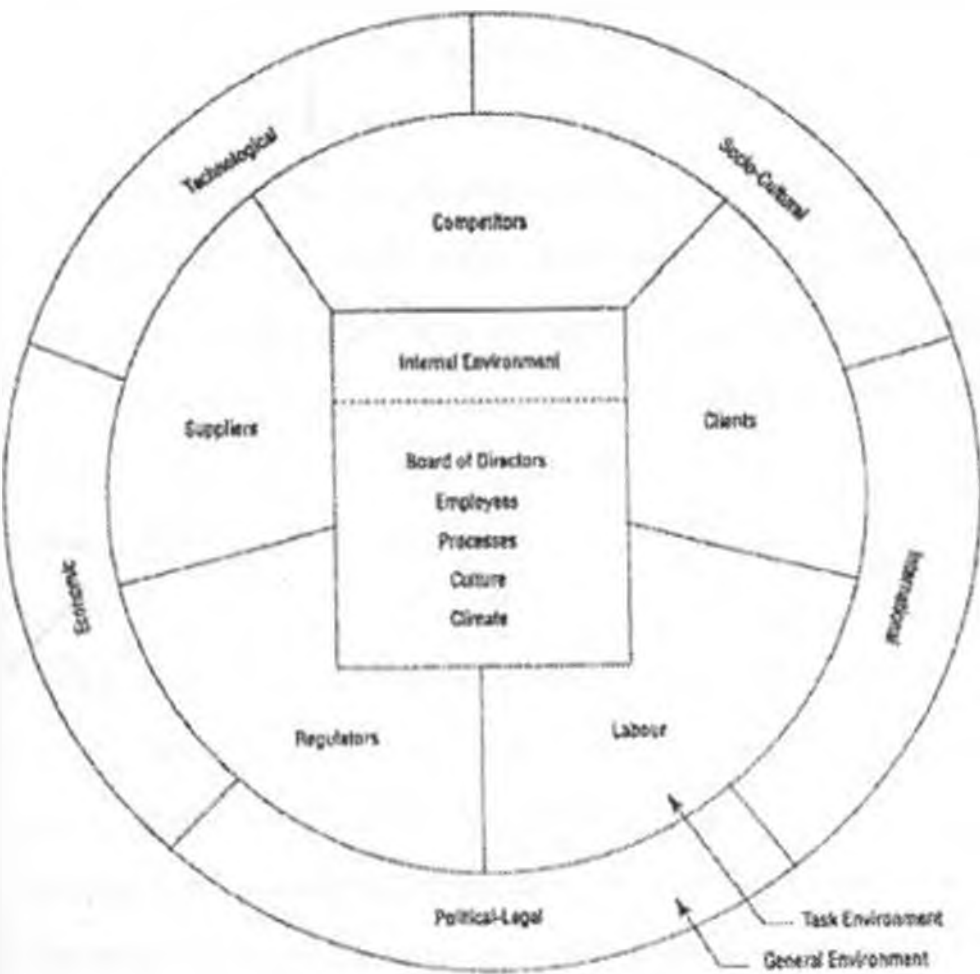
Daft et al. (2007) in discussing the topic on organization environment, points out that environment comprises several sectors or subdivisions that contain similar elements. They analyzed ten sectors that are found within an organization set up. These include industry, raw materials, human resources, financial resources, market, technology, economic conditions, and government, socio-cultural and international.

Burton and Thakur (1998) argues that every organization needs to be perceived as operating in an environment that reaches beyond its official boundaries. It's functions within an external environment that is defined as all the forces and conditions outside the organization that influence the organization and its behavior. On the other hand internal environment is defined as all the forces and conditions within the organization that influence its behavior. They explain that environmental context become clearer if the external environment is divided into two distinct segments. First the general environment is composed of those major forces that affect the organization and its environment.

The general environment consists of economic, technical, socio-cultural, political- legal and international dimensions. Inside this overall sphere of influence, the firm operates within a narrow task environment that consist of influencing groups and organizations, including clients, competitors, suppliers, regulators and labor.

The relationships of the general environment, the task environment, and the international environment is depicted in figure 1 below

Figure 1: Organization and Its Environment



Source: Burton & Thakur, (1998)

2.3 The Concept of Strategy

Johnson and Scholes (2002) define strategy as the direction and scope of an organization over the long term which achieves the advantage for the organization through its configuration of resources within a challenging environment to meet the needs of markets and fulfill stakeholder's expectations. The concept of strategy explains where the

institution is aiming to achieve in the long term and organize which activities and resources that will have to be committed to achieve the intended goals

Mintzberg (1994) defines strategy as a plan, a pattern, perspective and position. As a plan because strategy defines the means through which an organization moves from one state to another that is from bad to good state. Strategy is also defined as a pattern since it is concerned with repetitive actions over a period of time. Further, he defines strategy as a perspective since it provides a clear vision and a sense of direction of where the organization is heading to. Finally he defines Strategy as a position which means that organizations are willing to offer particular products and services to new markets other than the existing markets. This therefore implies that they are able to position themselves better in new markets by offering new products or services.

Porter (1987) views strategy as what makes the corporate whole add up to more than the sum of its business units. He further classifies strategy in two levels that is corporate level strategy and business level strategy. Corporate level strategy defines what kind of business the organization is in and also the managers should manage their various business units. On the other hand business level strategy explains how to create competitive advantage in each of the business unit in which the organization competes.

Thompson and Strickland (2007) argues that the concept of strategy defines the various approaches that top corporate managers use as to be able to achieve a better performance of the set of business in which the organization has diversified to. Therefore he emphasizes on the role of key business units managers to influence the strategic decision

of the business units that they head to achieve cross business synergies and turn them into a gain of competitive advantage to the organization

Ansoff and McDonnell (1990) define strategic management as a process through which a firm manages its relationship with the environment in which it operates. It involves aspects of strategic planning and management of change. He argues that strategic management has the ultimate objective of developing corporate values and managerial capabilities and through it, the will focus the decision of the entire organization in one direction. Porter (1980) outlined very clearly that the concept of strategic management provides the central purpose and direction that has enabled management of organization to adopt the changing environment.

2.4 Strategic responses to Environmental challenges

Competition in the recent past has become one of the major challenge and factor that has contributed to the diverse strategic behavior among organizations in general. Organizations in Kenya are characterized by an aggressive competitive environment with a lot of competitors which calls from them to re adjust and adjust their strategies often so that they can become strategically fit.

This is more common so for example in the banking industry in Kenya which is characterized by intensive competition and show aggressiveness for customer satisfaction and customer loyalty. This has posed a lot of challenges to banks in Kenya hence there is need for banks to respond to these challenges which forces them to review their strategies so as to become strategically fit. This is because of the fact that whenever there is rise in competition it has a negative influence on prices of a firm's product, its productivity and

finally the wages due to employees will diminish leading to restructuring and downsizing of the organization as a result of the intensive competition.

Porter (1987) has outlined the various challenges and forces that firms face from gaining competitive advantage, they include buyer and sellers bargaining power, threats of new substitute products and rivalry among products as outlined in his five forces model. He further defines the various strategies and strategic responses that can be used by firms to curb with the various challenges within the environment in relation to competition. They include cost efficiency strategy, product differentiation strategy, focus strategy, avoidance strategy and low cost strategy.

Cost efficiency strategy, one of Porter's generic strategies is cost leadership. This strategy mainly focuses on how firms can gain competitive advantage by having the lowest cost in the whole entire industry (Porter 1987). He argues that in order to achieve low cost advantage, a firm must have a low cost leadership strategy, low cost manufacturing and more so a work force that is willing and committed to the low cost strategy. This helps to achieve cost efficiency strategy that will outperform competitors in the same markets. In relation to the banking industry this can only be achieved when banks put the cost of their services as low as possible so as to gain customer loyalty and customer satisfaction.

Product differentiation strategies refer to those strategies that strive to create unique products that cannot be easily matched or duplicated by other competitors. This can only be achieved if firms have a resource-based view strategy (Porter 1985). This implies that the firms should have the resource capability to carry out product differentiation. This can only be achieved through innovation and faster speed of services offered to customers.

Pierce and Robinson (2007) argue that the differentiation strategies are aimed at achieving customer satisfaction and loyalty by stressing on attributes of a product that will allow firms to charge a premium price for their products.

Thirdly avoidance strategies focused on environmental change that aims to raise market entry cost. Muendo (2011) outlines that the challenges of competition within the environment that a firm is operating on may take the form of increased prices, buildup of capacity which may require companies to fore-go short term profitability in the hope that they will maintain a long term presence in the market.

Focus strategies refers to the type of strategic response whereby a firm targets a specific segment of the market (Thomas & Strickland, 2007). They outline that a firm or organization can choose to focus on a selected customer groups and specific products that meets the criteria and the need of the selected customer groups. This would go a long way to ensure customer loyalty hence boost the profitability of the firms. Focus strategy depends upon an industry segment that should be large enough to have good growth potential that is of importance to the major competitors.

2.5 Challenges in the External Environment

The organization's external environment includes the factors outside its boundaries that affect its performance. Although managers can control the internal environment, they have very limited influence over what happens outside the organization. Organization must respond to environmental changes. They need to continually align their internal environment with changes in the external environment which can result in changing the mission and shifting priorities and goals (Luisser, 2009).

Pearce and Robinson (2003) argue that organizations are not closed systems since they do not operate in a vacuum. They are instead open systems since they are likely affected by the environment in their operation. A firm's business environment can be broadly categorized into two categories: micro-environment and macro environment. The micro environment involves those stakeholders in whom the organization works on a regular basis such as suppliers, distributors, employees and customers (Muendo, 2011). He argues that these groups are stakeholders who have direct interest influence on a manager's decision making.

On the other hand, a firm's macro-environment refers to all the factors that are outside the organization, also known as the external environment. It includes all the relevant factors and influences outside the organization's boundaries. Therefore, a firm's external environment is infinite and consists of all the elements outside the boundaries of the firm. The firm's environment provides all the required inputs for the firm from which the firm produces the outputs which are finally delivered to the environment (Wachira, 2011). The firm's remote environment comprises of all political, economic, social, cultural, technological, ecological and legal factors.

Political factors refer to the regulatory parameters within which a firm must operate and hence serve as a major consideration for managers when it comes to decision making. The knowledge of government regulation is gained through the scanning of the remote environment which can help a firm avoid unnecessary confrontation with the laws that govern the environment. They include the tax laws, minimum wage legislation, tariffs and quotas, all of which constitute the legal framework.

Ecological factors refers to the relationships and the coexistence between the environment and other living creature such as the air, soil and water that support them (Wachira, 2011) He further suggest that threats to our life supporting ecology is caused principally by human activities, the industrial society and therefore poses a major threat to the public welfare hence need for environmental legislation and its impact on corporate strategies in Kenya. In Kenya, NEMA is tasked with the responsibility of carrying out environment assessment of any project that is undertaken by companies

Technological factors refer to innovations which serves as a means through which firms can respond to the various technical challenges that a firm facing within the environment. It refers to all the creative adaptations that can suggest the possibilities for new products or in manufacturing and marketing techniques (Hammer, 1996). According to Luisser (2009), he explains that few organizations operated today as they did even a decade ago. Producers not envisioned a few years ago are now being mass-produced. Computers and internet have changed the speed and the manner in which organizations conduct and transact business, and they are often a major part of a firm's systems process

Economic factors refer to the nature and direction of the economy which the firm operates. It refers to all the factors within the economy that have a direct influence to the economy and affect strategic decision making by managers. They include the consumption patterns that are determined by the income levels hence firms need to evaluate the general availability of credit levels, interest rates, taxation rates and the propensity of people to spend money on certain products and services

Social factors are the effects that affect the organization and involve beliefs, values, attitude, opinions and lifestyles of persons in the firms external environment as it is developed from cultural demographic, religion, educational and ethnic conditionality hence therefore firms should align their strategies to counter changes within the social factor

2.6 Organization response to environmental challenges

Burton and Thakur (1998) explains "the interrelationship between the organization and its many environments are so numerous that at times, it is difficult to determine exactly where the organization ends and where its environment begins" (p. 80) Therefore the difficulty arises when determine exactly what an organization should do in response to a particular situation in the environment The following are suggested organization responses to its environment as suggested by Burton and Thakur (1998)

2.6.1 The boundary-spanning response

They explain that one of the common reactions to its environment is through the management of information and therefore one of the popular information management techniques is the boundary-spanning process. They explain that in every organization, there are boundary roles, or those positions that link the organization with its various external environments In this case boundary roles are filled by public relationship representative, sales representative and purchasing agents In this regard they convey information about the organization to the environment and convey information about the environment to the organization's management

2.6.2 Forecasting

Burton and Thakur (1998) explains that "successful organization must continually monitor the changes in the environment and make long-range plans for dealing with those potential changes" (p. 80). Forecasting in this sense they explain that it involves a number of common techniques ranging from the simple task of monitoring current events in newspapers and journal to the more sophisticated number-crunching by econometric models of an industry's complex factors

2.6.3 Strategic responses

Once forecasting processes have successfully identified potential opportunities and threats that lie in the future, it is necessary for the organization to develop a strategic response for exploiting the opportunities and defending against the threats. One strategic response might be to simply do nothing or, at least, pause long enough to further analyze the situation. On the other hand, the organization may decide to alter their existing strategy, to pursue new markets for old products, to introduce new products to old markets, or to introduce new products to new markets (Burton & Thakur (1998)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the methodology that was adopted by the researcher in order to execute the study and realize its objective. It included the research design, data collection and data analysis.

3.2 Research Design

This research design adopted in this study was as a case study approach where the researcher focused on National Bank of Kenya. This involved sampling National Bank branches and carrying out an interview on their staff. The fact that the bank is recovering from the past financial shocks, it was best to focus on such institution since it had the direct impact of the environment and which the study was seeking to find answers to.

Case study research design has been known to excel at bringing us to an understanding of a complex issue or object and therefore is helpful in understanding and research issue clearly. Its importance comes in handy by the fact that its results can be applied to the institution which the study focused and this can be further applied to other institutions with similar characteristics (Hammer, 1996).

3.3 Data Collection

The data collected in this research focused mainly on environmental challenges facing financial institutions in Kenya and the appropriate strategies aimed at overcoming these challenges. The nature of the data collected was mainly elaborate discussions which the

research documented from the respondents and the points noted and this formed the major part of the discussion of this research

The interview guide was sent to the potential respondents at least two weeks before the actual interview. This is meant to give respondents ample time to find answers to some of the questions if they didn't have instant answers. An interview guide pre-test was done by randomly selecting staff in one of the NBK branches where they were interviewed and the responses noted, used to evaluate if the questions to be asked during the interview will be able to answer the questions that the researcher sought to find answers

Data was collected from the top level managers of NBK and to achieve this objective at least six respondents were targeted. They included General Manager-HR, manager-credit, Manager Finance, various branch managers within the Nairobi region, manager ICT and manager corporate affairs. These respondents were resourceful enough to provide the required data.

The researcher further collected secondary data from published sources such as newspapers, websites, annual financial statements and the financial performance data available on the Nairobi Stock Exchange with respect to NBK so as to compare and enrich the data collected from the interview.

3.4 Data Analysis.

Data was analyzed using content analysis guided by the objective of the study to establish the responses used by National Bank of Kenya to challenges within the environment. Content Analysis has been defined as "a research technique for the objective, systematic, and quantitative description of the manifest content of communications" (Berelson, 1974).

Content analysis is a research tool focused on the actual content and internal features of media. It is used to determine the presence of certain words, concepts, themes, phrases, characters, or sentences within texts or sets of texts and to quantify this presence in an objective manner.

The research specifically used issues of reliability and validity. The reliability of a content analysis study refers to its stability, or the tendency for coders to consistently re-code the same data in the same way over a period of time, reproducibility, or the tendency for a group of coders to classify the categories membership in the same way, and accuracy, or the extent to which the classification of a text corresponds to a standard or norm statistically. (Berelson, 1974)

Advantages of content analysis are that it looks directly at communication via texts or transcripts, and hence gets at the central aspect of social interaction. This method of data analysis also allows for both quantitative and qualitative operations can provide valuable historical/cultural insights over time through analysis of texts. Limitation with this method is the fact that it can be extremely time consuming and also it is subject to increased error, particularly when relational analysis is used to attain a higher level of interpretation.

CHAPTER FOUR: DATA FINDINGS, AND DISCUSSION

4.1 Introduction

The study had one main objective, which was to establish the strategic response undertaken by National Bank of Kenya to environmental challenges within the financial sector. Primary data were collected by interviewing senior and junior NBK staff in the Nairobi head office and five working branches. The data were analyzed in relation to the study's objective and the findings presented in the various categories below.

4.2 Respondents

Respondents interviewed during data collection included three General Managers from National Bank Head office located at National Bank Building in Nairobi, five branch managers drawn from the Times Tower branch, Hospital branch, Kenyatta avenue branch, Card Center and Kitengela branches were interviewed. The respondents also included four divisional managers drawn from four branches which include Kitengela, Kenyatta Avenue, Hospital and Head office branches. The respondent's tenure is as categories and analyzed in the table below:

Table 1: Respondents Tenure

RESPONDENTS TENURE	NO.OF YEARS IN THE BANK	FREQUENCY	PERCENTAGE
General Managers	20-30 years	3	25%
Divisional Managers	10-25 years	4	34%
Branch Managers	10-30 years	5	41%
Total		12	100%

4.3 Challenges in undertaking strategic responses

As much as organization develop different strategies to minimize environmental challenges, there are several challenges that these organization face. These are outlined below:-

4.3.1 Cost of implementing the new ICT Infrastructure

According to the general manager ICT, The ICT infrastructure adopted by the bank has brought great success in terms of service provision by the bank. However according to the NBK product officer, there has been challenges in implementing the new technology. Information gathered points out that the bank Kshs.500 million in acquiring new systems. Apart from these costs, there is the cost of hiring trainers, length of time taken in training the staff and the upkeep cost for the staff during the training. Such cost adds more to the total expense records.

4.3.2 Dishonest employees

The general Manager Human resource pointed out that the Success of any business lies with the staff who provide services to the customers and outlined how the management is able to set policies which will ensure the staff provides quality services in a transparent manner. However this has become a challenge in the financial sector where by the junior staff who are in most cases new graduates have a lot of experience with technology as compared to their bosses who may not be having wide experience with the use of technology.

As the NBK information technology staff explains, this often leads to a scenario where the dishonest staff take advantage of this knowledge gap and perform transaction which defrauds the company lots of money, without the bank management realizing this, and if they do, then it is already too late. Some of these dishonest staff collaborates with criminals who pose as customers and steal money from the bank. This aspect according to the general

manager strongly believes that it hinders the bank's growth since they have to keep on dismissing and hiring new and competent employees which is hard to get from the market and poses a big challenge to the bank

4.3.3 High cost of training staff

Further the general manager Human resource pointed out that in the 21st century, college education is not enough to ensure one performs his or her duties well in the work place. There are rapid external and internal changes that are frequently adopted by the financial sector and to keep pace with this, staffs have to be trained regularly to ensure they provide quality services to the customers. These changes include technological changes and adoption of new policies in the financial sector which means staffs are to be trained on this. However the challenge comes in where the company has to use a lot of money in contracting firms with the skill to carry out the training. Other cost arises from the fact that the in facilitating the staff during the training in terms of meals and transport apart from the cost of hiring the venue. Additionally a lot of time is used in carrying out this training and this means fewer staff left to attend to customers are often under pressure to deliver.

4.3.4 Increased service breakdown

The general manager operations pointed out that one of the challenges the bank is facing is the issue of the increased service breakdown. This has manifested itself through delayed approval of loans. He emphasized that NBK'S customers are deal seekers and they always look for a financial institution that can serve them within the minimum time possible.

However, the approval of loans takes weeks or even months depending on the availability of the required documentation. This delay is costly especially when the customer or a firm has a limited time frame to demonstrate that it can raise the required capital to carry out a

particular task. Moreover intrusive documentation is of concern. At the point of application for banking services, some banks are known to be too demanding on documentation.

Customers feel that the documentation required (such as a tax compliance certificate) before the approval of the much needed loans is an intrusion into their financial privacy. Discouraged by this exercise some customers have opted for other informal financial institutions that do not require too much detail. The operations manager also pointed out the bank has got challenges on flexibility which has a lot of impact on customer preferences, as they are bound to react to the value added offerings. He noted Customers have become demanding and the loyalties are diffused since the bank is not serving them well need hence Customers want to have a sense of belonging that will keep them from seeking alternatives.

He noted that the financial sector and the economy in general economy has become increasingly competitive, and there is a need for the bank to develop efficient products that can quickly satisfy a more demanding customer base and build long-term customer trust. Therefore the bank has a challenge to optimize both internal and external innovation, while seeking operational excellence at all levels. Therefore the marketing manager meeting these challenges would require new business and marketing strategies that boost revenues, improve operational efficiency, cut costs, and enhance the overall management of the business. She emphasized that in today's banks are looking beyond traditional practices to new tactics and tools that analysts and thought leaders have identified as the best in the industry.

4.4 External challenges faced by the bank.

External challenges include those challenges that result outside the company's operations and which the company had very little control. It results from the company's interaction with the outside world in its process of service provision. The following are the external challenges which were identified during the research process -

4.4.1 Economy

Financial institutions operate in an open economy where the impact of external environment usually felt at greater extent. Growth in the economy means a subsequent growth in other sectors of the economy. In such situation financial institutions gain through increased savings and borrowing of loans by the public. However in case where there is a negative growth in the economy, the effect will be felt by financial institutions such as National Bank of Kenya and other where there's high tendency of decrease in savings, loan borrowing and repayment.

4.4.2 Competitive banking environment

The Marketing manager emphasized that increased competition within the financial sector has been one of the biggest challenges that the bank has faced is competition. He further noted that with the liberalization of the central bank rules to the financial institution has caused Competition in the financial sector to rise at a phenomenal rate. This is mainly as a result of increased change of customer's needs, taste and differences. Other than customer base, the financial industry is also characterized by an increased number of financial institutions within the industry that have competitively designed and packaged products.

that have pulled customers from the major banks to micro finance institutions and small banks within the industry

This situation has kept a National Bank of Kenya on its toes to innovate products packaged to meet the needs of the customers so as to maintain them. Different financial institution in the sector is developing attractive products and providing quality of service to their customer which means if a bank does not keep the pace with the competitive environment, there is the likelihood of it being kicked out of business. Banks are investing in technology so as to reach and interact with their customers with a lot of ease. According to the NBK marketing officer interviewed, she reckons that due to competition, NBK has lost a great deal of its customers to other banks. However she was categorical that the bank has put in place strategies to attract former and new customers.

4.4.3 Increased frauds and money laundering

The operations manager pointed out that technological innovations are taking place at a very high rate in all sectors of the economy and the banking sector has not been left out. However with such advances, technology has become a double edged sword since despite great benefits it brings to the society, there is also the negative side whereby cases of technology abuse have risen. Banks are the latest victims of this crime where frauds and production of fake money has increased. Banks are losing huge sums of money through online transactions while at the same time production of fake money has become a challenge for the staff to differentiate real and fake money.

Money laundering has become a set back to the financial sector since this has been done with a lot of ease by tech-savvy individuals who carry out this practice without being easily

detected. In addition, frauds involving staff and criminals have led to the banks losing billions of shillings and this has derailed banking operations. Despite tight security measures put in place, the hackers come up with new techniques which banks have not been able to outdo.

4.4.4 Economic Liberalization and Regulation of business

There has been significant liberalization of cross-border access to foreign banks. This has seen increased entry of international and foreign banks into the country. Since some of these banks have a well-developed network of branches across several countries, their entry into the market poses great competition to the local banks such as National Bank of Kenya which are not well of. Competition they bring in including lower lending rates and attractive interest rates which attract large numbers of customers. These banks also have good technologies in place which is far beyond what the local banks have and therefore this creates high competition to the local banks.

Competition posed by external banks forces the government to enact legislation to guide financial operations in the country such as price control so as to control inflation resulting from large circulation of money in the economy. Such regulations may not be favorable for the local banks thereby limiting their role of providing financial services to the public.

4.4.5 Political influence

Banks often experience political influence in the process of providing financial services. An interview with the human resource manager of National bank emerged that since the government has a big share in the company, some strong and influential politicians usually

take advantage by endorsing individuals of their own choice to certain managerial posts hence locking out qualified and experienced people from acquiring such posts

This often leads to poor decision making and policy implementation by such staff. In addition, political instabilities such as the one experienced in the year 2007 led to foreign investors shying away from investing in Kenyan banks since during such period, destruction of property caused huge losses to investors, whom the bank depends for its success

In addition, there has been a situation where bills aimed at improved service provision by the financial institutions has been delayed or even rejected by members of parliament, not because the bills are not good, but because of their own selfish interest thereby hindering transformation in the financial sector

4.4.6 Industry Regulations

The constant evolution of local and international regulations is a major driving force in the banking industry. The central banking regulations on the lending rates, enactment of bills guiding local and international transaction, the minimum Central Bank requirement and the instability of the local currency against foreign currency has been the other challenges experienced by banks

Hence the introduction of these new oversight rules and bodies has had a far reaching implication on the growth and performance of the banking industry according to the NBK marketing officer

The other industry regulation has been on the security measures that need to be put in place by the banks and other financial institutions. The aim of this is to ensure security on clients' savings and investments especially cheque clearance, internet and mobile money transfer. In as much as this is good, some of these regulations limit adoptions of new innovations in the financial sector.

4.4.7 Increasing and complex market demands

It has emerged that there has been increased and complex market demands from customers due to different emerging needs. This may be attributed by the fact consumer preference keeps on changing and the financial sector should always try to keep this in pace.

Therefore in as much as the banks and other financial institutions work hard to meet high and complex market demands which always come with extra cost in terms of investments, there are always left behind. The situation worsens if the bank is not in position to strategically align itself with the new demands in the market since this often lead to customers moving to other banks.

Adopting some of these market demands require high skilled man power and technology which may not be available in African economies. Such situations usually attract foreign banks which have the capital and manpower in place to adopt the new market demands locking out the local banks.

4.4.8 Sophistication in ways of doing business

Business in the financial sector is unusual. There has been high degree of product innovation and the way financial operations have changed dramatically as compared to previous years. In this era, internet banking, agency banking and mobile banking are among some of the new ways in which the financial sector has transformed.

Change in mode of operations by these financial institutions has been influenced mainly by the high technological revolution experienced in this century. These sophisticated ways of doing business has brought with it challenges such as security concerns, high capital investments, marketing of these new technologies and competition from other banks adopting these technologies.

Hence for a bank or any other financial institution to remain in operations, has to adopt these sophisticated ways of doing business. Otherwise failure to adopt this, they risk being locked out of business.

4.5 Adaptive strategies adopted by the National Bank of Kenya

Having analyzed some of the major external challenge that are faced by NBK from gaining a competitive advantage, the study further reveals some of the strategic responses undertaken by the National Bank to respond to the challenges facing the financial sector. Some of the strategic responses were as follows:

4.5.1 Investment in information technology

The NBK is adopting a new core banking platform and updating its infrastructure to effectively support Kenyan businesses for example, accommodating changing regulatory requirements - which will attract new trade finance customers. At the same time, it will drive down operating costs through the use of efficient technology.

In the year 2006, NBK expanded its ICT infrastructure where they were able to extend service provision to their customers through increasing the number of Automated Teller Machine (ATM). This was achieved through partnership with a third party service provider Pesa Point Limited. This arrangement made it possible for the bank to provide services to their customers beyond the areas covered by the Banks' ATM network.

Moreover the bank recently invested Kshs 2.2 Billion to acquire a new banking system known as Bank Universal Fusion Banking systems. This was a great migration from the previous Branch Power System which had challenges especially offline issues. The new system has helped in centralizing operations apart from improving efficiency and effectiveness in the operations of the branches. According to the operations manager the BFUB system would help the bank go a long way to improving customer service and realize increased customer satisfaction.

The bank has also adopted mobile and internet banking so as to reach its customers wherever they are. The main reason for this according to customer care officer was to address most of the challenges which their customers, both locally and internationally experienced such as having to travel long distance looking for an ATM and long queues in the banking hall. The adoption of this technology has eased congestion in the banking halls,

the ability of customers to pay for their bills without having to visit the bank. On the positive note, this has seen the revenue of the bank rise as a result of transactions carried out using mobile and internet. In addition, adoption of this technology has put the bank a notch higher as compared to the other banks, who have also adopted the same technologies.

The bank recently acquired Bank Fusion Universal Banking System (BFUB) worth 2.2 Billion in the year 2011 to enhance networking between its branches and the head office. The system has the capability of allowing transactions carried out in the branch transferred automatically to the head office and to other branches. This has created a central network of all the company's transaction thereby enhancing efficiency in meeting customers' needs in terms of making deposits, withdrawal and more important reducing cost of time spend in getting these services. The BFUB systems have also led to increase accuracy by minimizing errors and decrease chances of frauds occurring.

4.5.2 Product innovation and development

According to the marketing manager and some of the branch managers interviewed in the study noted that part of the strategic responses that the bank has undertaken to respond to a competitive environment is Product innovation and development. The bank has gone a long way to incorporate new products to the existing range of products. This has come about as a result of increased competition and increased diverse customers' needs accompanied with increased market niche.

The bank has made efforts to launch new products which included the Taifa accounts, pinnacle accounts, Al-Mumin savings accounts for Muslims, Superchama accounts to add to the existing range of saving accounts available to their customers. Other than saving accounts the bank has made efforts to improve their lending product which includes Superchama loans and Stima loan that were not in their loan portfolio. Moreover more strategic responses observed included the review of the mortgage policy that would include mortgage for commercial and construction purpose other than the mortgage for residential purpose.

During one of the interviews with the sales manager, it emerged that the bank has in the recent past developed new and attractive products. These include different personal and corporate banking accounts which meet diverse customer needs. Loans offered by the bank also come with favorable interest rates and payment periods which attract customers.

The bank has also been running promotions where customers are encouraged to save money in their accounts and by doing this, they stand a chance of winning lots of prizes. This has led to increased savings thereby widening loan lending base of the bank. All these products have proved to be very attractive and have gained a lot of appreciation to both the existing and new customers according to the product manager interviewed.

Simple banking is a new product developed by NBK Banking which allows its customers to receive short messages on their mobile phones containing up-to-date information about the latest transactions on their Accounts, as well as information about new developments on products and services offered by National Bank to his customers. It is the new Mobile

Banking Service from National Bank, offering access to more than three times as many Bank Functions as any other service currently in the market in Kenya and the aim is to offer accessible

4.5.3 Advertising and Marketing Strategy

The company has diversified its marketing strategy through using different channels of advising their products and services. Some of the means adopted by the bank is through the internet where the company has made its website user friendly by making it easy for customers to get information quickly on the products that are being offered by the bank.

In addition, the bank has adopted the use of radio and Television, agents and through facilitation sporting major competitions such as athletics. Through such means, the company has been able to reach out to a large audience with information about their new products

4.5.4 Expansion strategy

The General manager of operations strongly feels that the bank needs to make its presence to be felt in every corner of the country and the region as a whole. Therefore in respect to this The bank has gone a long way to increase its branch network from 37 to 53 branches between the year 2007 and 2011. The reason for doing this, during the interview was the fact that the bank was focused on reaching out to middle and low class customers hence increasing its customer base to approximately 3 million

The bank also developed agency banking to reach as many people as possible and also to counteract high competition from other banks. Other strategies aimed at expanding the bank's operations including mobile banking which has reached even the interior parts of the country.

In comparing the literature review findings and the research findings, the following were noted. The literature, focused generally on the role of external environment on the operations of any organization. The study of literature clearly showed that organization cannot operate successfully without considering its external environment in which it operates. On the other hand, the research focused on specific institutions and identified specific ways in which external environment influence operations of an organization.

The literature further brought into light some of the environmental challenges facing organization and the strategic responses. Of major emphasis in literature is the fact that organization environment can be categorized into internal environment, task and general environment. The research findings identified specific environmental challenges in each of the category identified in the literature review.

In summary, the research findings and those identified in the literature corroborate. Both studies emphasized the need of organizations to consider the influence of external environment in its operations, since this has a great influence on the operations of an organization.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5. Introduction

This is a chapter on summary, conclusion and recommendations. It presents the summary of the research findings based on the research objective. The conclusion drawn on these findings and discussion are then presented. The chapter also presents the recommendations on policy and practice that draw from the study finding. Finally, the chapter also presents the recommendations on policy and practice that draw from the study findings. Finally the chapter presents the limitations and suggestions further research.

5.2 Summary

The study findings on the strategic responses by national bank of Kenya to environmental challenges within the financial sector revealed that the bank has been facing a lot of challenges that poses a hindrance to its growth and its sustainability within an environment that has proofed to be very competitive. This has required that bank to define the various strategic responses that would assist the bank gain competitive advantage in the industry.

One of the biggest challenges is competition. This is mainly as a results liberation of the rules and regulation as have been stipulated by the banking act and CBK rules. This has resulted into increased number of financial institutions and microfinance institution that have offered similar products as the major banks operating within the industry including National bank. This has forced banks to come up with adaptive strategies that would enable them to respond to the challenge of competition.

The second major challenges revealed in the finding include financial challenges. Every financial year the bank always set targets of the various financial targets in terms of

profits, loans and advances that they aim to achieve at the end of the year but due to the competition and CBK regulations like interest rates have made the bank not to realize this objective until recently they realized a 10% decline in the profit levels.

Other challenges include changes in technology, increased frauds and money laundering, dishonest employees, High staff cost, and poor implementation of strategies. In line with this the bank has adopted some strategic responses to be at curb with some of these challenges. Some of the strategies to curb with the challenges include Upgrading information technology infrastructure expansion strategies, product innovation strategies, intensive marketing and advertising strategies, outsourcing and upgrading of the human resource policy strategy that emphasize on good management practice, staff training and performance contracting.

Finally the study reveals that the bank has adopted strategic planning as one of the initiatives that the bank has undertaken to guide in its policy formulation and implementation to curb with the challenges that the bank is facing within its environment. The Bank has a five-year strategic plan containing the strategic issues and challenges to be faced by the organization, the vision and mission statements, situational analysis, the proposed organizational structure and the proposed staffing levels, funding and revenue sources, a monitoring and evaluation framework, monitoring methodologies and evaluation mechanisms and finally key assumptions and risks.

The strategic plan at National Bank of Kenya is broken down to annual work plans to facilitate its achievement and progress reports are prepared to evaluate their achievement. The bank as part of its strategic responses to the challenges facing the bank, it

has institutionalized its strategies by adopting a new organization structure, policies and staff training

5.3 Conclusion

In conclusion from the study we can conclude that the challenges that is facing NBK and its branch network has caused a real threat to the smooth provision of services to its customers. And gain competitive advantage over other commercial bank that operates within the financial sector. Therefore In this sense NBK needs to always counter this threat with the appropriate strategies and strategic responses to ensure that customers do not have a reason to change where they bank.

Moreover customers are always seeking for better deals and banks need to assist them by being as flexible as possible. This study established that a number of challenges that NBK is facing within the financial sector. They include high cost of implementing ICT infrastructure, dishonest employees, High cost of training, poor management structure, competition, increased frauds and money laundering, political influence and CBK regulations. With these challenges in place they need to be addressed if the challenges are to be contained in the bank.

Secondly the study found out the various strategic responses that the bank has undertaken to curb with the challenges. They are outsourcing, investment in ICT, product innovation and development, advertising and development, expansion of branch network strategies and revision of HR policy.

In conclusion the quality of services provided by NBK and its ability to identify that the challenges facing the bank and the financial sector and more over its ability to come up with appropriate strategies to curb with the challenges will in the long run determine the survival of the bank and help it remain competitive advantage and maintain its status quo over other financial institutions within the financial sector

It will be of important to note that Customers will always look for tailor made services that satisfy their needs and financial institution have placed different dimensions help them identify the challenges within the sector, place appropriate strategic responses, define the service quality, these are reliability of services provided, and its responsiveness

5.4 Recommendations for policy and practice

The results of this study points out the need for the government to put in place policies that will protect local financial institutions from high external pressure. This should be done in consultation with the management team of these financial institutions. Such policies should be able to check on competition from foreign financial institution, clear mechanism that will ensure information technology is adopted and implemented in the right way. Lastly policy aimed at minimizing political interference on financial institutions operation should also be put in place

5.5 Suggestion for further research

This study mainly emphasizes on the objective of revealing the various strategic responses used by NBK to the challenges facing the financial sector. Though this study has mainly focused and has put more emphasis on the financial sector, but Kenya's economy is

characterized by many industries that affect the growth of the Kenya's economy other than the financial sector. Therefore this study recommends further studies on strategic responses to the challenges facing other sectors of the economy like the agricultural sector, mining among others.

Secondly, the study recommends further research on evaluation of effective strategies outlined in this study which can be adopted by the financial institutions, since this study limited itself to identifying the challenges and strategies put in place, without critically evaluating effectiveness these strategies.

5.6 Limitations of the study

The limitation in the research study stemmed from bureaucracy. There were a number of approvals that had to be made for authorization to conduct research. The respondents also had busy schedules making data collection difficult especially because the primary mode of collection was through an open ended interview hence the need to keep adjusting interview dates. Finally, due to the varied nature of the responses from open ended interviews, content analysis was used in data analysis, this technique was time consuming. However, the researcher did look out for contraindications in the information given and no inconsistencies were found.

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APPENDIX 1: INTERVIEW GUIDE

1. How is the financial progress of NBK over the last 5 years?
2. What are some of the challenges that the bank has been facing in its process of service delivery?
3. Of these challenges, which one(s) do you think arise within the bank i.e. Internal challenges?
4. Which of the challenges outlined above, can be described as external, i.e. Emerge outside the bank's operations?
5. In your opinion, of the two categories of challenges discussed (internal and external) which one do you think has the greatest influence on the operation of the bank?
6. In overall, what are some of the strategic response that the bank has put in place to meet internal challenges outlined above?
7. What about strategic response put in place by the bank against external challenges?
8. To be specific, what are some of the strategic responses put in place by NBK to -
 - a) The challenges of competition from other banks?
 - b) Ever changing needs of its customers?
 - c) Marketing challenges?
9. Are there any strategic responses put in place against technological challenges within and outside its business environment?
10. Any strategic responses put in place by the bank against social cultural environmental challenges?
11. What about NBK's strategic response to the various economic challenges it faces?
12. What strategic response has been put in place against the political and legal environment?
13. Are there new strategies that the bank is using currently to address the various challenges facing the financial sector?

- 14 What steps is NBK taking to ensure that they formulate proper strategies that would ensure the bank is well prepared to meet future environmental challenges?
- 15 Have there been any challenges in implementation of the above mentioned strategic responses by the bank? If there's what are these challenges and how what are banks strategic responses?



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TO WHOM IT MAY CONCERN

The bearer of this letter Danson K. Kibet

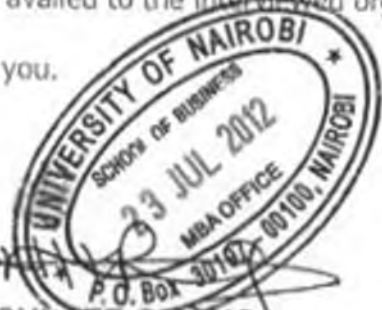
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is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University

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.



IMACULATE OMANG
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