STRATEGIC LEADERSHIP AND COMPETITIVE ADVANTAGE OF EQUITY BANK IN KENYA

By

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DECLARATION

This research project is my own work, and it has not been submitted to any other university or institution of higher learning for evaluation or academic reward.

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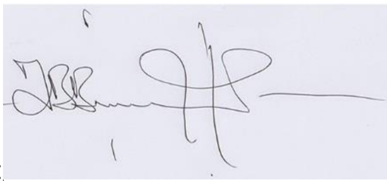
Supervisor Approval

This research project is being submitted for examination with my approval as the University supervisor.

Signature:  Date:6th December 2023

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DEDICATION

This research project is dedicated to my mother Nadhifa Hassan for her devoted support in my academic journey. Your spiritual and moral support propelled me to quest for excellence. To my loving husband Ali Ibrahim Hassan and my children; your patience and support during my academic time was of great essence to achieve this success.

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ABSTRACT

In the present-day global and interconnected economy, the source of a firm's competitive advantage has shifted from physical capital to its ability to process information in a fast-paced manner efficiently. The strategic leadership of a company represents the human capital that plays a crucial role in establishing efficient strategic planning and implementation. The study's objective was to establish the influence of strategic leadership on the competitive advantage of Equity bank in Kenya. In addition, Upper Echelon Theory and Porter's theory of competitive advantage are the theories that underpin the research. The research design employed in this study was a case study approach and an interview guide to collect data and it targeted the 3 banking functions; business, operations, and corporate. Furthermore, content analysis was adopted to analyze the information obtained from the interview guide. The findings show that Equity Bank stands out as a significant player in the East African banking landscape. It boasts a substantial asset base of Ksh 1.45 Trillion and a presence across six East African countries with 358 branches. Furthermore, the bank's international recognition, such as its ranking among the top 1000 banks globally, reflects its competitive strength in the market. This suggests a strong market position and stability within the banking industry. The bank's strategic objectives and goals are clearly oriented towards customer satisfaction, risk management, market expansion, and diversification of product ranges. These objectives underscore Equity Bank's commitment to its customers' needs, risk mitigation, and continued growth in various dimensions. The emphasis on customer satisfaction aligns with modern banking trends, as ensuring customer-centric services is crucial for retaining and attracting clients. A focus on customer-centricity and risk management characterizes strategic leadership within Equity Bank. Identifying, developing, and nurturing strategic leaders involves talent identification programs and robust succession planning. Equity Bank adopts recognition programs and feedback mechanisms to ensure alignment between the bank's strategic vision and day-to-day operations. These initiatives underscore the bank's commitment to keeping all employees engaged and aligned with the strategic vision. Regular reviews and assessments enable the bank to adjust its course as necessary, ensuring that its strategic goals remain relevant. Equity Bank's approach to adapting its strategic vision to respond to market dynamics and emerging opportunities involves engaging with key stakeholders and embracing innovation. This indicates the bank's commitment to staying current with market trends, maintaining agility, and evolving to address market dynamics effectively. To foster a culture of strategic thinking and innovation, Equity Bank encourages collaboration, establishes innovation workshops, and collaborates externally. The bank should invest in talent identification programs, mentorship initiatives, and rotational assignments to ensure a continuous pipeline of capable leaders who can effectively steer the bank toward its strategic objectives. Encouraging a culture of learning and adaptability should remain a priority, as it will enable leaders to respond to market dynamics and drive innovation. In terms of policy, Equity Bank can consider collaborating more closely with regulatory bodies to ensure that its initiatives for financial inclusion align with regulatory changes. This collaboration can help the bank navigate the complex regulatory environment more effectively. Furthermore, the bank should continue to expand its services and product range to meet the evolving needs of diverse customer segments, particularly in underserved areas.

ABBREVIATION AND ACRONYMS

CAR	-	Capital Adequacy Ratio
CBK	-	Central Bank of Kenya
CRR	-	Customer Retention Rate
CSS	-	Customer Satisfaction Score
CSR	-	Customer Satisfaction Survey
ICT	-	Information and Communication Authority
KPI	-	Key Performance Indicator
NBK	-	National Bank of Kenya
NPL	-	Non-performing Loans
NPS	-	Net Promoter Score
NSE	-	Nairobi Security Exchange
IS	-	Information System
IT	-	Information technology
ROA	-	Return on Assets
ROE	-	Return on Equity
RWA	-	Risk Weighted Asset

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In the present-day global and interconnected economy, the source of a firm's competitive advantage has shifted from physical capital to its ability to efficiently process information in a fast-paced manner. According to Mahdi and Almsafir (2013), the effective utilization of intellectual capital within a firm's activities provides it with a comprehensive understanding of its operations and the external environment, enabling efficient market competition. Strategic leadership of a company represents the human capital that plays a crucial role in establishing efficient strategic planning and implementation. Tarigan, Siagian and Jie (2020) acknowledges that sustainable competitive advantage lies not in all resources possessed by firms, but rather in those that are difficult to imitate or replace and, in this case, is strategic leadership of the firm.

The study bases its discussion from upper echelon theory (Hambrick & Mason, 1984) and Porters theory of competitive advantage. The upper echelon theory emphasizes that the characteristics, backgrounds, and decision-making processes of top executives significantly influence organizational outcomes. On the other hand, Porter's theory of competitive advantage highlights the significance of differentiation and cost leadership in gaining a sustainable competitive edge. The theory suggests that strategic leadership should focus on developing and implementing strategies that differentiate organizations from competitors and achieve cost efficiency.

In recent years, the Kenyan banking sector has witnessed intensified competition, emerging technologies, evolving customer demands, and regulatory changes. Against this backdrop, Amugune (2021) avert that it becomes crucial for tire 1 banks to delve into strategies that enhances organizational success and achieving competitive advantage. The underlying rationale for this thesis is predicated on the notion that the management of a company exerts significant influence over the trajectory and strategic orientation that the business pursues. As a result, it is pertinent to further the knowledge about competitiveness of banks as a result of strategic decision making to enhance the overall service delivery and streamline the underlying curiosity on the research area.

1.1.1 Strategic Leadership

Strategic leadership is a pivotal factor in determining the competitive advantage of organizations, with particular relevance in the banking industry. Numerous definitions have been put forth by scholars in order to encapsulate the fundamental nature of strategic leadership. Hitt, Ireland, and Hoskisson (2019) define strategic leadership as the capacity of leaders to formulate and implement strategies that result in the achievement of organizational objectives. According to Banmore (2019), an alternative viewpoint characterizes strategic leadership as the systematic undertaking of envisioning a desirable future for an organization and skillfully directing it towards the realization of that vision. Additionally, Nthini (2013) argue that strategic leadership involves aligning an organization's internal capabilities with external opportunities and threats, thereby enhancing its competitive position.

Strategic leadership encompasses several dimensions that contribute to its effectiveness and impact on organizations. According to Shao (2019), strategic leadership is comprised of strategic thinking, which entails the capacity to analyse intricate circumstances, predict forthcoming patterns, and discern inventive resolutions. According to Alayoubi, Al Shobaki, and Abu-Naser (2020), an additional facet of strategic leadership pertains to change management, which centres on the capacity of leaders to effectively navigate and facilitate organizational change. In addition, it is imperative to recognize that strategic vision holds significant importance within the realm of strategic leadership.

1.1.2 Competitive Advantage

The notion of competitive advantage holds significant importance within the realm of strategic management, particularly in the context of the fiercely competitive banking industry in Kenya. Numerous definitions have been put forth by scholars in order to encapsulate the fundamental nature of competitive advantage. According to Porter (1985), the concept of competitive advantage pertains to an organization's capacity to surpass its competitors within the industry, resulting in a superior level of financial performance. According to Fabrizio et al. (2022), an alternative viewpoint characterizes competitive advantage as the acquisition of valuable resources and capabilities that pose challenges for competitors in terms of imitation or replication.

In order to assess and comprehend the competitive advantage of an organization, it is imperative to consider a number of pivotal factors. According to Kahiga (2017), a crucial element of competitive advantage in organizations is differentiation. Firms need to differentiate themselves from competitors by offering unique products, services, or customer experiences. This can be achieved through innovative product offerings, personalized customer service, advanced technology infrastructure, or strategic partnerships.

1.1.3 The Banking Sector in Kenya

According to the Central Bank of Kenya's (CBK) 2022 report, there are 42 commercial banks operating in Kenya. Deposits, capital, productivity, and output have all gradually increased during the last several years in Kenya's banking industry. Between 2006 and 2015, Kenya's banking landscape had a substantial shift that improved wealth accumulation, deposits, competitiveness, and product offerings in the banking industry (CBK, 2022). The strategy's primary combustibility is the adoption of a network expansion approach in the sector, along with the automation of different facilities. Additionally, there has been a change in the community, notably in Kenya and eastern Africa, away from depending entirely on conventional "off-the-shelf" items in order to suit increasingly sophisticated consumer demands.

The monitoring report by CBK (2021) emphasizes the need for financial institutions to consistently adapt to the changing business environment and increasing demands by leveraging a robust ICT platform, while maintaining sufficient flexibility. In the Kenyan context, banking institutions recognized the imperative of adopting enterprise integration strategies to effectively address the changing demands of their clientele.

The banking sector in Kenya is required to promptly fulfil the needs of its clientele. Contemporary clientele exhibits higher levels of education and possess a heightened expectation for the expeditious and efficient delivery of services. According to Nyaoke (2017), the banking industry in Kenya encounters various challenges, including money laundering. However, it is argued that these obstacles can be effectively addressed due to the integration of banks as multifaceted entities, enabling the seamless sharing of data in real-time. Although the banking industry in Kenya has demonstrated commendable performance, it is worth noting that certain banks have reported financial losses (CBK, 2022).

1.1.4 Equity Bank

Equity Bank is an establishment with a historical background spanning approximately four decades, commencing its operations in 1984 as Equity Building Society. Its primary objective at that time was to provide mortgage services to its clientele. The bank's primary target audience comprised individuals with low incomes situated at the base of the socioeconomic pyramid. These individuals exhibited a strong resolve to gradually improve their quality of life and actively sought opportunities to pursue their aspirations.

In response to the prevalent lack of financial services among the unbanked population in Kenya, the bank underwent a strategic shift in 1994, transitioning from its previous role as a mortgage provider to that of a microfinance institution. Over time, Equity Bank has experienced significant growth, establishing itself as the leading financial institution in the region based on its extensive customer base. The bank currently operates in multiple countries.

As of 2012, the customer base of Equity Bank exceeded 7.8 million individuals. However, by the conclusion of 2020, this figure had risen to over 10 million customers. With an overarching vision, the bank champions the advancement of socio-economic well-being for the African population, a commitment highlighted in (Okuthe, 2010)'s study. This dedication extends beyond just financial services, as Equity Bank takes an active role in community development initiatives and educational programs that empower individuals with the knowledge and skills necessary to thrive in a rapidly changing economic landscape.

By fostering financial literacy and offering innovative solutions tailored to the specific needs of its diverse clientele, the bank continues to serve as a driving force behind financial inclusion and economic upliftment. Equity Bank's remarkable journey stands as a beacon of inspiration, showcasing how a financial institution can evolve and expand while remaining steadfast in its mission to bring about positive change, not only in the lives of its customers but also in the broader African society (Equity bank, 2022). As it continues to navigate new horizons, Equity Bank's legacy serves as a testament to the transformative power of access to financial resources and opportunities.

1.2 Research Problem

The implementation of an organizational strategy has been instrumental in achieving the goals and objectives of a business, particularly in terms of enhancing its competitive advantage by expanding its current product or service offerings. The organization's competitive advantage is derived from its superior execution of activities compared to its competitors, which is achieved when customers highly appreciate specific offerings that are difficult for competitors to imitate (Banmore, 2019).

Strategic leadership is considered a crucial intrinsic competency that plays a pivotal role in the development of effective enterprise strategies. Adeoye, Egwakhe, and Adefulu (2019) emphasized the importance of proficient strategic management skills in a contemporary competitive landscape of the 21st century. According to Kahiga (2017), individuals who possess the necessary competencies and are capable of effectively developing and implementing strategies to leverage available resources are essential for attaining a competitive advantage in strategic leadership.

In Kenya, similar to other countries, the banking sector is experiencing a period characterized by rapid and transformative changes due to the widespread influence of information technology (IT) (Amugune, 2021). Technological advancements have significantly transformed the operational landscape of the banking sector, thereby influencing consumer demands and subsequently shaping a company's market position. The absence of a leadership team that is dedicated to achieving the bank's desired vision is likely to hinder the effectiveness of a good and robust strategy. In a similar vein, the ability of tier 1 banks to develop customized business offerings and address evolving customer demands can be attributed to the contributions of strategic leaders, individuals who play a pivotal role in driving organizational change (Lufthans, 2012).

An investigation on the influence that organizational managers have on the operational strategies employed by service providers in the United States was carried out by Lufthans (2012) as part of a global research project. Using a rigorous scientific framework and methodical research procedure, the study concluded that the practice of strategic leadership has a positive influence on the efficiency of organizations.

This was demonstrated by a decrease in the amount of money spent on each individual client. Schoemaker, Krupp, and Howland (2013) conducted a study with the goal of determining the essential skill sets that must be had by top-level strategic leaders in the United States in order to be successful. The researchers placed a significant amount of emphasis on the necessity of questioning the current status quo, anticipating opportunities and pressures, deftly interpreting complicated and contradicting information, responding swiftly on information, and all of these things combined. During the investigation, a case study methodology was utilized. Mahdi and Almsafir (2014) did a quantitative research study in order to evaluate the effects of strategic leadership on supporting the accomplishment of sustainable competitiveness in Malaysia's academic sector.

Specifically, the authors were interested in understanding how strategic leadership may help achieve this goal.The purpose of the research conducted by Banmore (2019) was to explore the effects of strategic leadership components on the competitive advantage held by a selection of listed insurance companies in Nigeria. The method of research known as survey research was utilized in the study, and the participants were a sample of twenty insurance companies that held a combined market share of 72 Percent of the insurance market.

In light of the fact that the sample size for the study consisted of 420 individuals, an exhaustive enumeration strategy was utilized for the research. According to the findings of the study, strategic leadership, which encompasses aspects such as ethical behaviour, strategic control, and strategic intent as well as strategic direction and strategic vision, has a substantial impact on the degree to which one is able to achieve a competitive advantage.

Adeoye, Egwakhe, and Adefulu (2019) explored the moderating impact of purpose in the connection between organizational performance and strategic leadership in a sample of service firms located in the states of Lagos and Ogun in Nigeria. Specifically, they were interested in how purpose affected the relationship between these two factors. The significance level for their findings was chosen at 5%, and the findings demonstrated that purpose considerably moderates the connection between strategic leadership and organizational performance.

Kahiga (2017) looked into how the National Bank of Kenya's (NBK) strategic leadership approaches affected the bank's competitive advantage. According to the findings of the analysis, NBK has applied a number of different strategic leadership methodologies across all of its operations. These tasks include the formulation of a strategic direction, the preservation of key competencies, ongoing training and development programs, the cultivation of a corporate culture, and the observance of an ethical code. Kasuni, Mandere, and Njeru (2022) established that strategic leadership can have both positive and negative impacts on the financial success of these banks, underscoring the crucial role of effective leadership in shaping the economic trajectory of the banking industry in Kenya.

While there have been collective efforts to improve the understanding of strategic leadership and its effects on organizational performance and competitive advantage in various sectors, there remains a specific knowledge gap regarding the current scope. This deficiency in comprehension indicates that there is limited research exploring the unique relationship between strategic leadership practices and the competitive position of top Tier 1 banks in Kenya, such as Equity bank. Therefore, the stated research aimed to address this gap and provide a comprehensive answer to the question: "How does strategic leadership influence the competitive advantage of Equity bank in Kenya?

1.3 Research Objective

To establish the influence of strategic leadership on competitive advantage of Equity bank in Kenya.

1.4 Value of the Study

The findings of this study hold significant value for professionals within the banking sector, specifically for executives within Equity bank in Kenya. The outcomes of this study can be employed by professionals to enhance their strategic decision-making procedures, improve their leadership methodologies, and formulate more efficient strategies to attain a sustainable competitive edge.

The findings of this study have the potential to provide valuable insights for policymakers and regulatory authorities in Kenya regarding the development and improvement of policies that govern the banking sector. Gaining insight into the significance of strategic leadership in promoting competitive advantage has the potential to facilitate the formulation of policies that uphold and promote proficient leadership approaches within Equity bank.

The study is valuable to scholars and future researchers as it adds to the body of knowledge that exists within the scope of this study. It has formed a foundational basis in which future researchers will pick up from and treat as an empirical study. Potential researchers may also do studies in different regions or economic perspective and compare the findings with the current study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter provides an overview of the pertinent literature related to the study's objectives, which aimed to evaluate the influence of strategic leadership on the competitive advantage of Equity in Kenya. This section comprises an examination of the theoretical foundations of the study, along with pertinent empirical research inquiries pertaining to the research theme. Additionally, it encompasses the synthesis of existing literature and the identification of gaps in the current research.

2.2 Theoretical Foundation

This section delves into theories that are pertinent to the study's goals. Upper Echelon Theory and Porters theory of competitive advantage are the theories that underpin the research. The theories are discussed objectively as well as their significance to the research.

2.2.1 Upper Echelons Theory

The Upper Echelon Theory was initially introduced by Hambrick and Mason (1984), positing that an organization's performance standards are influenced by the values and cognitive abilities of its top-level managers, which are shaped by their individual and collective backgrounds. The individual characteristics of the top executives such as level of education, experience, values and career experience influence how they interpret and make sense of the environment based on their own unique capabilities and capacities.

Drawing upon the Company's established behavioral theory, it is observed that management frequently engages in irrational decision-making (Abatecola & Cristofaro, 2020). Proponents of the top echelon theory acknowledge that executives possess the ability to shape their own managerial perceptions, which in turn influence the evaluation of choices and subsequent decision-making outcomes at both the individual and organizational levels. It is important to note that these executives possess cognitive foundations, values, and additional tangible personal attributes in the decision-making process. These frames ingrained in the individual executive are shaped by their experience and perceptions, on how they make strategic choices (Ma, Kor & Seidl, 2022).

According to Hambrick (2007), the strategic selection of an employee with specific demographic characteristics to lead an organization can increase the likelihood of the organization achieving its objectives. Nevertheless, in the contemporary context of a globalized labor market, the practice of selecting employees based on attributes such as age or tenure could potentially be perceived as discriminatory and inequitable towards individuals lacking these specific characteristics. A boycott of the company's goods and services, as well as severe financial penalties, may follow if the perception of employee discrimination obtains momentum in the marketplace. The upper echelon theory's body of research continuously affirms the idea that a firm's strategic choices are greatly influenced by the management qualities of top management and the organization as a whole. These decisions include those pertaining to product innovation, the purchase of new machinery and equipment, industry diversification, the amount of capital expenditure, and the pace of market reaction.

Though the upper echelon theory has been appreciated as an important framework that has consistently shed light on the role of top executive in shaping organizational outcomes, it has received its share of criticisms. Ma, Kor and Seidl, (2022) point out that the theory over simplifies the organization performance as solely emanating from the top management decisions, while downplaying the role of other environmental and contextual factors. Due to the overreliance on the internal factors, the theory may not adequately explain industry trends and macroeconomic factors on organizational outcomes. Abatecola and Cristofaro (2020) add that the upper echelon theory treats the top management team as individuals and not a collective group and fails to explain how interaction and collaborations within the group influence decision making and eventually organizational outcomes. Further, the focus on the top management might fail to consider the market dynamics that demand for an agile organization system that is not solely determined by the top management. The theory also is static in its foundation such that the changes in the top management team values and beliefs is not factored in and thus the potential conflicts that might arise.

The Upper Echelon Theory is highly pertinent to this context. The strategic leadership techniques and decision-making processes used by senior executives are anticipated to have a significant influence on the competitive advantage of Equity bank in Kenya. By examining the strategic leadership dimensions of Equity bank in Kenya, this study will provide insights into how the characteristics and behaviors of top management contribute to the banks' competitive advantage, aligning with the key premises of the Upper Echelon Theory.

2.2.2 Porters Theory of Competitive advantage

Porter's (1980) perspective underscores the notion that a company's competition and overall industry performance are determined by the tangible characteristics of the geographical region in which the company operates (Porter & Strategy, 1980). According to Porter (2008), there are five determinants that play a crucial role in reshaping and aligning all sectors of the economy. These determinants provide valuable insights for the development of policies aimed at addressing competition and serve as the basis for enhancing productivity within the sector. The five fundamental strengths identified by Porter that are essential in shaping a company's competitive environment encompass the presence of influential suppliers, the dominance of buyers, the availability of substitute products, the intensity of competitive rivalry among existing firms, and the potential threat posed by new entrants.

In regard to cost leadership and differentiation, Porters Theory postulate that a firm becomes competitive by being a low-cost producer in its sector while still maintaining the proper quality and engage in mass production to gain the economies of scale. Stonehouse and Snowdon (2017) points out that such firms can achieve differentiation advantage by developing something that is perceived to be unique and valuable to customers, which allows them to command a premium price from the market. However, Porter highlights that a firm cannot diversify its product range indefinitely but instead should focus on a small niche whereby the firm can tailor its products to a small market segment that it can gain a competitive advantage.

The degree of competitiveness within a firm is contingent upon its ability to achieve above-average profits. As the level of competition increases, firms must carefully consider the needs and interests of their key stakeholders in order to make strategic decisions that align with their overall goals for survival and success (Grant, 2005). Therefore, the utilization of Porter's five forces model enables individuals to shift their focus beyond direct competitors and gain a comprehensive understanding of the market landscape by delineating the specific industry within which they operate. Furthermore, Porter asserts that the process of identifying factors that delineate the competitive situation, as well as the foundation and methodologies employed, empowers an organization to achieve enhanced performance.

The aforementioned strategies encompass cost containment, centralization, and differentiation. The concept of cost leadership entails the implementation of a strategic approach that seeks to surpass competitors by means of efficient alternatives to service or product quality (Porter, 1997). This approach emphasizes the implementation of a business strategy wherein a company offers competitive goods and services at a lower price point, while maintaining a high level of quality. The theory holds significant relevance in the current study. The theory places significant emphasis on the creation and maintenance of a distinct competitive advantage that sets an organization apart from its rivals. Strategic leadership is of utmost importance in the banking sector as it is responsible for the development and execution of strategies that enable banks to attain a competitive advantage. Granted that Porters' theory of competitive advantage has been influential in the field of strategic management, it has been criticized for laying too much emphasis on the external industry environment at the expense of internal resources to a firm.

The theory is anchored on the believe that the performance of an organization is influenced by external factors, but in reality, internal factors such as organizational factors, innovation and dynamic capabilities is of equal importance (Shao, 2019). The over-reliance on only a few generic strategies to be factors that influence performance of an organization considers only the static nature of the theory. However, in the present-day dynamic business environment, it is argued that firms need to be adaptable and flexible, requiring that they continuously change their strategies to the prevailing market changes (Stonehouse & Snowdon, 2017). Consequently, it pointed out that the static nature of Porters theory to demand business firms rely on five generic strategies is not cognizant to the changing environment. Related to the static nature of the theory is that Porters theory fails to appreciate that different sectors and industries have varied strategies and thus the assumption that a homogenous strategy can be adopted across all sectors is misleading.

Despite the potential weaknesses of Porters theory of Competitive Advantage, the theory helps to identify how decisions by organizational leaders may enhance their efficiency through adoption of the cost leadership strategy or to differentiate their products and services, they can adopt the differentiation strategies. In addition, the theory is relevant to the study because it explains how the organizational leadership can influence their performance by navigating through the industry level of rivalry, threat of new entrants, threat of substitutes, bargaining power of suppliers and bargaining power of buyers. Further, the theory focuses on external environment and how strategic leaders in a firm can improve their performance by navigating through these factors. Similarly, Porters theory emphasis the importance of sustainable competitive advantage and how strategic leaders are to initiate appropriate strategies that can enhance the firm performance.

2.3 Strategic Leadership and Competitive Advantage

Strategic leadership is a critical aspect of organizational success, encompassing the ability of leaders to effectively guide their organizations towards their strategic objectives. This multifaceted concept can be examined and understood through the lens of four key dimensions: strategic thinking, change management, strategic vision, and strategic execution (Shao, 2019). Strategic vision is a crucial element of strategic leadership that involves formulating a compelling and forward-looking view of the organization's future (Mayfield, Mayfield & Sharbrough III, 2015). It encompasses the ability to develop a clear and inspiring vision that guides the organization's strategic direction and aligns its goals and actions towards long-term success.

Strategic leadership, characterized by a clear vision, innovative thinking, effective change management, and efficient execution, enables organizations to gain a competitive edge in the market (Shao, 2019). A strategic vision serves as a guiding force, aligning organizational goals and inspiring employees to work towards a common objective (Mayfield, Mayfield & Sharbrough III, 2015). This vision provides a foundation for strategic thinking, which involves analysing the internal and external environment to identify unique market opportunities and develop competitive strategies (Dzwigol et al., 2019).

Effective change management is crucial for strategic leaders to navigate dynamic business environments and adapt to emerging trends, fostering organizational agility (Ropp, 2021). Successful execution of strategies, according to Abusamra and Abusamra (2022), ensures that organizational goals are translated into action, enabling leaders to differentiate their organizations and achieve a sustainable competitive advantage.

Overall, strategic leadership, through its various components, provides organizations with the capabilities and direction necessary to outperform competitors and achieve long-term competitive advantage in the marketplace. Green et al. (2020) argued that strategic leadership plays a crucial role in shaping an organization's competitive advantage by providing a holistic approach that combines long-term vision, innovative thinking, adaptability to change, and effective execution. Leaders who can develop and communicate a clear strategic vision inspire and align employees towards common goals, fostering a sense of purpose and direction (Marshall, 2019).

Moreover, strategic leaders who engage in forward-thinking and strategic analysis are better equipped to identify market opportunities, anticipate industry trends, and develop innovative strategies that differentiate their organization from competitors (Yue, Men & Ferguson, 2019). According to Juma, Minja and Mageto (2016), effective execution of strategies ensures that the vision is translated into action, driving operational excellence, resource allocation, and performance measurement, ultimately leading to a sustainable competitive advantage.

2.4 Empirical Review and Research Gaps

Al Shobaki and Abu-Naser (2020) investigated the relationship between strategic leadership practices and the improvement of the academic services offered by Palestinian institutions. In particular, they focused on the Palestinian Authority. Through the use of a methodical sampling strategy, we were able to choose a sample of 177 workers who are considered to be representative of the entire research population.

The findings revealed that through various dimensions such as human caital development, proper asset investment and appropriate leadership skills and knowledge, strategic leadership practices significantly improve academic services in institutions in Palestinian context. Research conducted by Shao (2019) investigated the ways in which organizational culture and strategic leadership behaviors interact with regard to the alignment of information systems with business strategies and the assimilation of enterprise systems.

The primary purpose of this research was to investigate the ways in which organizational culture and the behaviors of strategic leaders interact to have an effect on the degree to which information systems (IS) and business strategies are aligned, as well as the degree to which enterprise systems are successfully integrated within businesses. This study developed a conceptual model that draws upon the ideas of contingency theory to incorporate organizational culture as a crucial moderator. The theoretical basis for this study was strategic leadership theory, and it was used to build the conceptual model.

According to the findings of the empirical study, leadership behaviors, more notably those that are characterized by idealized influence and inspirational motivation, have a substantial impact on the degree to which information systems and company plans align with one another. The assimilation of Enterprise Systems is improved as a result of this alignment, which, in turn, is beneficial. Hunitie (2018) concentrated on the components that acted as mediators, specifically strategic thinking and strategic planning. The collaboration of three institutions in the Jordanian healthcare sector that are supported by public funds was the primary focus of this study.

For the purpose of data collection, a questionnaire that was developed after conducting an exhaustive review of the relevant existing research was utilized. The analysis revealed that strategic leadership creates strategic competitive advantage in different dimensions in an organization. Mahdi and Nassar (2021) looked at the business strategy that provides an organization with a sustainable competitive advantage. According to the findings, developing strategic leadership skills is absolutely necessary if one wants to achieve and maintain a competitive advantage. It was also established that strategic leadership capabilities have the greatest potential to influence the creation of sustainable competitive advantage when combined with knowledge management strategies. This advantage can be maintained over time. The study's findings provide a theoretical rationale for the variables that were discovered, as well as offer strategic decision makers and business owners useful advice on how to deal with the opportunities and challenges of the COVID-19 pandemic. These two reasons combine to make the study's conclusions highly relevant.

Nthini (2013) sought to investigate how strategic leadership affects the performance of commercial and financial state-owned companies in Kenya. They were specifically interested in the Kenyan market. The target population consisted of a total of 48 commercial and financial savings and credit cooperatives in Kenya. Study participants were drawn from departments such as strategy and human resources and held influential roles within those departments. The initial data set was collected using a questionnaire with a semi-structured format. Research on strategic leadership in commercial and financial government organizations has revealed that effective outcomes are associated with a shared corporate culture that supports the adoption of core values, symbols, and ideologies. The findings indicated that strategic leadership significantly improves the performance of the organizations under study.

Based on the empirical review, there are few researches that particularly look at the link between strategic leadership and a competitive advantage in the context of Tier 1 banks operating in Kenya. The previous studies addressed general notions like strategic leadership and competitive advantage although in different industry and regions. This gap suggests that little is known about how strategic leadership techniques specifically affect these well-known banks' competitive positions in the Kenyan market. The lack of in-depth study on the unique dynamics and challenges that Tier 1 banks in Kenya face with regard to strategic leadership and competitive advantage is the research gap that exists in the literature.

The influence of leadership styles on the employees' motivation introduced the critical role that a synthetic leadership thinking style introduces to the organization and improved firm adaptation to the changes in the operating business environment (Fiaz et al, 2017). This is because employees tend to utilize the organizational capital differently with varied degree of efficiency. Therefore, the well qualified and talented employees are needed to achieve the organizational goals and increase productivity and profitability. The synthetic leadership style controls employee level of interpersonal reward and punishment, a move that tend to shape employee behaviour and attitude which consequently influences organizational performance (Kesting et al, 2016).

Synthetic strategic thinking style can either act as an inspiration when implemented well or disenchantment among organizational staff which therefore result in improved productivity or a decrease. Similarly, the leadership style when implemented effectively results in improved employee self-image that consequently leads to a particular employee's health (Puni et al, 2014). The ability of an organizational leadership style to develop a hardworking workforce and motivate employees is at the foundation of achieving the desired goals.

Synthetic leadership thinking style is therefore associated with individual mental capabilities manifested in form of improved foresight, scientific imagination and intellectual capacity that builds the understanding of each person in the organization that eventually results in improved performance. Efferin and Hartono (2015) investigated the leadership styles and management control in family businesses in Indonesia and highlight that pragmatic leadership thinking style is characterized by intuitive system that is more holistic, associative, affective and involves more rapid processing.

Consequently, pragmatic leaders are more likely to observe cues or signals from unsystematic or not organized business environment. Pragmatic thinking style is found to be associated with creative thinking that is able to provide solutions to a complex decision-making situation and thus provides a superior rational thinking in terms of innovation capability. Abernethy et al. (2010) had earlier reiterated this point by pointing out that since pragmatic leaders are associated with innovative ideas and outcomes, they tend to outperform the non-innovative firms in terms of productivity and growth. In the same breath, pragmatic leaders are found to contribute to tasks that call for creativity and innovation.

The cultural dimension of a leader influences the owner's values that are found to be transferred to the organizational members that eventually guide family and non-family members in the day-to-day operations. A proper alignment of the owners and employees culture results in the establishment of a stable work environment that becomes a catalyst to improved business environment (Anderson& Sun, 2017). Phipps and Burbach (2010) tried to build a connection between strategic leadership and staff participation among leading brewery companies in Uganda.

One major Uganda branches was sampled using simple random sampling. The findings revealed that an idealistic strategic leadership style resulted in improved employee engagement that eventually resulted in organization citizenship behaviour. It is therefore found that organizations should invest in the fashioning of their executives to improve their ties with juniors in strategic leadership. The investigation of effect of leadership styles on team motivation among Moroccan firms reveal that leaders are an important part of an organization because they maintain culture that drives employee performance (Rahbi et al, 2017).

A leader characterized by an idealistic strategic leadership thinking style will motivate employees to maximize their individual potential and to strive and work as a team for improved attainment of organizational performance. Further a leader adopting a pragmatic thinking style achieves success through the organization's employees by consistently sending clear signals about the desired priorities, beliefs and values. At the same time, the organizational culture needs to become a clear tool to communicate its values and beliefs especially to new employees (Franco & Matos, 2015).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The primary goal of this study was to evaluate the influence of strategic leadership on the competitive advantage of Equity bank in Kenya. The study specifies the methodological techniques and processes that were employed throughout the entire of the study. The chapter describes the research's organization, the study's participants, the techniques used to collect data, and the methodology utilized to analyse the data.

3.2 Research Design

According to Eriksson and Kovalainen (2015), a research design can be defined as a systematic framework that outlines the approach to be taken in order to obtain answers to the research questions at hand, as well as the strategies to be employed in addressing any potential challenges that may arise during the course of the study. Its purpose is to effectively balance the relevance to the research objective with procedural efficiency. According to Gokhale and Srivastava (2017), the utilization of a research design enables the seamless execution of diverse research activities, resulting in enhanced research efficiency.

This approach ensures the attainment of maximum information while minimizing the utilization of resources such as effort, time, and finances. The research design employed in this study was a case study approach. It facilitates a comprehensive examination of a particular phenomenon within its authentic setting, thereby enabling the acquisition of extensive and meticulous understandings regarding the practices of strategic leadership and their influence on competitive advantage.

Additionally, focusing on Equity bank allows for a targeted examination of an organization that holds a significant market share and influence in the banking industry, making it relevant to understand how strategic leadership contributes to its competitive advantage.

3.3 Data Collection

The study used an interview guide to collect data and it targeted the 3 banking functions; business, operations and corporate. The decision to use an interview guide to target the three-banking function was a strategic choice that aligns with the research objectives and the nature of the study. By conducting interviews with key stakeholders from each of these functions, the researcher gained valuable insights into how strategic leadership is manifested within different areas of the banks' operations and how it contributes to their competitive advantage.

According to Dawson (2002), this approach allowed a comprehensive exploration of strategic leadership practices across various dimensions, including market strategy, operational efficiency, and corporate decision-making. Schwab (2005) argued that interview guide provides a structured framework for conducting the interviews, ensuring consistency in data collection while allowing flexibility for participants to share their perspectives and experiences. Through these targeted interviews, the study has provided a nuanced understanding of how strategic leadership influences competitive advantage within each banking function and across the organization as a whole.

3.4 Data Analysis

Once the data was obtained, content analysis was adopted as the approach for analyzing the information obtained from the interview guide. The adoption of content analysis for studying Equity bank in Kenya was a robust methodology that offered several advantages. Content analysis involves systematically analysing and interpreting qualitative or quantitative data from various documents, such as annual reports, financial statements, strategic plans, and other relevant materials produced by the banks.

Content analysis was particularly suitable for this study as it allowed for a comprehensive examination of the banks' strategic leadership practices and their influence on competitive advantage. This method enabled the researcher to gain insights into the strategic priorities, decision-making processes, and implementation strategies of the bank, shedding light on how strategic leadership contributes to their competitive advantage.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter provides the outcome of the findings from data analysis. This is in relation to the study objectives and the variables incorporated in the study. Primary data was collected through use of an interview guide and the analysis was done based on the content that was captured in the collection instrument.

This section discusses the setting of strategic objectives by the bank, contextual aspects of strategic leadership at Equity and how the bank natures strategic leaders for succession purposes. The results also centre on how the bank leadership adapt to strategic vision and manage changes. The capacity of the leadership to adapt the bank vision and mission to the evolving market dynamics is also discussed and finally ends with a discussion of the research findings and how they relate to the literature and theory.

4.2 Organizational Overview

The study aimed to establish the overall outlook of the organization of interest. This is in relation to company size, market share, overall competitive position; and strategic objectives and goals of the bank.

4.2.1 Company Size, Market Share, and Overall Competitive Position

Based on the insights provided in the interview guides, it is evident that Equity Bank is a significant player in the banking sector in Kenya and the broader East African region.

The bank's size is indicated by its substantial asset base, which stood at Ksh 1.053 Trillion by the end of 2022 in the first interview guide, making it one of the largest financial institutions in the country.

Additionally, its employee base of over 13,100, as mentioned in the fourth interview guide, signifies a sizable workforce that contributes to its operations. Respondents emphasized the bank's strong financial performance, with one of the interviewees mentioning that Equity Bank was the "most profitable bank in Kenya with a profit of Ksh 59.4 Billion in 2022."

Equity Bank's market share is substantial, as highlighted by its extensive network of branches and agents across six East African countries, as indicated in the second and third interview guides. This wide geographical coverage underscores the bank's presence and influence in the region. The bank's market capitalization also saw a significant increase, from Ksh 136.8 billion in 2021 to Ksh 199.3 billion in 2022, positioning it as the second-largest on the Nairobi Stock Exchange (NSE), after Safaricom. This financial growth indicates strong performance and competitiveness in the market.

In terms of overall competitive position, Equity Bank appears to hold a leading position in the banking industry in Kenya and the East African region. The bank's customer base, exceeding 14 million, demonstrates its wide reach and customer appeal. Respondents in the first interview guide noted that Equity Bank is the "leading bank in Kenya," the third interview guide mentions that the bank has been given a Class B rating by Moody's, further highlighting its exceptional status.

Additionally, the bank's commitment to financial inclusion and its efforts to cater to the unbanked and under-banked populations showcase a strategic advantage in the competitive landscape.The findings imply that Equity Bank has established itself as a formidable player in the Kenyan and East African banking sectors, boasting a substantial size, strong market share, and a competitive edge through financial performance and market positioning. These factors contribute to the bank's potential for maintaining a competitive advantage in the industry.

4.2.2 Strategic Objectives and Goals of the Bank

The strategic objectives and goals of Equity Bank, as revealed from the findings, reflect a comprehensive and forward-thinking approach that underpins the bank's success and competitive advantage. The common thread among the responses is the bank's unwavering commitment to customer satisfaction, financial performance, and innovative expansion. The study draws from the findings that the bank's strategic objective of "customer satisfaction" is a recurring theme across all the responses. Equity Bank significantly emphasizes enhancing the customer experience by providing seamless and positive banking services.

This aligns with its financial inclusion goal, where the bank actively seeks to serve the unbanked and under-banked populations. Customer satisfaction is not only a goal but a core principle that guides Equity Bank's strategic direction. This customer-centric approach is a key driver for its competitive advantage, as satisfied customers are more likely to remain loyal and promote the bank's services. Secondly, risk management is a prominent objective in the second response sheet. Equity Bank focuses on effectively managing credit, compliance, and operational risks.

The bank aims to maintain stability and sustainability by ensuring robust risk management practices. This objective reflects a prudent approach to banking operations, crucial for long-term success and maintaining a competitive edge. Additionally, the bank's strategic objectives include market expansion, diversification of products, and increasing its geographical coverage, as outlined in the third and fourth respondents. These goals demonstrate Equity Bank's commitment to growth and adaptability in response to changing market dynamics.

By diversifying its product and service range and expanding into new markets, the bank aims to stay competitive and capture emerging opportunities. Generally, Equity Bank's strategic objectives and goals revolve around customer satisfaction, risk management, market expansion, and diversification. These objectives emphasize a customer-centric approach, risk mitigation, and adaptability, all of which contribute to the bank's competitive advantage and its ability to navigate the dynamic banking landscape in Kenya and East Africa.

4.3 Strategic Leadership

The concept of strategic leadership in the study was conceptualized based on various aspects, including the way strategic leadership is defined in the organization, identification, development, and nurturing of strategic leaders, as well as leadership styles.

4.3.1 Contextual Aspect of Strategic Leadership

From the findings, strategic leadership at the bank revolves around a multifaceted approach that encompasses the formulation and execution of strategies, alignment with the bank's vision and mission, sustainability practices, and a keen focus on technological innovation. Firstly, the interviewees emphasized that strategic leadership involves the formulation and execution of strategies that align with the bank's vision and mission.

This indicates that the bank's leaders are responsible for setting overarching goals and ensuring the strategic initiatives align with the institution's long-term vision. By doing so, the bank aims to achieve its objectives systematically and effectively. Moreover, sustainability and social responsibility are interwoven into Equity Bank's definition of strategic leadership. Interviewees noted that;

"*Strategic leadership entails adopting sustainability practices and social responsibility by considering the environmental and social impacts of the bank's operations and implement CSR initiatives that contribute positively to the community*"

This imply that strategic leaders consider the environmental and social impacts of the bank's operations. They implement corporate social responsibility (CSR) initiatives that positively impact the community. This focus on sustainability and social responsibility reflects a broader view of leadership encompassing ethical and socially responsible decision-making, further enhancing the bank's reputation and competitive standing.

In addition, technological innovation plays a central role in defining strategic leadership within Equity Bank. It was revealed from the responses that strategic leaders prioritize technological advancement and innovation. By investing in digital banking platforms and forming fintech partnerships, the bank's leadership seeks to stay at the forefront of the industry. This emphasis on technology underscores the importance of adaptability and staying competitive in an ever-evolving financial landscape.

4.3.2 Identification, Development, and Nurturing of Strategic Leaders

The interview responses reveal how Equity Bank identifies, develops, and nurtures strategic leaders within the organization. These practices underscore the bank's commitment to cultivating a robust leadership pipeline and ensuring that individuals with the potential for strategic leadership are given the necessary tools and opportunities to thrive. The interviewees emphasized the importance of talent identification and development programs. Equity Bank actively identifies individuals with high potential for leadership roles through talent reviews, assessments, and feedback mechanisms. This systematic approach ensures that the bank can pinpoint individuals who exhibit strategic thinking and leadership qualities early in their careers. Equity Bank can create a talent pipeline for key leadership positions by identifying potential leaders.

Secondly, the bank's practice of offering rotational assignments was cited in the interview responses. Rotational assignments expose individuals to different areas of the organization, helping them develop a holistic understanding of the business. This approach fosters well-rounded leaders who can bring a diverse perspective to their roles. It also encourages a culture of adaptability and problem-solving, critical traits for strategic leadership.

Mentorship programs emerged as another key component of leadership development at Equity Bank. The bank pairs emerging leaders with experienced executives, facilitating knowledge transfer and providing guidance. This mentorship helps individuals build valuable networks within the organization and gives them access to senior leaders' wisdom and experience. This emphasis on mentorship underscores the bank's commitment to fostering leadership talent from within its ranks.

4.3.3 Leadership Styles

According to the responses, the interviewees highlighted the value of leadership styles prioritising adaptability and change management. The ability to navigate change effectively and adjust strategies in response to market shifts, regulatory changes, and technological advancements is highly regarded within the bank. Equity Bank places a premium on leaders who can steer the organization through dynamic and evolving environments, ensuring it remains competitive and responsive to emerging challenges and opportunities.

Customer-centric leadership was another critical trait emphasized in the responses. The bank values leaders who focus on meeting the diverse needs of customers, including the unbanked and under-banked populations. This reflects the bank's strategic goal of customer satisfaction and financial inclusion. Equity Bank aims to create a positive customer experience and build long-lasting relationships with its clientele by emphasising customer-centric leadership.

Additionally, innovation was also a prominent trait highlighted in the responses. Innovative leaders who encourage and embrace technological advancements, digital transformation, and creative solutions are highly valued within the bank. This underscores the bank's commitment to staying at the forefront of the industry by adopting digital banking solutions, fintech partnerships, and other technological advancements. Innovation is seen as a driving force behind maintaining a competitive edge. Furthermore, the bank's leadership framework identified a global perspective as a sought-after trait. One of the respondents argued that;

"The bank seeks leaders who possess a global perspective and an understanding of international trends as a player on the global stage. This involves identifying opportunities and challenges in the global financial landscape."

This implies that leaders who deeply understand international trends and opportunities and can identify global challenges and solutions are highly regarded. This underscores Equity Bank's ambition to be a global player and aligns with its strategic objective of expanding into multiple East African countries. A global perspective enables leaders to identify opportunities and navigate challenges on a broader scale.

4.4 Strategic Vision and Direction

It encompasses the ability to develop a clear and inspiring vision that guides the organization's strategic direction and aligns its goals and actions towards long-term success. Strategic vision provides a sense of purpose, direction, and motivation to stakeholders, helping to drive strategic decision-making and resource allocation.

The study aimed to establish the extent of strategic vision and direction in the bank. This was achieved by examining the alignment between the strategic vision and day-to-day operations; and adaptation to the strategic vision and responding to market dynamics**.**

4.4.1 Alignment between the Strategic Vision and Day-To-Day Operations

The responses from the four interviews is evident that the bank employs a multifaceted approach to bridge the gap between high-level strategic goals and the everyday activities of its employees. From the responses, the interviewees highlighted the importance of clear communication and leadership commitment to ensuring alignment.

One of the interviewees opined that

"Adopting a clear communication structure of the organization's strategic vision throughout the hierarchy. This includes top executives, middle managers, and frontline employees. The bank uses various communication channels such as internal newsletters, emails, town hall meetings, and intranet platforms to disseminate information."

Equity Bank fosters a communication culture throughout the organization, disseminating its strategic vision from top executives to middle managers and frontline employees. Communication channels such as internal newsletters, emails, town hall meetings, and intranet platforms are utilized to ensure that every organisation knows the strategic objectives. This transparent and frequent communication reinforces the connection between the bank's overarching goals and employees' daily tasks.

Secondly, the bank's practice of breaking down the strategic vision into specific objectives and key performance indicators (KPIs) was cited in the responses. Equity Bank creates a framework that outlines specific KPIs relevant to each functional area within the organization. This approach helps employees understand how their daily tasks and responsibilities contribute to the broader strategic goals. By translating the high-level vision into concrete, measurable targets, the bank provides employees with a roadmap to follow daily. This approach aligns individual and departmental efforts with the broader strategic vision.

Furthermore, the interviewees highlighted the importance of regular reviews to assess progress toward strategic goals. Equity Bank conducts regular reviews at various levels, from executive meetings to departmental reviews. These reviews serve as a feedback mechanism to identify any misalignments and make necessary adjustments to the strategic plan. By actively monitoring performance against the strategic vision, the bank ensures that it can adapt to emerging challenges and capitalize on opportunities.

4.4.2 Adaptation to Strategic Vision and Responding to Market Dynamics

According to the responses from the interviewees, the bank prioritizes flexibility and responsiveness in its strategic planning processes. One common theme across the responses is the bank's commitment to continuous environmental scanning and monitoring. Equity Bank is dedicated to staying informed about market trends, regulatory changes, technological advancements, and other external factors that may impact the banking industry. By regularly assessing the external environment, the bank is better prepared to identify potential opportunities and challenges, allowing it to make informed adjustments to its strategic vision.

The interviewees also pointed out that Equity Bank has adopted an agile approach to strategic planning. This agile approach allows the bank to be flexible and responsive, particularly in rapidly changing market dynamics. This flexibility means that Equity Bank can consider shorter planning cycles that can be adjusted based on changing circumstances. This adaptability is essential for the bank to remain competitive and capitalize on emerging opportunities while effectively mitigating challenges.

Moreover, the bank has emphasized the importance of regular competitor analysis in the responses. By closely monitoring and understanding the strategies and actions of its competitors in the market, Equity Bank can identify gaps, areas for differentiation, and potential threats. This competitor analysis is an important source of information for adjusting its strategic vision. It allows the bank to position itself more effectively in the market and ensures that it remains a strong contender in the ever-evolving banking industry.

4.5 Strategic Thinking and Decision-making

Strategic thinking and decision-making are crucial components of strategic leadership in an organization. It involves the ability to analyse complex problems, anticipate future trends, and develop innovative strategies to achieve organizational goals (Ropp, 2021)

4.5.1 Fostering a Culture of Strategic Thinking and Innovation

The study has established that the bank strongly emphasizes promoting a creative and forward-thinking work environment. Firstly, the interviewees highlighted the importance of open and transparent communication channels. Equity Bank encourages the exchange of ideas and knowledge-sharing among employees.

The bank has established various communication platforms, including internal newsletters and digital channels, to facilitate the flow of ideas. Equity Bank nurtures a culture of strategic thinking and innovation by creating an environment where employees are encouraged to share their innovative thoughts and insights.Secondly, the interview guides revealed that Equity Bank has proactively provided training programs focused on strategic thinking and innovation. These programs help employees develop the necessary skills and mindset required to identify opportunities, think critically, and contributes innovative solutions.

By investing in its workforce development, the bank ensures that employees are equipped to contribute to the bank's strategic goals and stay on the cutting edge of industry trends. Lastly, the interviewees also highlighted the significance of external partnerships and collaborations.

Equity Bank actively collaborates with fintech companies and other industry players to drive innovation and offer new and improved services to its customers. These partnerships help the bank remain competitive and responsive to the ever-changing landscape of the banking industry. Equity Bank can leverage external expertise and resources to drive innovation and strategic thinking through such collaborations.

4.5.2 Evaluation of Strategic Decisions Effectiveness

The findings from the interviews shed light on how Equity Bank evaluates the effectiveness of its strategic decisions, emphasizing the importance of performance metrics, customer feedback, and regular reviews. Firstly, the interviewees emphasized the significance of performance metrics in assessing the effectiveness of strategic decisions. Equity Bank utilizes a range of financial metrics, including profit margins, return on equity, cost management, and operational metrics.

These metrics help the bank track its financial performance, efficiency, and profitability. Regularly analysing financial statements and performance indicators allows the bank to measure its progress toward strategic goals and make data-driven decisions. Additionally, the interviewees pointed out the importance of customer feedback in evaluating the impact of strategic decisions. One of the interviewees noted that

"Collecting customer feedback through surveys and other channels provides valuable insights into customer satisfaction and perceptions. This understands how well strategic decisions align with customer expectations."

This implies that Equity Bank strongly emphasizes customer satisfaction and retention. The bank gains valuable insights into customer perceptions and preferences by collecting feedback through surveys and other channels. This feedback helps the bank understand how well its strategic decisions align with customer expectations, allowing for adjustments and improvements based on customer needs.

Lastly, the interview guides revealed that Equity Bank conducts regular reviews and audits of its strategic plans and their implementation to assess their effectiveness. These reviews involve comparing actual outcomes with planned objectives, ensuring the bank is on track to achieve its strategic goals. Regular assessments and audits help identify areas that may require course correction or optimization and ensure that the bank's strategic decisions are aligned with its long-term vision.

4.6 Change Management

It encompasses the strategies, tools, and techniques employed by leaders to guide individuals and the organization through transitions and transformations. Effective change management enables organizations to adapt to new circumstances, seize opportunities, and address challenges, ensuring the successful implementation of strategic initiatives (Marshall, 2019).

4.6.1 Anticipation and Adaption to Changes in the Banking Industry

Drawing from the findings, it is evident that Equity Bank adopts a proactive approach to anticipate and adapt to changes in the banking industry and the external environment. Firstly, the interviewees highlighted the importance of regularly analysing market trends, customer behaviour, and regulatory changes.

The bank can proactively respond to emerging opportunities and challenges by staying informed about shifts in the external environment. This involves a keen awareness of economic, political, and regulatory changes that could impact the banking industry. Additionally, the bank focuses on understanding customer needs and preferences to remain relevant in a dynamic market, emphasizing personalized services and an improved customer experience. Secondly, Equity Bank is committed to embracing and investing in technology to stay competitive and meet changing customer expectations. An interviewee opined that

"Embracing and investing in technology, such as digital banking platforms, artificial intelligence, and blockchain, to stay competitive and meet changing customer expectations."

As a result, it is evident that the bank has adopted digital banking platforms, artificial intelligence, and blockchain, which are all pivotal in modernizing and adapting to a rapidly evolving banking landscape. By staying at the forefront of technological advancements, the bank can streamline its operations, enhance customer services, and ensure it remains agile in a digital era.

Furthermore, the bank manages resistance to change by communicating clearly about the reasons behind the change and its benefits. This helps alleviate employee uncertainty and fosters a culture of agility. Employee involvement is also key, where their input, feedback, and suggestions are incorporated into decision-making processes. This approach makes employees feel valued and more likely to support and embrace changes, enhancing the bank's adaptability.

4.6.2 Management of Resistance to Change and Fostering a Culture of Agility

The findings show that the bank has established effective strategies to manage resistance to change and foster a culture of agility within the organization. Firstly, the bank strongly emphasizes clear communication as a means to manage resistance to change. By providing employees with comprehensive information about the reasons behind the proposed changes and the benefits they will bring, the bank reduces uncertainty and helps employees understand the context of change. This transparent communication approach is crucial in ensuring that employees feel informed and engaged in the change process.

Secondly, Equity Bank actively involves employees in the decision-making process regarding change. This collaborative approach empowers employees to contribute their input, feedback, and suggestions, which are incorporated into the decision-making process. When employees feel that their opinions are valued and considered, they are more likely to support and embrace changes, which enhances the bank's adaptability and agility. This participatory culture helps foster a sense of ownership and engagement among the workforce.

Lastly, Equity Bank provides training and development programs to equip employees with the skills and knowledge to adapt to new technologies and processes. Such initiatives help build confidence among employees and reduce resistance to change. The organization recognizes that preparing its workforce for change is a critical aspect of creating a culture of agility, as it ensures that employees have the necessary capabilities to navigate and embrace the evolving landscape of the banking industry.

4.7 Strategic Execution

It encompasses the ability to implement strategies, allocate resources, and drive organizational performance to accomplish strategic goals. According to Shao (2019), strategic execution requires leaders to align the organization's structure, systems, and processes with the strategic objectives. It involves setting clear goals, establishing performance metrics, and monitoring progress to ensure that the organization stays on track. Strategic leaders must also make timely decisions, allocate resources effectively, and adjust strategies as needed to adapt to changing circumstances.

4.7.1 Assurance of Effective Execution of Strategic Initiatives

The findings from the interview guides highlight how Equity Bank ensures the effective execution of its strategic initiatives. Firstly, Equity Bank emphasizes clearly defining and communicating its strategic goals and initiatives. The bank develops a comprehensive strategic plan outlining objective, key performance indicators (KPIs), and timelines. By providing a well-defined roadmap, the organization ensures that everyone within the bank understands what needs to be achieved and by when. This clarity of purpose helps align the efforts of all employees towards the common strategic objectives.

Secondly, the bank significantly emphasizes leadership alignment with its strategic vision. Top leadership must be committed to driving the initiatives forward and model the behaviours necessary for success. When leaders at all levels of the organization are aligned with the strategic vision, they can provide the necessary direction and support for effective execution. This leadership commitment fosters a sense of purpose and direction among the workforce.

Lastly, Equity Bank employs a range of key performance indicators (KPIs) and performance monitoring mechanisms to track and evaluate its progress against strategic goals. These KPIs cover various aspects, including financial performance, customer service and experience, operational efficiency, and risk management. Regular monitoring, reporting, and dashboards provide real-time insights, ensuring the bank can quickly identify any deviations from the plan and take corrective actions as needed.

4.7.2 Key Performance Indicators

In relation to Key Performance Indicators (KPI), the findings revealed that Equity Bank strongly emphasizes financial KPIs to assess its performance. These financial KPIs include metrics like Net Profit Margin, which measures the bank's profitability; Return on Assets (ROA), which indicates how efficiently the bank is using its assets to generate profits; Return on Equity (ROE), which measures the return on shareholders' equity; and the Cost-to-Income Ratio, which evaluates the efficiency of operations by comparing costs to income. These financial metrics help the bank gauge its financial health, efficiency, and profitability.

Secondly, the bank uses customer-centric KPIs to evaluate its performance in delivering a positive customer experience. Customer Satisfaction Score (CSAT) is one such KPI, measuring the satisfaction level of customers. The Net Promoter Score (NPS) indicates the likelihood of customers recommending the bank to others, reflecting customer loyalty. Customer Retention Rate measures the bank's ability to retain existing customers, which is crucial for sustainable growth and profitability.

Thirdly, operational and risk-related KPIs are a significant focus for Equity Bank. The Non-Performing Loan (NPL) Ratio measures the quality of the bank's loan portfolio, reflecting its credit risk management. Risk-weighted assets (RWA) reflect the bank's risk exposure, which is crucial for capital adequacy. Capital Adequacy Ratio (CAR) is another critical KPI that ensures the bank has sufficient capital to cover risks. These operational and risk-related KPIs are essential for maintaining the bank's stability and sustainability.

4.8 Competitive Advantage

According to Michael Porter (1985), competitive advantage refers to the ability of an organization to outperform its rivals in the industry, thereby achieving superior financial performance. Another perspective by Fabrizio et al. (2022) defines competitive advantage as the possession of valuable resources and capabilities that are difficult for competitors to imitate or replicate. Additionally, Azeem et al. (2021) argue that competitive advantage stems from an organization's ability to adapt and innovate in response to changes in the business environment.

4.8.1 Profitability in the Recent Past

The responses from the interview guides shed light on Equity Bank's recent profitability and what contributes to its competitive advantage. Based on the information provided, Equity Bank has shown impressive profitability recently. The bank reported a substantial profit increase, with a profit of Ksh 59.4 billion in 2022, up from Ksh 54.9 billion in 2021. This consistent growth in profitability is a strong indicator of the bank's financial strength and ability to generate substantial returns. Such profitability can be attributed to several factors, including efficient operations, effective risk management, and a diversified product and service range.

Profitability is crucial to Equity Bank's competitive advantage, as it provides the financial resources needed for growth and innovation. Equity Bank's competitive advantage also extends to its geographical expansion and diversification. While the Kenyan banking business's contribution to the Group's performance is declining, other subsidiaries have stepped up, contributing 44% of the Group's assets and revenue.

This diversification allows the bank to mitigate risks associated with heavily relying on a single market. Moreover, the bank's commitment to financial inclusion and personalized services to diverse customer segments, including those in underserved areas, supports its competitive edge. By embracing technology and staying compliant with changing regulations, Equity Bank ensures that it remains relevant in the dynamic banking industry. Additionally, the bank leverages data analytics to create tailored propositions, anticipate customer needs, and enhance the customer experience.

Furthermore, the bank's focus on efficient cost management is evident in its efforts to maintain a high-quality loan book with a lower non-performing loan (NPL) ratio than the industry average. This approach contributes to the bank's competitive advantage by reducing credit risk and supporting sustainable growth. Additionally, the bank's financial capital sources are diverse, with a commitment to raising funds from various sources and deploying them efficiently. These measures help strengthen the bank's capital position and provide a cushion against financial challenges. Equity Bank's competitive advantage is underpinned by consistent profitability, geographical diversification, commitment to financial inclusion, efficient cost management, and diverse financial capital sources.

4.8.2 Talent and Human Capital Management

The interview responses shed light on Equity Bank's talent and human capital management relative to its peers, emphasizing its commitment to nurturing a highly skilled and diverse workforce. The findings show that the bank's talent and human capital management is notably strong, evident from the responses provided in the interview guides.

Equity Bank has invested significantly in building a highly skilled and experienced leadership team. This focus on leadership development helps the bank maintain a competitive edge and ensures that it has leaders capable of steering it in the right direction. The bank's emphasis on developing its leadership team clearly indicates its commitment to nurturing top-tier talent.

Second, the bank's workforce is described as motivated and competent, with a particular emphasis on employee satisfaction and productivity. The interview responses reveal that Equity Bank places a premium on creating a positive work environment where employees feel motivated and valued. Employee satisfaction is essential for retaining top talent and enhancing overall productivity. By prioritizing these factors, the bank is well-positioned to attract and retain the best talent in the industry.

Third, the bank's investment in training and development is evident in the cumulative training hours attained, reaching 650,234 hours. This continuous learning and development focus ensure that employees have the necessary skills and knowledge to contribute effectively to the bank's strategic objectives. It also positions Equity Bank as a learning organization which can quickly adapt to industry changes and emerging opportunities.

4.9 Discussion of the Findings

The study's main objective was to establish the effect of strategic leadership on the competitive advantage of Equity Bank as a top tier 1 bank in Kenya. The findings strongly emphasize leadership development, talent identification, and nurturing a diverse leadership team. These findings align with Shao (2019), who highlighted that strategic leadership is pivotal in ensuring an organization's long-term success, as it involves shaping a vision, setting clear objectives, and motivating teams to achieve them.

The emphasis on nurturing diverse leaders also resonates with the research indicating that diverse leadership teams are more innovative and better equipped to navigate complex challenges in the ever-evolving banking industry. Regarding strategic execution, the findings indicate that Equity Bank significantly focuses on effective implementation through resource allocation, training, and maintaining a customer-centric approach. Dzwigol et al. (2019) emphasize that effective execution is essential for banks to remain competitive and achieve their strategic goals. The customer-centric approach underscores the significance of understanding and responding to customer needs, a principle well-documented in the literature as critical for banks seeking to enhance their competitive advantage.

The importance of the bank evaluating its strategic decisions from time to time came out prominently as an important exercise that enhance the performance of a firm. The results noted that the top leadership continuously evaluate its strategic decisions and this requires a team that is able to align its decisions to the prevailing market demands.

Customer feedback plays an important role I decision making alignment and justifying the need to regularly review and audit the firm strategic plans. Hitt and Collins (2017) explain that continuous evaluation of strategic decisions is imperative for maintaining and enhancing a firm's competitive position.

Regularly assessing the outcomes and impact of strategic choices allows organizations to adapt to evolving market conditions, capitalize on emerging opportunities, and mitigate potential risks. By embracing a dynamic and iterative approach to strategy, firms can fine-tune their direction, optimize resource allocation, and foster a culture of innovation and agility.

This ongoing evaluation process not only safeguards the current competitive position but also positions the organization to proactively shape its future, ensuring resilience and relevance in a rapidly changing business environment (Pollanen, Abdel-Maksoud, Elbanna and Mahama, 2017). Regarding change management, the findings underscore Equity Bank's commitment to staying adaptable and responsive to changes in the banking industry and the external environment.

This aligns with Abusamra and Abusamra (2022), highlighting the need for banks to anticipate and adapt to changes effectively, whether driven by technology, regulatory shifts, or market dynamics. Green et al. (2020) also emphasize that change management strategies are integral for banks to remain agile and thrive amidst uncertainty and evolving customer expectations.

The findings related to strategic vision and direction reveal that Equity Bank proactively ensures alignment between its strategic vision and day-to-day operations. This corresponds with Juma, Minja and Mageto's (2016) research highlighting the importance of alignment in executing strategic plans effectively. The authors also emphasize that the likelihood of achieving objectives is significantly enhanced when organizational activities are harmonized with the strategic vision. Additionally, the bank's focus on adapting its strategic vision to emerging opportunities and challenges aligns with Hunitie's (2018) research emphasizing that banks must remain flexible and responsive to market dynamics, regulatory changes, and disruptive technologies.

The research findings identify talent management and human capital development as a key cornerstone to the firm gaining competitive advantage in the banking industry. The results suggest that the bank leadership recognizes the role of strong, skilled and motivated workforces in shaping its competitive advantage.

Ibrahim and Daniel (2018) noted that in the current knowledge-driven competitive business environment, a company success is dependent upon its ability to leverage on its human capital. Consequently, effective talent management, being able to align employee skills with strategic goals and also developing appropriate talent that cannot easily be copied by competitors is important to gaining competitive advantage. Gitonga (2019) explains that the employee knowledge skills and competencies that align with the organization vision and mission is critical to sustained competitive advantage. A strategic leadership is considered a key determinant in an organization recruiting and retaining skilled and well-managed workforce that is able to contribute to operational efficiency and excellence.

Human capital management involves optimizing talent placement, training, and development, leading to streamlined processes, reduced costs, and improved overall efficiency. This management of the organization workforce can best be achieved with the support of the top management (Rabbi, Ahad, Kousar & Ali, 2015). The Porters' theory of Competitive Advantage holds that the organizational employees' capacity to differentiate its products and service as well as manage cost plays a critical role to the realization of the competitive advantage (Porter, 1985).

The competence of the organization leadership to manage change was found in the study to be an important catalyst to improved organizational competitive advantage. The results indicate that the organizations leadership should establish a clear communication channel to receive feedback from the employees as a way of managing change and foster a culture of agility in the firm. Mahdi and Almsafir (2014) explains that sstrategic leaders communicate the reasons behind the change, the expected benefits, and the long-term vision.

Involving employees in the change process empowers them and reduces resistance. Strategic leaders can create forums for input, feedback, and collaboration to make employees feel part of the decision-making process. Transparency helps build trust and reduces uncertainty, mitigating resistance. The capacity by the leadership to collaborate with employees through incorporation of their suggestion sin decision acts as one way of enhancing participatory management and this increases employee's loyalty to the firm and working towards the realization of its vision and mission. Ali and Anwar (2021) highlight that strategic leaders acknowledge and address the concerns and fears associated with the change.

The Upper Echelon theory also upholds this position. They create channels for open dialogue, actively listen to employees' concerns, and provide solutions or adjustments based on feedback. Consequently, when employees see leaders actively participating and adapting, it can influence a positive shift in the organizational culture.

Lastly, the findings related to strategic decision-making strongly emphasize fostering a culture of strategic thinking and innovation within Equity Bank. These findings resonate with Mahdi and Nassar (2021), who established that a culture of innovation is a competitive advantage for banks. Scholars emphasize that banks should encourage creative thinking and exploring new ideas to stay competitive and enhance their offerings. Furthermore, the bank's approach to evaluating the effectiveness of strategic decisions is in tandem with Nthini (2013) which emphasizes the importance of continuous learning, customer feedback, and periodic reviews for improving strategic decision-making processes.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The chapter encapsulates the essence of this study, presenting a summary of findings, conclusions drawn from the findings, policy recommendations, acknowledging limitations, and suggesting future research directions.

5.2 Summary

The study aimed to establish the influence of strategic leadership on the competitive advantage of Equity Banking Kenya. The findings from the interviews with key personnel from Equity Bank provide valuable insights into various aspects of the bank's strategic operations. In the area of organizational overview, Equity Bank stands out as a significant player in the East African banking landscape. It boasts a substantial asset base of Ksh 1.45 Trillion and a presence across six East African countries with 358 branches. Furthermore, the bank's international recognition, such as its ranking among the top 1000 banks globally, reflects its competitive strength in the market. This suggests a strong market position and stability within the banking industry.

The bank's strategic objectives and goals are clearly oriented towards customer satisfaction, risk management, market expansion, and diversification of product ranges. These objectives underscore Equity Bank's commitment to its customers' needs, risk mitigation, and continued growth in various dimensions. The emphasis on customer satisfaction aligns with modern banking trends, as ensuring customer-centric services is crucial to retaining and attracting clients.

Strategic leadership within Equity Bank is characterized by a focus on customer-centricity and risk management. This approach signifies the bank's commitment to meeting customer demands while also ensuring its own stability and sustainability. Identifying, developing, and nurturing strategic leaders involves talent identification programs and robust succession planning. These practices align with research highlighting the importance of developing leaders who can steer the organization toward its goals.

In ensuring alignment between the bank's strategic vision and day-to-day operations, Equity Bank adopts recognition programs and feedback mechanisms. These initiatives underscore the bank's commitment to keeping all employees engaged and aligned with the strategic vision. Regular reviews and assessments enable the bank to adjust its course as necessary, ensuring that its strategic goals remain relevant.

Equity Bank's approach to adapting its strategic vision to respond to market dynamics and emerging opportunities involves engaging with key stakeholders and embracing innovation. This indicates the bank's commitment to staying current with market trends, maintaining agility, and evolving to address market dynamics effectively. To foster a culture of strategic thinking and innovation, Equity Bank encourages collaboration, establishes innovation workshops, and collaborates externally. These practices reflect the bank's commitment to nurturing a culture of creativity and an innovative mindset among its employees.

The bank evaluates the effectiveness of its strategic decisions through feedback mechanisms, customer engagement and productivity, technology adoption and innovation metrics, as well as periodic reviews and audits. These evaluation methods highlight the bank's dedication to data-driven decision-making and continuous improvement in its strategic endeavours. In terms of change management, Equity Bank demonstrates a commitment to staying adaptable by focusing on financial inclusion, collaborating with fintech companies, and ensuring compliance with changing regulations. These strategies emphasize the bank's readiness to evolve in response to the external environment.

Equity Bank's strategic operations reflect a strong commitment to customer satisfaction, risk management, market expansion, and innovation. The bank places significant importance on developing and nurturing leaders, ensuring alignment with strategic objectives, adapting to market dynamics, fostering innovation, and efficiently executing strategic initiatives. These findings reveal Equity Bank's robust strategies to maintain its competitive edge and solidify its position in the East African banking sector.

5.3 Conclusion

In conclusion, the findings from the interviews with Equity Bank personnel provide valuable insights into the bank's strategic operations and its standing in the East African banking landscape. Equity Bank emerges as a prominent financial institution with a strong market presence, boasting a substantial asset base and an extensive branch network across East Africa. The bank's strategic objectives and goals are centered around customer satisfaction, risk management, market expansion, and diversification of product ranges. These objectives reflect the bank's commitment to meeting customer needs, mitigating risks, and driving growth.

The bank's strategic leadership approach underscores its customer-centricity and focus on risk management. Equity Bank's strategies for identifying, developing, and nurturing strategic leaders through talent identification programs and succession planning highlight its dedication to cultivating a leadership pipeline. The emphasis on leadership styles that possess a global perspective, collaborative attributes, and a results-oriented mindset aligns with contemporary research on effective leadership.

Equity Bank's commitment to aligning its day-to-day operations with its strategic vision is evident through recognition programs and feedback mechanisms. The bank's practices for adapting to market dynamics and fostering innovation highlight its readiness to stay current and evolve in response to emerging opportunities and challenges. Equity Bank stands out in change management by focusing on financial inclusion, collaborating with fintech companies, and ensuring regulatory compliance, demonstrating its adaptability to the changing external environment.

In light of these findings, Equity Bank appears well-positioned to maintain its competitive advantage and continue thriving in the East African banking sector. The bank's strong focus on customer satisfaction, risk management, and innovation, coupled with its strategic leadership development initiatives, sets it on a promising path for continued success in the dynamic banking industry. As the bank continues to adapt and expand, it is likely to remain a significant player in the region's financial services landscape.

5.4 Recommendation for Policy, Theory and Practice

Based on the findings of this study, several recommendations can be made for policy and practice within Equity Bank and the broader banking industry. First, it is crucial for Equity Bank to continue its emphasis on nurturing and developing strategic leaders.

The bank should further invest in talent identification programs, mentorship initiatives, and rotational assignments to ensure a continuous pipeline of capable leaders who can effectively steer the bank towards its strategic objectives. Encouraging a culture of learning and adaptability should remain a priority, as it will enable leaders to respond to market dynamics and drive innovation.

In terms of policy, Equity Bank can consider collaborating more closely with regulatory bodies to ensure that its initiatives for financial inclusion align with regulatory changes. This collaboration can help the bank navigate the complex regulatory environment more effectively. Furthermore, the bank should continue to expand its services and product range to meet the evolving needs of diverse customer segments, particularly in underserved areas. This will drive the bank's growth and contribute to broader financial inclusion goals. Additionally, the bank should keep investing in technological advancements and digital solutions to enhance its competitiveness and customer experience. Overall, the recommendations underscore the importance of continued leadership development, regulatory alignment, and innovation in driving Equity Bank's success.

5.5 Limitation of the study

This study faced some limitations that warrant consideration. Firstly, its scope is constrained to the specific context of Equity Bank in Kenya, potentially limiting the generalizability of findings to other organizations and regions.

Secondly, the research design leans heavily on qualitative methods, including interviews and content analysis, which may not fully capture quantitative performance metrics and objective outcomes.

Additionally, resource and access limitations restricted the depth of analysis, as access to comprehensive financial data and historical program evaluations was constrained. The potential for bias in the findings, influenced by interviewees' perspectives, should also be acknowledged. However, the limitations did not deter the study from achieving its objectives since the measures were implemented to encounter the limitations and warrant a seamless process throughout the study period.

5.6 Recommendation for Future Studies

The study aimed to establish the influence of strategic leadership on the competitive advantage of Equity Bank in Kenya. Future research endeavours in the field of strategic leadership and competitive advantage should consider expanding the scope beyond a single organization and country to facilitate cross-contextual comparisons. A mixed-methods approach combining qualitative interviews with quantitative data collection would offer a more comprehensive understanding of the program's impact. Access to broader resources, including financial data and historical evaluations, should be prioritized for a deeper analysis of organizational operations. To address potential bias, future studies should aim for diverse samples of stakeholders, including external partners and service recipients, to provide a more holistic perspective.

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APPENDICIES

Appendix I: Introduction Letter

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Our Ref.**D61/39598/2021**

September 08, 2023

National Commission for Science, Technology and Innovation
NACOSTI Headquarters
Upper Kabete, Off Waiyaki Way
P. O. Box 30623- 00100
NAIROBI

RE: INTRODUCTION LETTER: IBRAHIM FAHIMA KALA

The above named is a registered Masters in Business Administration candidate at the University of Nairobi, Faculty of Business and Management Sciences. She is conducting research on ***"STRATEGIC LEADERSHIP AND COMPETITIVE ADVANTAGE OF EQUITY BANK IN KENYA".***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the Project.

The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

Dean's Office
University of Nairobi
Faculty of Business
and Management Science
P.O. Box 30197-00100, Nairobi

PROF. JAMES NJIHIA
DEAN, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES

JN/pgr

Appendix II: Interview Guide

1. **Organizational Overview**

    i.) Could you provide some information about the bank, such as its size, market share, and overall competitive position?

    ii.) What are the main strategic objectives and goals of the bank?

2. **Strategic Leadership**

    i.) How would you define strategic leadership within the context of the bank?

    ii.) What are the key roles and responsibilities of strategic leaders within the bank?

    iii.) How does the bank identify, develop, and nurture strategic leaders?

    iv.) Are there specific leadership styles or traits that are valued or emphasized within the bank's strategic leadership framework?

3. **Strategic Vision and Direction**

    i.) What is the bank's long-term strategic vision, and how is it communicated across the organization?

    ii.) How does the bank ensure alignment between the strategic vision and day-to-day operations?

    iii.) Can you provide examples of how the bank sets strategic goals and objectives?

    iv.) How does the bank adapt its strategic vision to respond to market dynamics and emerging opportunities or challenges?

4. **Strategic Thinking and Decision-making**

    i.) How does the bank foster a culture of strategic thinking and innovation?

    ii.) Can you describe the process by which strategic decisions are made within the bank?

    iii.) What sources of information and analysis are typically considered in the strategic decision-making process?

    iv.) How does the bank evaluate the effectiveness of its strategic decisions?

5. **Change Management:**

   i.) How does the bank anticipate and adapt to changes in the banking industry and the external environment?

   ii.) How does the bank manage resistance to change and foster a culture of agility?

   iii.) Can you provide examples of how strategic initiatives and changes are communicated and implemented within the bank?

6. **Strategic Execution**

   i.) How does the bank ensure effective execution of its strategic initiatives?

   ii.) How are resources allocated to support the bank's strategic objectives?

   iii.) What metrics or key performance indicators (KPIs) are used to monitor and evaluate the bank's performance against its strategic goals?

   iv.) How does the bank ensure accountability and alignment with strategic priorities?

7. **Competitive Advantage**

   i. How will you describe your profitability in the recent past?

   ii. How is your market share relative to your competitors?

   iii. How is your customers' loyalty relative to your competitors?

   iv. How efficient is your cost management relative to your peers?

   v. How is your flexibility and adaptability to changes in operating environment?

   vi. How is the bank talent and human capital management relative to your peers?

Appendix III:

LIST OF BANKS

1. African Banking Corp. Ltd.
2. Bank of Africa Kenya Ltd.
3. Bank of India
4. Bank of Baroda (K) Ltd.
5. Barclays Bank of Kenya Ltd.
6. CfC Stanbic Bank Ltd.
7. Chase Bank (K) Ltd.
8. Citibank N.A.
9. Commercial Bank of Africa Ltd.
10. Consolidated Bank of Kenya Ltd.
11. Co-operative Bank of Kenya Ltd.
12. Credit Bank Ltd.
13. Development Bank (K) Ltd.
14. Diamond Trust Bank (K) Ltd.
15. Dubai Bank Ltd.
16. Ecobank Limited
17. Equatorial Commercial Bank Ltd.
18. Equity Bank Ltd.
19. Family Bank Ltd.
20. Faulu Bank
21. Fidelity Commercial Bank Ltd.
22. Fina Bank Ltd.
23. First Community Bank Ltd.
24. Giro Commercial Bank Ltd.
25. Guardian Bank Ltd.
26. Gulf African Bank Ltd.
27. Habib Bank A.G. Zurich
28. Habib Bank Ltd.
29. Housing Finance Company of Kenya Ltd.
30. Imperial Bank Ltd.
31. I & M Bank Ltd.
32. Jamii Bora Bank Ltd.
33. K-Rep Bank Ltd.
34. Kenya Commercial Bank Ltd.
35. Kenya Women Microfinance Bank
36. Middle East Bank (K) Ltd.
37. National Bank of Kenya Ltd.
38. NIC Bank Ltd.
39. Oriental Bank Ltd.
40. Paramount Universal Bank Ltd
41. Prime Bank Ltd.
42. Postbank
43. Standard Chartered Bank (K) Ltd.
44. Transnational Bank Ltd.
45. UBA Kenya Bank Ltd.
46. Victoria Commercial Bank Ltd.

Source: Kenya Bankers Association Member Banks

Appendix IV: Research Permit

REPUBLIC OF KENYA

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Date of Issue: 26/September/2023

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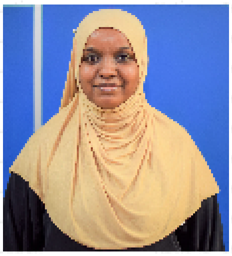

This is to Certify that Ms.. FAHIMA KALA IBRAHIM of University of Nairobi, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: STRATEGIC LEADERSHIP AND COMPETITIVE ADVANTAGE OF EQUITY BANK IN KENYA for the period ending : 26/September/2024.

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Applicant Identification Number

Director General

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