EFFECTS OF SELF-ASSESSMENT ON PERFORMANCE OF COMMERCIAL BANKS LISTED IN THE NAIROBI SECURITIES EXCHANGE IN KENYA

BY

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DECLARATION

I declare that this research project is my original work and has not been presented to any other university for the award of a degree.

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This research project has been submitted with my permission as the University Supervisor.

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DEDICATION

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ABBREVIATIONS AND ACRONYMS

CI	Continuous Improvement
COYA	Company of the Year Awards
CSR	Corporate Social Responsibility
EFQM	European Foundation for Quality Management
GDP	Gross Domestic product
GEM	Global Excellence Council
HRM	Human Resource Management
KIM	Kenya Institute of Management
NSE	Nairobi Securities Exchange
OPI	Organizational Performance Index
SMEs	Small and Medium Enterprises

ABSTRACT

Business organizations are faced with the challenge of achieving economic sustainability and success while limiting the impact that their activities, products, or services may have on the environment and human health. One of the challenges facing organizations is the need for the adoption of performance-improving innovations. The objective of self-assessment is to identify and act on the areas of the improvement process that require additional effort, while recognizing and maintaining that which is already going well These performance insights result in organizations realizing that they need to achieve radical performance improvements merely to survive, let alone prosper and be recognized. Commercial banks listed in the Nairobi Securities Exchange (NSE) represent a significant and influential sector of business that plays a crucial role in the Kenyan economy. Competitiveness among them has been on the increase over the years with banks coming up with innovative products to woe customers over their competitors. This has given rise to many of them adopting the self-appraisal model as a way of improving performance both financial and anion-financial as reflected on their books of account and in their reputation. The study was done on 10 commercial banks using descriptive study in order to establish whether self-appraisal affects performance. A questionnaire was the major instrument used to gather primary data while past records from the NSE and CMA library were also used to supplement the major instrument and findings analyzed using regression analysis. The research noted that listed commercial banks have focused more attention on developing the link between the self-assessment criteria and the business policy development and business planning. Consequently, the leading commercial banks perform self-assessment from the bottom of the organization by initiating internal assessments according to the procedures described in relation to the award guidelines. This has contributed to a great proportion in improving their performance. The study recommends stakeholders to be willing to take proactive action, be innovative, and assume integrated improvement activities to achieve sustainable competitive advantage and superior performance. Further, it recommends to the management to adapt self-assessment as a method for driving continuous improvement activities in a planned way by giving meaning to quality and providing a framework for directing the quality activities. However, further research is recommended for other listed companies in the NSE to facilitate generalization of the findings and conclusively identify the relationship between self-assessment and performance in the NSE.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Business organizations are faced with the challenge of achieving economic sustainability and success while limiting the impact that their activities, products, or services may have on the environment and human health. One of the challenges facing organizations is the need for the adoption of performance-improving innovations. Often major innovations comprise bundles of lower-level innovations and a major innovation may be preceded by, or include as an early stage, diagnostic self-assessment routines (Dooley et al., 2000) that can be classed as less complex, lower level innovations. Firms in the current dynamic environment are driven by the desire to leap forward, achieving optimal organizational outcomes and realizing continuous growth.

As economic competition in today's knowledge economy keeps increasing globally, many organizations are becoming more sensitive to shrinking budgets and realizing the need to invest/divest of capabilities (technology, resource, and other intangibles) to meet marketplace demand. In an ever faster changing world the ability to adapt and anticipate change is crucial in order to secure survival (Tew, 2005). To cope with the changing environment, strategies are critical elements in organizational functioning but whereas most organizations have good strategies successful strategic management practices remain a major challenge. Accordingly the banks are adopting strategic decisions intended to enhance the performance of the institutions and the country in general.

If a business bases its strategy around its ability to customize products, then knowing whether it really is customizing products, and whether it is customizing them rapidly and cheaply enough, is essential. In recognition of the substantial improvements in business performance that many organizations have achieved, a number of national and international quality awards have been established. Nahid (2012) points out that self-assessment process had been quite effectual in improving the performance of organizations which seek recognition by demonstrating excellence practices across the organization functions. This study is grounded on the premise that in order for banking institutions to make more strides in survival and better performance in the face of intense competition in the business environment, they should initiate a deliberate step of incorporating the views of their stakeholders in their strategic decisions which involve self-assessment.

1.1.1 Concept of Self-Assessment

Assessment is the process of evaluating an organization against a model for continuous improvement, in order to highlight what has been achieved and what needs improving. Self-assessment according to Pitt (1999) is a cyclic, comprehensive, systematic, and regular review of an organization's activities and results against a model of business excellence like the total quality management models of the quality awards, culminating in planned improvement actions. The self-assessment process has a direct link to the strategic plan of an organization. Its successful implementation has had huge bearings on the strategic direction of the organization. Successful implementation of the self-assessment process by any organization demands the undivided commitment of top management to the process.

Self-assessment process can be defined as a comprehensive, systematic and regular review by the organization of its activities and results with a view of identifying its strengths and areas in which improvements can be made. This results in planned improvement actions that are then continuously monitored for progress. The objective of self-assessment is to identify and act on the areas of the improvement process that require additional effort, while recognizing and maintaining that which is already going well. Tari (2012) in his study on impact of self-assessment on a private firm states that the single most influential obstacle that hinders the self-assessment process in an organization is lack of management and staff commitment. The self-assessment process is indeed a daunting and time consuming task for most organizations.

Mohammed Deros (2006) states that a self-assessment tool that is complex and not straight forward may act as an inhibitor that would prevent an organization from achieving the strategic goals it was intended to. Self-assessment provides managers an instrument to coordinate and give a well-defined direction to all quality improvement activities going on in the organization. Ward et al. (2002) implies that self-assessment is the ‘‘ability to accurately assess one’s strengths and weaknesses of an organization which is critical for sustained survival and performance or the business enterprises. Self-assessment helps increase quality awareness in all aspects of the business, and it is seen as a way to improve business performance. Self-assessment is perceived as a quantifiable ability to predict firm performance in terms of an objective assessment measure. A successful self-assessment is judged by the improvements that are achieved as a result.

1.1.2 Organizational Performance

Performance is the outcome of all of the organization's operations and strategies (Wheelen and Hunger, 2002). Firm's performance is the appraisal of prescribed indicators or standards of effectiveness, efficiency, and environmental accountability such as productivity, cycle time, regulatory compliance and waste reduction. Performance also refers to the metrics regarding how a certain request is handled, or the act of doing something effectively; of performing; using knowledge as notable from just possessing it. It is the result of all of the organization's operations and strategies (Venkatraman and Ramanujam, 2001). It is also the level to which an individual fulfils the expectations concerning how he should behave or function in a certain situation, context, circumstance or job.

An organizational performance as explained by Dess et al (2006) captures organizational effectiveness as the myriad of internal performance outcomes normally associated with more efficient or effective operations and other external measures that relate to considerations that are broader than those simply associated with economic valuation either by shareholders, managers, or customers such as corporate social responsibility. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as, financial performance, customer service, social responsibility, employee stewardship.

Thompson et al, (2007) notes that, the success with which a firm's business strategy effectively addresses its industry's key success factors will determine its strategic performance; therefore, performance is an outcome of strategy especially competitive strategies. Strategic performance is measured in terms of both financial and market success. Financial performance is essential for continued business operations as well as financial capabilities which are critical in supporting functional strategies and making required infrastructure investments. Kotler et al (1999), says that market share demonstrates a firm's ability to create and hold customers, which determines the long term success of a firm.

1.1.3 Self-assessment and Organizational Performance

Self-assessment against a performance excellence model by organizations within a multi-organizational network can provide an effective basis for cooperative learning and benchmarking. In particular, member organizations can share their self-assessment results and strengths and opportunities to collectively improve performance. In addition, organizations that individually may find self-assessment difficult or too resource-intensive can cooperate with other network organizations, for example in sharing training resources, to develop a more effective and successful self-assessment process. Self-assessment is a time consuming and resource intensive process; however, the benefits are numerous. Among the most important of these is the added value that such an exercise will provide to an external assessment.

It lays the groundwork for supervisory authorities to begin taking steps towards more effective supervision, rather than waiting for an external assessment to take place. In banks, effective self-assessment is expected to enhance banks´ risk management, decision-making processes and overall performance. In addition, improving banks' ability to aggregate risk data is also expected to contribute to improve their resolvability. In order to measure their efficiency, banks assess what they have attained and whether they have properly assumed their responsibilities. Juan (2006) in his comparison of the impact of EFQM on private sector and public sector organizations revealed that the same model EFQM and the same methodology was applicable in both sectors and yielded positive results.

The introduction of OPI in 2010 influenced the number of companies that participated in subsequent COYA. The number of companies participating annually significantly reduced. Even though the cost of investment into the process by participating organizations was adjusted upwards, a COYA stakeholder survey conducted by Kenya Institute of Management in 2012 revealed that pricing was not a factor that affected the numbers participating. Interestingly, the contrary happened to the annual retention rate which rose from an average of 30% in 2008 to an average of 50% by 2013. This implied that companies that participated in OPI saw the value of the process and hence the need to participate in subsequent years for purposes of continuous improvement. It is worth to note that the greatest improvement to the COYA process was introduction of the self-assessment process in OPI.

A survey conducted by Kenya Institute of Management on OPI 2012 participating organization's revealed that over 55% of the participating companies were satisfied with the self-assessment approach and its scope. This was a positive indication that local organizations were willing to open up and expose their processes in form of self-assessment to local experts for purposes of assessment and subsequent improvement.

1.1.4 Commercial Banks in Kenya

Banks represent a significant and influential sector of business worldwide that plays a crucial role in the global economy. The role of banks in an economy is paramount because they execute monetary policy and provide means for facilitating payment for goods and services in the domestic and international trade. The Banking industry in Kenya is governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act, and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The Kenyan banking sector remains sound and resilient whereas the Kenyan financial sector is developing and deepening faster than the overall economy. The banking sector was liberalized in 1995 and exchange controls lifted. Kenya has 44 banks; 31 are locally owned and 13 are foreign owned. However, only 12 commercial banks are listed in the Nairobi Securities Exchange. Performance in the industry is based on financial indicators including profits, customer deposits and loans advanced.

Commercial banks are the main players in the financial sector and particularly in the banking industry in Kenya. The Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK), governs the Banking industry in Kenya. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banks' interests and addresses issues affecting its members (Central Bank of Kenya, 2010). There are forty-six banks and non-bank financial institutions, fifteen micro finance institutions and forty-eight foreign exchange bureaus in Kenya.

Most listed commercial banks have in many occasions been awarded with recognitions for improved performances in terms of services and this has contributed to improving its competitiveness in the market. A critical indicator of organizational performance for listed companies is the share performance at the Nairobi Securities Exchange Various factors have contributed to the volatile stock performance at the NSE. This study sought to investigate the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya

1.2 Research Problem

The foundation of listed banks is a self-assessment framework designed to determine that banks assessment throughout their entire enterprise, regardless of size, diversity of operations, or the existence of subsidiaries and affiliates. The self-assessment process is one method of promoting continuous improvement, and is used to identify the areas where an organization may most benefit from adopting a best practice approach (Jonas et al., 2002; Jarrar, 2001). In a study of European and Australian companies, Van der Wiele and Brown (1999) found a very positive perception about the effects of self-assessment on business results. Leggitt and Anderson (2001) reported the outcomes from improvement initiatives developed from a Baldrige CPE self-assessment at a US hospital. These included market share improvement, listing as a top 100 hospital, and a successful complaint management program. In a study of nine large organizations, Samuelsson and Nilsson (2002) noted there was no universal method for self-assessment, and that successful approaches fit the organization, are used continuously, and foster participation.

Locally, William Ogwanga (2006) in his study on companies that had participated in COYA 2006 - of which 85% were based in Nairobi, found out that most of the participating companies preferred quality based improvement methods to improve their performance over technology and time-based methods. This implies that Nairobi companies tend to focus on quality based methods e.g. Kaizen, and shy away from technology and information based methods due to the cost that they attract. Cheruiyot (2012) findings in her study revealed that despite firms in Kenya acknowledging that Knowledge management is key in any organization, most local organization's lacked a proper knowledge management framework apart from a few organization's that had inculcated the knowledge management culture in their organization. The sample of her study was drawn from companies that had participated in COYA and had been awarded in at least one determinant.

The passage of time could invalidate the findings of the previous studies due to changes in the operating environment, technological advancements and the rise of globalization hence the need to undertake a study on the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya. What are the effects of self-assessment on performance of commercial banks listed in the NSE and what are the possible approaches towards realizing improved performance of commercial banks through self-assessment?

1.3 Research Objective

The objective of this study was to investigate the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya.

1.4 Value of the Study

The study was expected to enable commercial banks in Kenya identify the importance of self-assessment in improving their performance. The advantages, disadvantages, challenges of self-assessment will be of great learning to this organizations and especially the top management that is responsible in ensuring that the recommendations of the self-assessment process are implemented. The banks would be enlightened to understand if their internal efforts are reaching the desired objectives and what the institutions need to put in place to enhance success and overall performance.

The study was also expected to provide guidance to the Central Bank of Kenya (CBK) and other regulators of the banking industry on effects of self-assessment on performance of commercial banks. The government and CBK would find useful information that would help them in formulation of policies that would reinforce self-assessment approaches for evaluating performance of commercial banks as well as other institutions within their domain. The findings of the study would be beneficial to the government and will assist in decision making on whether to adopt the self-assessment method of assessing performance of institution’s or not.

The study was expected to stimulate further research into the area of self-assessment, quality management and on firm performance. The study would highlight other important relationships that require further research especially EFQM Self-assessment process. Interesting similarities and differences were observed to reveal the unique characteristics of self-assessment applications in Kenya and other countries. The results of this study would also be invaluable to researchers and scholars, as it would form a basis for further research. It would also contribute to the existing body of knowledge and fill in the gap on the effects of self-assessment on performance of financial institutions. It would also act as a source of reference materials to scholars.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter includes literature reviewed that informs the study. The literature is based on theories underpinning the research upon which the themes of the survey have been developed. Various thematic areas of the self-assessment process have been reviewed and also previous researches carried out on similar subject matter to determine gaps apparent that the research may attempt to fill some of them. The review is based on theoretical review with the objective of the survey as the themes.

2.2. Theoretical Framework

The scope for deploying assessment routines is not restricted to preceding the adoption decision; self-assessment can be coincident with, or consequent to, the adoption decision. In situations where the innovation is associated with low levels of, and ambiguity over, capital expenditure then the financial assessment is likely to be downplayed and the practicalities of implementation accentuated. These are typically the conditions associated with managerial innovations such as TQM and JIT. Well planned and executed self-assessment, including the follow-up action, can deliver significant benefits.

This study is grounded on Resource-Based-View (RBV), Porter's Five Forces Model and Ansoff Growth Theory.

2.2.1 Resource-Based-View (RBV)

The most widespread theory explaining sources of competitive advantage is the resource-based view (RBV). Assets are the resource endowments the business has accumulated, and capabilities are the glue that keeps these assets together and enables them to be deployed advantageously. Capabilities differ from assets in that they cannot be given a monetary value, as can tangible plant and equipment, and are so deeply embedded in the organizational routines and practices that they cannot be traded or imitated (Day, 1994). The fundamental principle of the resource-based view is that the basis for a competitive advantage of a firm lies primarily in the application of the bundle of valuable resources at the firm's disposal.

The resource based view of the firm is based on two underlying assertions, as developed in strategic management theory: (1) that the resources and capabilities possessed by competing firms may differ (resource heterogeneity); and (2) that these differences may be long lasting (resource immobility) (Mata et al, 1995). Firm attributes that are not heterogeneously distributed across firms will only be a source of competitive parity. If resources and capabilities are valuable and heterogeneously distributed across competing firms they can be a source of at least a temporary competitive advantage. If the skills needed to manage technical and market risk are imperfectly mobile (i.e., whether they reflect a firm's unique history, are causally ambiguous, or socially complex) then they are sources of sustained competitive advantage (Mata et al. 1995).

According to resource-based approach it can be said that SCA leads to SP. According to McNamara et al. (2003) firms within an industry tend to cluster together, following similar strategies. Past research from both economic and cognitive perspective proposed that firms vary in the degree to which they identify with their strategic group, such that some firms follow the group strategy closely (core firms) and other follow it less closely (secondary firms). Moreover, several studies of strategic groups identified single-firm groups, which are called solitary firms.

2.2.2 Porter's Five Forces Model

The industry can be analyzed using Porter's five competitive forces: threat of new entrants, bargaining power of suppliers, bargaining power of buyers, substitutes and rivalry among existing competitors. Michael Porter's famous Five Forces of Competitive Position model provides a simple perspective for assessing and analyzing the competitive strength and position of a corporation or business (Porter, 1998). Porter has a special ability to represent complex concepts in relatively easily accessible formats, notably his Five Forces model, in which market factors can be analyzed so as to make a strategic assessment of the competitive position of a given supplier in a given market. The five forces that Porter suggests drive competition are: existing competitive rivalry between suppliers, threat of new market entrants, bargaining power of buyers, power of suppliers and threat of substitute products (including technology change) (Turock, 2001).

Porter's Five Forces model provides suggested points under each main heading, by which you can develop a broad and sophisticated analysis of competitive position, as might be used when creating strategy, plans, or making investment decisions about a business or organization (Porter, 1998). And Porter is also particularly recognized for his competitive 'diamond' model, used for assessing relative competitive strength of nations, and by implication their industries: factor conditions (production factors required for a given industry, e.g. skilled labor, logistics and infrastructure); demand conditions (extent and nature of demand within the nation concerned for the product or service); related industries (the existence, extent and international competitive strength of other industries in the nation concerned that support or assist the industry in question) and corporate strategy, structure and rivalry (the conditions in the home market that affect how corporations are created, managed and grown; the idea being that firms that have to fight hard in their home market are more likely to be able to succeed in international markets) (Rhyne, 2005).

2.2.3 Ansoff Growth Theory

The Ansoff (1957) Product-Market Growth Matrix is a marketing tool created by Igor Ansoff. The matrix allows managers to consider ways to grow the business via existing and/or new products, in existing and/or new markets – there are four possible product/market combinations. This matrix helps companies decide what course of action should be taken given the current performance. The matrix consists of four strategies. Market penetration (existing markets, existing products): Market penetration occurs when a company enters/penetrates a market with current products. The best way to achieve this is by gaining competitors' customers (part of their market share). Other ways include attracting non-users of your product or convincing current clients to use more of your product/service, with advertising or other promotions (Arie, 2007).

Product development (existing markets, new products): A firm with a market for its current products might embark on a strategy of developing other products catering to the same market. Frequently, when a firm creates new products, it can gain new customers for these products. Hence, new product development can be a crucial business development strategy for firms to stay competitive (Grant, 2000). A product development strategy may be appropriate if the firm's strengths are related to its specific customers rather than to the specific product itself. In this situation, it can leverage its strengths by developing a new product targeted to its existing customers. Similar to the case of new market development, new product development carries more risk than simply attempting to increase market share (Ansoff, 1957).

Diversification is the most risky of the four growth strategies since it requires both product and market development and may be outside the core competencies of the firm (Ansoff, 1957). In fact, this quadrant of the matrix has been referred to by some as the suicide cell. However, diversification may be a reasonable choice if the high risk is compensated by the chance of a high rate of return. Other advantages of diversification include the potential to gain a foothold in an attractive industry and the reduction of overall business portfolio risk. The matrix illustrates, in particular, that as the element of risk increases further the strategy moves away from known quantities - the existing product and the existing market. Thus, product development (requiring, in effect, a new product) and market extension (a new market) typically involve a greater risk than `penetration' (existing product and existing market); and diversification (new product and new market) generally carries the greatest risk of line, for this reason, amongst others, most marketing activity revolves around penetration. Grant (2000) argues that the Ansoff Matrix, despite its fame, is usually of limited value - although it does always offer a useful reminder of the options which are open.

2.3 Effects of Self-Assessment on Firm Performance

Self-assessment against a performance excellence model by organizations within a multi-organizational network can provide an effective basis for cooperative learning and benchmarking. The success of self-assessment is dependent on many variables but these variables could be condensed to three main variables as stated by Hillman (1994). Plans on a page (POP) are one technique recommended to facilitate communication and ensure that normally lengthy and complex links of self-assessment and strategy are not overwhelming. Developing and focusing on a critical few KPI's that act as pointers of organizational strategy in the self-assessment process is an approach that successful organizations practice, Sarah (2003). Other strategies include; discussing strategic matters with people and making the strategy a living document.

Such discussions would demystify the link between self-assessment and organizational strategy. Organizations that individually may find self-assessment difficult or too resource-intensive can cooperate with other network organizations, for example in sharing training resources, to develop a more effective and successful self-assessment process. The study concentrates on the effects of self-assessment on the performance of commercial banks with a focus on management commitment, quality improvement, organizational structure, employee relationship and quality improvement.

2.3.1 Management Commitment

Butcher and Atkinson (2001) have argued that the rhetoric of top-down change is limited and self-defeating because it offers an impoverished (Butcher and Atkinson, 2001) and isolationist (Butcher and Atkinson, 2001) rendering of the processes of change; a world where one group of people visit change upon other subordinate groupings who have change done to them. Countering this top-down rendering of change they argue that bottom-up approaches to change convey twin benefits in that they reveal the processes of politicking and change, which are disguised or obstructed by to-down accounts and offer managers the insights they will require to use the political activity of subordinates to better effect (Butcher and Atkinson, 2001).

Studies have revealed that aligning self-assessment process with the strategic course of an organization was one major area which most organizations had experienced challenges with (Donald, 2004). Three specific issues identified were the process of developing strategy; strategy communication, engagement of people with strategy and the ultimate link of strategy to self-assessment process.

A study conducted by prof. Allan Brown (2012) sort to find out the extent to which top management of an organization influences self-assessment process. Samples of organizations, recipients of Australian Business Excellence Awards, were approached to participate in this study. Interviews with top managers who had primary responsibility for driving and coordinating the self-assessment process and in some cases, people who were previously responsible for business excellence in the respective organizations were undertaken. Leadership challenges identified by the study include the need for support and drive at senior levels, building support from middle managers and ensuring consistent messages from leaders throughout the organization, Most organizations in the study had CEO's who had been with the organization for periods of up to a decade and who were instrumental in driving the self-assessment process.

The recommendations Donald (2004) highlighted the need for organizations to operationalize strategy and enhance communication and engagement of the same. People at operational levels need to see meaning for the strategy since these are the people who are directly involved in the self-assessment process. This might be an important task of leaders at functional and front line levels of the organization to convey strategy messages. Management commitment to self-assessment culture has been identified as very critical when an organization is adopting self-assessment process. Research has shown that this can take up to five years depending on the size of the organization and the organizational structure. Long term commitment to self-assessment process needs to be demonstrated by reinforcing unwavering commitment that will eventually bear fruits for the organization (William, 2004).

The need to have a critical mass of leaders who are supportive of the business excellence drive was identified as a key requirement in the driving of self-assessment process in an organization The critical mass was defined as having at least seventy percent support for self-assessment process to be successful and have a positive impact in the organization (Hadri, 2002). Of these, those who are seen as significant leaders of influence are important to have on board. A few champions to reinforce, push and drive the excellence effort are important and these may be the CEO and in some cases may be others such as quality, operations or production managers. Whilst a supportive and passionate leader is central to driving self-assessment process in an organization, there still needs to be a routine of self-assessment in order that people are accountable and actions take place rather than simply remain words. This was seen as an important part of driving the culture of excellence in any organization, Christopher (2000).

Samuelsson and Skanska (2002) researcher found out that although self-assessment by EFQM model is often associated with an integrated continuous self-assessment activity, most of these organizations were just writing an extensive award application and nothing much in regards to integrating self-assessment process into the overall organizations strategy. However these were organizations that were recording great performance at the time of the study. Some local organizations have been accused of subscribing to award systems for purposes of winning awards and gaining the recognition that comes with it, while ignoring the principles that inform most if not all award systems, excellence, continuous improvement, customer centricity, and many more, an allegation that local companies have denied. This study will seek to identify the key motivator behind enrolling in award systems and in particular those that has a form of self-assessment in them and also looks at the extent of influence the self-assessment has on the performance of the organization

Burgees (2004), in his study on Organizational self-assessment and the adoption of managerial innovations examined the use of self-assessment tools in the adoption and implementation of a major managerial innovation by firms in the UK specialty chemical industry. The study was conducted among organizations that had embarked on major managerial innovations but with no much success. The study revealed that organizations that adopted self-assessment approach in identifying the research gaps in the organization and innovating based on the gaps identified by the self-assessment process ended up having a higher rate of relevant managerial innovations implemented than those that did not adopt the self-assessment process. This is a clear example of benefits of directly linking the self-assessment into organizations strategy

2.3.2 Quality Management

Karapetrovic (2001) in his study on role of quality audits and self-assessment in organizations found out that quality audits merely check the compliance level of the organization while self-assessment approach identifies strengths weaknesses and areas of improvement. He concluded that organizations that undertake self-assessment journey seriously yields positive results, particularly those which dedicate their time, resources to the process all the way to the end. Self-assessment is therefore the starting point for a regular strategic or operative planning process within the company and shall ensure a continuous quality improvement over time if seriously undertaken.

One interesting aspect as noted by Ruben (2006) is that self-assessment was seen as linked to achieving ISO 9000 series certification and this created confusion about the role of self-assessment against a quality award model vis-à-vis auditing against the ISO 9000 series standards. However, the latter involves a type of self "checklist" in the sense of meeting the standards, yet, at the same time, the ISO standards also promote a broader base to quality such as TQM.

Juan (2012) in his study titled 'The Self-assessment process and impacts on performance' shares some lessons from the company he was studying. He noted that the company under study integrated the self-assessment process into its strategy and using it as a means of structuring, continuous improvement planning and an input to the strategic planning process. He further identified lack of enough time for implementation as a major hindrance to the self-assessment process. For organizations to overcome this challenge, he recommended that organizations split tasks among departmental heads and work with realistic timelines. With a proper monitoring and evaluation process in place, this approach would save on the much needed time for the process and in return lead to an improved performance.

Hart (2000), in his study titled "factors affecting EFQM self-assessment process in SMEs" found out that ensuring consistency in messages throughout the organization and working in the same strategic direction had shown to have positive effect on the performance of the organization. The lack of this consistency could be attributed differences at supervisory, front line manager, branch manager and other levels. Dealing with it would involve a range of strategies including; visibility of senior managers and bringing the leadership team together on a regular basis to review the self-assessment process. This approach was effective and had a direct impact on the performance of the organization.

2.3.3 Organizational Structure

Brent Ruben (2006) in his study of impact of organizational self-assessment process in higher education stated that self-assessment approach can be a useful in promoting organizational strategy. He further points out that the success of the self-assessment process as a strategy in any organization is not so much a matter of whether obstacles are encountered, as it is in finding ways to overcome them. He also noted that in his study; organizational structure is among the common barriers identified as hindrances to successful self-assessment process. He noted that if there was clear focus on priorities and issues highlighted in the self-assessment, higher levels of productivity were achieved.

Ken Gadd (1995) sought to explore how business self-assessment can be used as a strategic tool for building process robustness and achieving integrated management and eventually improved performance by the organization. He pointed out that the most important stage of any business excellence model was the self-assessment process for with it carries a lot of learning opportunities for the organization. He pointed out that organizations which have used self-assessment regard it as a powerful process, and continue to do so.

2.3.4 Employee Relationship

Team effort by all parties is a crucial ingredient for the successful achievement of organizational objectives. Utilizing the business excellence self-assessment models was vital for achieving the culture of continuous improvement (Jackson, 1999). Furthermore, the self-assessment ability to monitor progress meant that new activities could not be pursued until the effect of the activities undertaken to address previous areas for improvement were determined. In view of the long-term benefits gained and perceived from using self-assessment in the form of the business excellence models, there can be no doubt that this is a sure way to attain a culture of continuous improvement and the delivery of quality healthcare, Jackson concludes.

Some organizations, including the 1994 European Quality assurance - EQA winners, D2DLtd, have built the EQA model and self-assessment into their normal business activities. Self-assessment outputs have become a key input to their strategic planning process. In such organizations, self-assessment has been used to successfully focus on process improvement through integrated management.

Harry (2003) sort to get a better understanding of how self-assessment could be used to identify and address barriers to continuous improvement - CI implementation in order to "jump start" CI, something that should have an effect on the organizations productivity in the long run. The study revealed that the results of the self-assessment itself may reflect only symptoms of the barriers to CI implementation. He recommended that understanding how these barriers developed through previous implementation efforts and organizational patters would provide direction for removing the barriers. Without the support of top management and the willingness of the middle management to become engaged in the change processes, the tool would have been largely ineffective.

2.4 Empirical Review

Several empirical studies have been conducted to analyze self-assessment methodology, mainly in private organizations. The decision for an organization to embark on self-assessment journey is one that can easily come by, however the eventual comprehensive completion of self-assessment journey turns out to be the ultimate test that separates the companies that strive for change from the less aggressive. Studies have shown organizations that stretch the intended purpose of quality audits expecting them to play the role of self-assessments in the organization. A two level self-assessment (EFQM) was carried out in Italy's Udine Hospital, the purpose was to evaluate how first and second level managers perceive their hospital and individual department, and also identifying strengths an areas requiring improvement and stimulating a quality culture. More than 200 senior managers of the hospital (about 7% of total workforce) were involved in self-assessment study.

The study conducted by Vernero (2007), who identified the main strengths of the hospital as leadership, policy and strategy, partnership and resources. The areas requiring improvement were people, society and customer results. There was a good correlation between top and middle managers opinions, something that had translated to better working relations and improved efficiency within the organization. The self-assessment process in the hospital was driven by top management, an indication that self-assessment driven by top management as a strategy agenda yields better results. Wiele (1999) studies self-assessment practices in Europe and Australia and made a comparison. The study revealed that self-assessment activities in the Australian sample tend to focus mainly on managerial issues and less on employee related aspects, an indication that quality management self-assessment in many cases still driven by senior management and incorporated in the organizations strategic plan. This is in contrast to what the study revealed about European organizations that have their self-assessment process driven largely by employees and the assessors.

Firms in Kenya and beyond have adopted various strategies in order to remain competitive and continuously improve the quality of their goods and services. Munir (2013) in his study on various assessment methodologies used for improving performance on SMEs, he concluded that the self-assessment methodology was effective in identifying hidden opportunities and benefits especially on the manufacturing SME sector. Self-assessment if adopted as a strategy enables manufacturing SMEs to identify opportunities for improvement and determine the gaps in current performance. This is critical for it helps an organization align all its operations and keep them on check in order to achieve the company objectives.

> Margret (2008) in her study on 'effect of COYA winners on stock performance at the Nairobi Stock Exchange' found out that the announcement of COYA winners affected the share prices of the participating organizations, with the winning companies posting an improved performance over their less fortunate counterparts. In Mykolo (2013) study on performing organizations, he concludes that customer centricity is the key driver of business in the 21st century where products should be developed based on customer needs. This can only be achieved if organizations are investing in research and have adequate mechanisms of collecting customer feedback and acting on it.

In a study conducted by Maleya (2013), he concluded that company size has a significant positive effect on financial performance of the organization. Large companies are found to have a competitive advantage over small firms as large firms have a wide array of resources and also enjoy economies of scale. This gives them a competitive advantage over their counterparts. Company age has a significant positive effect on financial performance. Maleya (2013) infers that age helped Nairobi firms listed at the NSE to become more efficient, because with time these firms discover what they are good at and find better ways of doing things. Over time they are able to identify customer needs and work towards meeting them.

The researcher further identified some evidence to suggest that in Australia, self-assessment may be a means on rejuvenating flagging interests in quality management activities by linking it to business strategy. The study concluded that a management driven approach to self-assessment seemed to score best. In the local environment, it would be interesting to find out the approach to self-assessment adopted by commercial banks in Kenya, either assessor driven, employee driven or management driven, and further observe any underlying differences within these approaches. It was in this light that the current study sought to fill the existing by carrying out a study on the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This part of the research presents the methodology of undertaking the study. This chapter set out various stages and phases that were followed in completing the study. It involved a blueprint for the collection, measurement and analysis of data. Therefore, in this section the research identified the procedures and techniques that were used in the collection, processing and analysis of data.

3.2 Research Design

The study adopted a descriptive research design. Descriptive studies describe characteristics associated with the subject population portraying an accurate profile of persons, events or situations (Saunders, Lewis and Thorn hill 2003). This methodology enables the researcher to collect in depth information about the population being studied. It is used where the researcher has defined the problem clearly and specifically and there are specific issues that are to be established. It sought to provide insights into research problems by describing the variables of interest with a view of defining, estimating, predicting, and examining associated variables.

This offered an enhanced understanding of the relationship that exists among the variables and the researcher will have no control of variables in sense of being able to manipulate them. The study thus used analytical and predictive models in order to establish relationship between the dependent, independent and moderating variables using multiple regression and correlation analysis. Descriptive survey design is flexible enough to provide opportunity for considering different aspects of a problem under study (Kothari, 2004).

3.3 Target Population

Due to their accessibility the study only included commercial banks listed at the Nairobi Securities Exchange. A census study was conducted on the entire population where all the 10 NSE listed commercial banks in Kenya were analyzed. As such, the population of this study comprised of 10 commercial banks quoted at the NSE (Appendix I). The target respondents included the 159 departmental heads, assistant departmental heads and lower cadre staffs like the supervisors, accounts and finance officers from the selected commercial banks' offices in Nairobi. For purpose of this study the target population was stratified through top level, middle level and low level management. Mugenda & Mugenda (2003) explain that the target population should have some observable characteristics, to which the study intends to generalize the results of the study.

Table 3.1: Target Population

Sections	Population (Frequency)	Percentage %
Top management	16	10
Middle level management	23	14
Low level management	120	75
Total	159	100

Source: Author (2014)

3.4 Sample and Sampling Procedure

Sample of responding staff was drawn from 159 top and middle level managers from the staff working in the banks' head offices in Nairobi. Kotler (2001) argues that if well chosen, samples of about 10% of a population can often give good reliability. Other literatures have shown that sample size selection to a great extent is judgmentally decided. Stratified random sampling method was used to sample respondent managers from the head offices in Nairobi area. Stratified random sampling technique is used to select the sample. The technique produce estimates of overall population parameters with greater precision and ensures a more representative sample is derived from a relatively homogeneous population.

According to Mugenda & Mugenda (2003) stratified random sampling is unbiased sampling method of grouping heterogeneous population into homogenous subsets then making a selection within the individual subset to ensure representativeness. From the above population, a sample of 30% was selected from within each group in proportions that each group bears to the study population. This sample was appropriate because the population is not homogeneous and the units are not uniformly distributed. This was because simple random sampling gives every subject of the population an equal chance of being picked. This generated a sample of 48 respondents which the study sought information from. This made it easier to get adequate and accurate information necessary for the research. The selection was as follows.

Table 3.2: Sample Size

Management levels	Target Population	Sample Proportion (30%)	Sample size
Top management	16	0.3	5
Middle level management	23	0.3	7
Low level management	120	0.3	36
Total	159	0.3	48

Source: Author (2014)

3.5 Data Collection

This study collected both primary and secondary data. Primary data was collected using questionnaires while secondary data was obtained from secondary sources which included periodicals, journals, internet and magazines from the company and other sources. Questionnaires were preferred to other data collection instruments because they were practical and helped in collection of a large amount of data from many people within a very short period in a cost effective way. It was also easy to quantify the results of a questionnaire (Kazdin, 2003). Data was collected from selected management staff working at the commercial banks quoted in the NSE in Kenya. The study chose the top, middle and lower level staffs as the focus of the study since they were involved in each and every step of the self-assessment in the listed commercial banks hence they were more conversant with the effects of self-assessment on performance of commercial banks listed in the NSE Kenya.

3.6 Data Analysis

The data collected from the field was assessed and comparison made so as to select the most accurate and quality information from the feedback given by various respondents, it involved assessing and evaluating the questionnaires and other sources. This included analysis of data to summarize the essential features and relationships of data in order to generalize from the analysis to determine patterns of behavior and particular outcomes. Data collected was both qualitative and quantitative and it was analyzed by descriptive and content analysis techniques. The returned questionnaires were checked for completeness and consistency. Thereafter, the data was coded and a database developed in statistical software.

Analysis was done using descriptive statistics that included frequency distributions, mean and mode as the measures of central tendency and bar charts to describe the data into simple summaries. Standard deviation was used as the preferred measure of statistical dispersion to compliment the measures of central tendency in analyzing the data. Interpretation of data was of benefit in describing the state of affairs as it exists. With the help of Statistical Package for Social Scientists (SPSS), the researcher qualitatively and quantitatively analyzed and interpreted the data obtained from the field. Report and findings presentation was done in tables and charts with explanations on all the parameters used.

To quantify the strength of the relationship between the variables, the researcher conducted a multiple regression analysis so as to determine the effects of self-assessment on performance of commercial banks listed in the NSE. The data was broken down into the different aspects of effects of self-assessment on performance of commercial banks listed in the NSE. This offered a quantitative and qualitative description of the objectives of the study. The regression equation was:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$): Whereby

Y = Performance of commercial banks listed in the NSE, X_1 = management commitment, X_2 = quality improvement, X_3 = organizational structure and X_4 = employee relationship. Further, β_1, β_2, β_3 and β_4 = Regression Coefficients and ε = Error term.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter provides the data analysis, presentation and interpretation of the results of the study as set out in the research methodology. The purpose of the study was to investigate the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya. The data was gathered from questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study. To enhance quality of data obtained, structured and unstructured types of questions were included. The data obtained was fed into SPSS version 21.0 and used to compute the ratios used as proxies to measure the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya.

4.2 Background Information

This section concerns itself with outlining and presentation of the findings obtained from the questionnaires distributed to the respondents. For clarity of the information, it was necessary for a review of the responses to ascertain that the information from the respondents was adequate and complete for purposes of the research. In order to get the background information on the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya the demographic data of the respondents was investigated in the first section of the questionnaire. They are presented in this section under gender, distribution in the departments, respondents' designation, working experience in years and highest formal qualification.

4.2.1 Questionnaire Return Rate

The study targeted the top, middle and lower level management staffs working in the 10 commercial banks listed in the NSE in Kenya. From this population a sample of 48 respondents from the target population in collecting data with regard to the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya. The questionnaire return rate results are shown in Table 4.1.

Table 4.3: Response Rate

Response	Frequency	Percentage
Responded	42	87.5
Not responded	6	12.5
Total	48	100

Source: Author (2014)

Accordingly, 42 out of 48 sampled respondents filled in and returned the questionnaire. This accounted for 87.5% response rate. The response rate conformed to Mugenda and Mugenda (2003) that for generalization, a response rate of 50% is adequate for analysis and reporting, 60% is good and a response rate of 70% and over is excellent. The good response rate was reached due to the adoption of the data collection method of constant follow up with the respondents by the researcher. Additionally, any clarifications needed by the respondents were accorded promptly.

4.2.2 Gender of the Respondents

The respondents sampled comprised male and female staff of the banks in the selected counties in order to get a balanced objective. They were to indicate their gender by ticking on the spaces provided in the questionnaire. Table 4.2 shows the distribution of the respondents by gender.

Table 4.4: Gender of the Respondents

Gender	Frequency	Percent
Male	26	62
Female	16	38
Total	42	100

Source: Author (2014)

Accordingly, 62% of the respondents were males while 38% of them were females. The findings show that the institutions studied has both male and female members; however the majority of them are males. The findings imply that the views expressed in these findings are gender sensitive and can be taken as representative of the opinions of both genders as regards to the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya.

4.2.3 Age of the Respondents

This study sought to investigate the composition of the respondents in terms of age brackets to understand their familiarity with the effects of self-assessment on performance in their commercial banks listed in the NSE, Kenya. Table 4.3 and figure 4.1 show the results of the findings on the age brackets of the respondents.

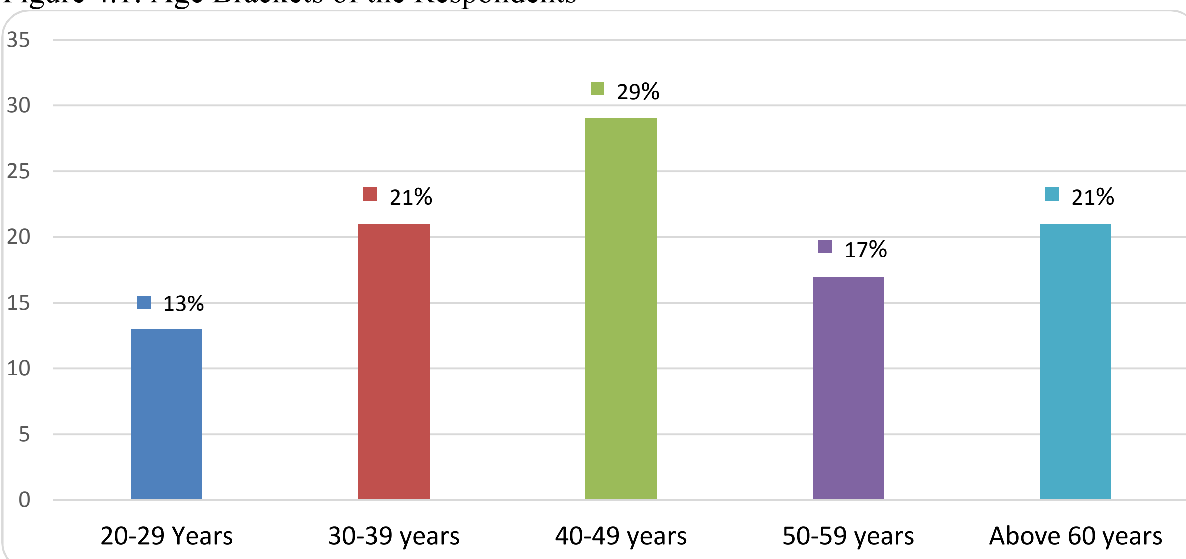
Table 4.5: Age Brackets of the Respondents

Age Bracket	Frequency	Percentage
21-30 Years	5	13.0
31-40 years	9	21.0
41-50 years	12	29.0
51-60 years	7	17.0
Above 60 years	9	21.0
Total	42	100.0

Source: Author (2014)

Table 4.3 shows that majority (29.0%) of the respondents showed that their ages fell between 41 and 50 years, 21 % of them indicated that they were aged between 31 and 40 years, another 21% of the respondents were aged above 60 years, 17.0% of them were aged 51 and 60 years, while 13.0% of the respondents were between 21 to 30 years of age. From the results depicted in table 4.6, show that the respondents were well distributed in terms of age and that they are active in technological advancements and productivity and hence can contribute constructively in this study on the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya.

Figure 4.1: Age Brackets of the Respondents



Source: Author (2014)

4.2.4 Number of Years Served in the Banks

The length of service/working in an organization determines the extent to which one is aware of the issues sought by the study. The study therefore sought to establish the length of time that the respondents had been working in the firms. The results on this question are presented in Table 4.4.

Table 4.6: Duration Worked in the Banks

Duration in Years	Frequency	Percentage
0 – 2 years	6	15.2
2 – 4 years	24	57.6
4 – 6 years	9	21.2
Over 6 yrs.	3	6.1
Total	42	100.0

Source: Author (2014)

The study results depicted in table 4.4 reveal that 57.6% of the respondents indicated that they had an experience of 2 – 4 years in the banks, 21.2% of them had worked in the banks for a period of 4 – 6 years, 15.2% of them had a working experience of 0 – 2 years, while 6.1% of the respondents indicated that they had an experience of over 6 years. This shows that majority respondents had enough work experience in the banks listed in the NSE. The respondents are conversant with effects of self-assessment on performance of commercial banks listed in the NSE, Kenya.

4.2.5 Level of Education

The respondents were asked to indicate their level of education. The target population comprised of people in different responsibilities and qualification requirements hence different academic qualifications. This difference might contribute to differences in the responses given by the respondents. The study therefore sought to investigate the education level achieved by the respondents.

Table 4.7: Level of Education

Level of Education	Frequency	Percent
Undergraduate	17	40.5
Post graduate level	21	50.0
Certificate/Diploma	4	9.5
Total	42	100.0

Source: Author (2014)

The outcome depicted in table 4.5 show that majority of the respondents had at least an undergraduate degree and hence understood the information sought by this study, that is, 40.5% of the respondents had acquired a undergraduate degrees level of education, 50.0% of the respondents indicated that they had acquired a post graduate level of education, while 9.5% of the respondents indicated that they had acquired college certificate/diploma levels of education. These outcomes mean that majority of the respondents had at least an undergraduate degree and hence understood the information sought by this study.

4.2.6 Managerial Positions of the Respondents

The study also required the respondents to indicate the positions they held in the banks listed in the NSE. This was relevant to assess the distribution of the respondents across the management levels. The results are as depicted in Table 4.6.

Table 8.6: Managerial Positions

Managerial positions	Frequency	Percentage
Manager	4	9.9
Assistant manager	4	9.9
Supervisor	5	12.5
Unit Head officer	8	19.7
Departmental Head	10	23.2
Technical personnel	10	24.8
Total	42	100

Source: Author (2014)

The study findings show that all the respondents occupy managerial positions therefore they are aware of the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya. As such, 24.8% of the respondents comprised of technical personnel and23.2% of the respondents were departmental heads, 19.7% of them comprised of unit head officers. Further, 12.5% of the respondents indicated that they were supervisors, while 9.9% of them were assistant managers and managers in each case. These findings further imply that the respondents that participated in the study were mainly those involved in self-assessment for enhancing performance of commercial banks listed in the NSE, Kenya.

4.2.7 Departments of the Respondents

Self-assessment decisions affect the various aspects of performance of the organizations across various departments. It was therefore important to ensure that questionnaires were distributed and returned from various departments within the commercial banks listed in the NSE. This was to ensure that the all areas influenced by self-assessment are captured in the study. The results are as depicted in table 4.7.

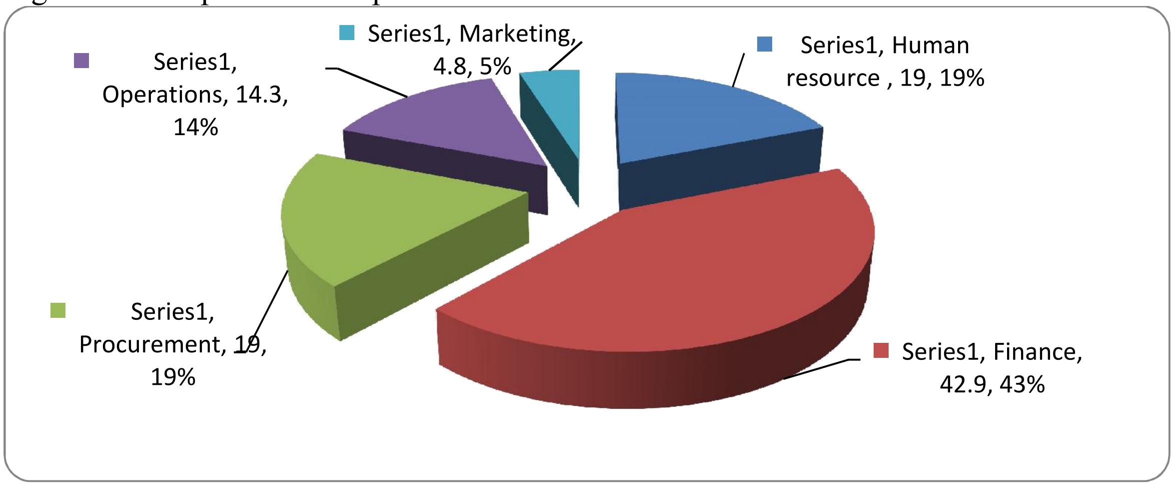
Table 4.9: Respondents' Departments

Department	Frequency	Percentage
Human resource	8	19.0
Finance	18	42.9
Procurement	8	19.0
Operations	6	14.3
Marketing	2	4.8
Total	42	100.0

Source: Author (2014)

From the results shown in table 4.3 and figure 4.2, 42.9% of the respondents were working in the finance departments, 19.0% of them were working in the human resource departments, 19.0% worked in procurement department, and 14.3% worked in the operations department, while 4.8% worked in marketing departments. This implies that all departments that were targeted by the study were involved and that the findings are not biased hence representative of the various departments' views on effects of self-assessment on performance of commercial banks listed in the NSE, Kenya.

Figure 4.2: Respondents' Departments



Source: Author (2014)

4.3 Self-Assessment and Performance of Commercial Banks

4.3.1 Self-assessment

The objective of this study was to investigate the effects of self-assessment on performance of commercial banks listed in the NSE, Kenya. As such the respondents were requested to indicate the extent to which their institutions carried out self-assessment.

Table 4.10: Extent to which the Banks listed in the NSE Carry out Self-assessment

Extent	Frequency	Percent
To a great extent	25	60
To a moderate extent	8	18
To a little extent	9	22
Total	42	100

Source: Author (2014)

From the study, 60% of the respondents indicated that their Banks carry out self-assessment to a great extent, 22% of the respondents indicated that the banks listed in the NSE carry out self-assessment to a little extent, while 18% of the respondents indicated that the Banks carry out self-assessment to a moderate extent. These results imply that majority of the banks listed in the NSE carry out self-assessment to a great extent.

The study further sought to establish the frequently at which the banks listed in the NSE carry out self-assessment. The results are as depicted in table 4.9.

Table 4.11: Frequently at which the Banks listed in the NSE Carry out Self-assessment

Duration	Frequency	Percent
Monthly	0	0
Quarterly	1	3.1
Semi annually	8	18.5
Annually	33	78.4
Total	42	100

Source: Author (2014)

According to the results shown in Table 4.9, majority of the respondents (shown by 78.4) unanimously reiterated that the banks listed in the NSE carry out self-assessment annually, while 18.5% of them indicated semiannually and the smallest proportion here (3.1%) of the respondents recapped that the banks listed in the NSE carry out self-assessment quarterly. This is a clear indication that almost all the listed banks carry out self-assessment practices at the end of their financial year to assess their status in terms of accomplishing some set goals and targets at the beginning of the year.

The study further sought to establish the extent to which self-assessment focuses on various aspects in the banks quoted in the NSE. A scale of 1 to 5 was provided where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent.

Table 4.12: Extent to which Self-assessment Focuses on Various aspects in Listed Banks

Areas of focus	No Extent	Little Extent	Moderate Extent	Great Extent	Very Great	Mean	Std. Dev
Customer satisfaction	0	0	2.9	85.7	11.4	4.0857	.37078
Employee motivation and satisfaction	0	27.1	6.8	41.4	22.6	3.5423	1.1772
Market share	27.1	37.5	6.3	14.6	14.6	3.2083	1.184
Return on capital	2.1	16.7	10.4	60.4	8.3	3.6250	1.002
Current and future actions	18.8	10.4	35.4	35.4	0	3.2972	1.6102
Performance figures	16.9	12.9	33.8	15.7	20.7	3.1422	3.7743

Source: Author (2014)

Majority of the respondents indicated that self-assessment focuses on customer satisfaction to a great extent as shown by a mean score of 4.0857 as well as return on capital shown by a mean score of 3.6250 and employee motivation and satisfaction shown by a mean score of 3.5423 while it focuses on current and future actions, market share and performance figures to a moderate extent as shown by a mean score of 3.2972, 3.2083 and 3.1422 respectively.

4.3.2 Effects of Self-assessment on Performance

Further the respondents were required to indicate the extent to which self-assessment affects the performance of the NSE listed banks. The results are presented in Table 4.11.

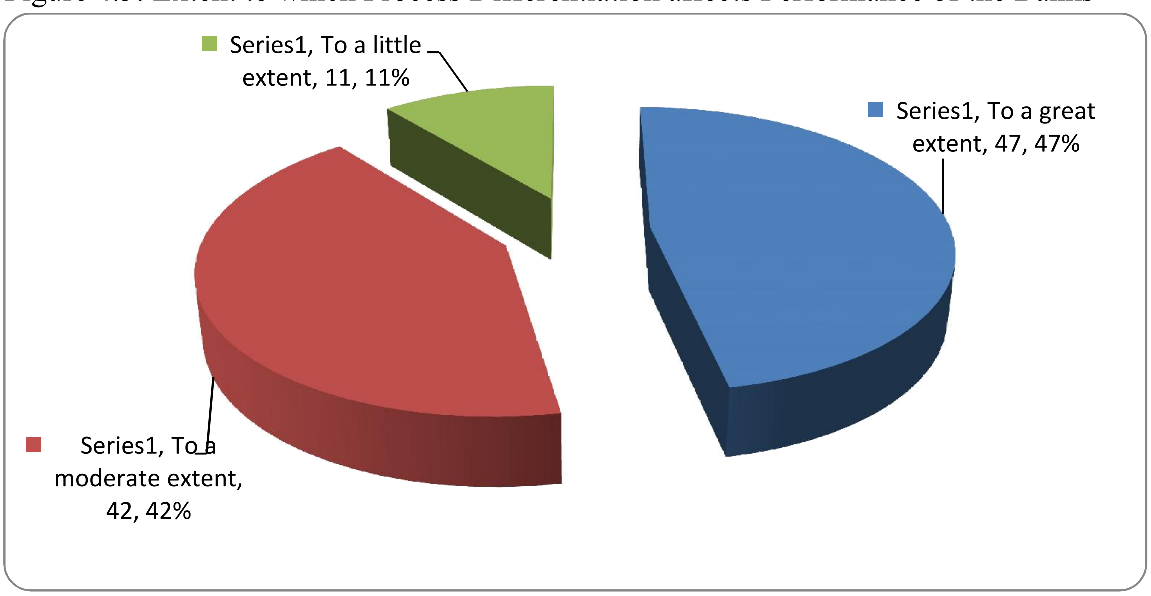
Table 4.13: Extent to which Process Differentiation affects Performance of the Banks

Extent	Frequency	Percentage
To a great extent	20	47
To a moderate extent	18	42
To a little extent	5	11
Total	42	100

Source: Author (2014)

According to the results shown in table 4.11, 47% of the respondents indicated that self-assessment affects the performance of the NSE listed banks to a great extent, 42% of the respondents indicated that self-assessment affects the performance of the NSE listed banks to a moderate extent, while 11% of the respondents indicated that self-assessment affects the performance of the NSE listed banks to a little extent. The results were further presented in the pie-chart shown as figure 4.3.

Figure 4.3: Extent to which Process Differentiation affects Performance of the Banks



Source: Author (2014)

The respondents were also required to indicate the extent to which self-assessment affects the various aspects that enhance the performance of the banks listed in the NSE. A scale of 1 to 5 was provided where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent.

Table 4.14: Effects of Self-assessment on various aspects of Performance of Listed Banks

Effects of self-assessment on aspects that enhance performance	No Extent	Little Extent	Moderate Extent	Great Extent	Very Great Extent	Mean	Std. Dev
Management commitment	0	12.5	14.6	25	29.2	3.3322	1.4923
Quality improvement	2.1	27.1	16.7	10.4	43.8	3.6667	1.342
Organizational structure	0	23.1	69.2	7.7	0	2.8462	.55470
Employee relationship	2.3	27.1	6.7	41.3	22.6	3.5489	1.1772

Source: Author (2014)

From the study, majority of the respondents recapped that self-assessment affects quality improvement to a great extent as shown by a mean score of 3.6667 and employee relationship to a great extent as shown by a mean score of 3.5489, while it affects management commitment to a moderate extent as shown by a mean score of 3.3322 and organizational structure to a moderate extent as shown by a mean score of 2.8462 which enhance the performance of the listed banks.

The study further sought to ascertain the extent to which the listed banks achieve the various outcomes of self-assessment. The results are as shown in Table 4.13.

Table 4.15: Outcomes of Self-assessment in the Listed Banks

Outcomes of self-assessment	No Extent	Little Extent	Moderate Extent	Great Extent	Very Great Extent	Mean	Std. Dev
Provide an effective basis for cooperative learning and benchmarking	0	12.5	14.6	25	29.2	3.3322	1.4923
Gaining consensus on what has been achieved and what still needs to be done.	0	4.2	45.8	37.5	12.5	3.5845	0.77251
Enabling managers to prioritize action based on facts and identified needs.	0	0	15.7	72.9	11.4	3.9571	.52297
Providing data to compare with, and learn from, "world class" organizations.	0	11.4	51.4	25.7	11.4	3.3714	.83703
Providing data on improvements over time	0	16.7	50	27.8	0	3.0000	0.8401
Learning from each other and from other organizations	0	12.5	14.6	25	29.2	3.3322	1.4923
Providing objective reviews of progress	2.1	27.1	16.7	10.4	43.8	3.6667	1.342
Providing a common approach to use in all departments and on all sites	0	23.1	69.2	7.7	0	2.8462	.55470
Minimizing the effort needed to develop assessment methods at different sites	27.1	37.5	6.3	14.6	14.6	3.2083	1.184
Enabling everyone to contribute to the assessment process, thereby bringing ownership of the results and proposed actions	2.1	16.7	10.4	60.4	8.3	3.6250	1.002
Enabling staff to see the impact of their improvement efforts	25	25	12.5	29.2	8.3	2.7083	1.352

Enabling senior managers to drive the improvement process and to empower their staff to exercise initiative at their own level	18.8	10.4	35.4	35.4	33.3	3.2972	1.6102
Demonstrating the long-term commitment, and consistency of purpose	0	12.5	14.6	25	29.2	3.3322	1.4923
Integrating improvement activity into everyday life by focusing on business results	0	4.2	45.8	37.5	12.5	3.5845	0.7725
Providing a practical tool to drive continuous improvement	6	13	19	31	31	3.6954	1.2543

Source: Author (2014)

Majority of the respondents reiterated that self-assessment enables managers to prioritize action based on facts and identified needs to a great extent as shown by a mean score of 3.9571, provides a practical tool to drive continuous improvement to a great extent as shown by a mean score of 3.6954, provides objective reviews of progress to a great extent as shown by a mean score of 3.6667, enables everyone to contribute to the assessment process, thereby bringing ownership of the results and proposed actions to a great extent as shown by a mean score of 3.6250, enables gaining consensus on what has been achieved and what still needs to be done to a great extent as shown by a mean score of 3.5845 as well as integrating improvement activity into everyday life by focusing on business results shown by a mean score of 3.5845. On the other hand they recapped that self-assessments helps in providing data to compare with, and learn from, “world class” organizations, provide an effective basis for cooperative learning and benchmarking, learning from each other and from other organizations, demonstrating the long-term commitment, and consistency of purpose, enabling senior managers to drive the improvement process and to empower their staff to exercise initiative at their own level, minimizing the effort needed to develop assessment methods at different sites providing data on improvements over time, providing a common approach to use in all departments and on all sites and enabling staff to see the impact of their improvement efforts to moderate extents as shown by mean scores of 3.3714, 3.3322, 3.3322, 3.3322, 3.2972, 3.2083, 3.0000, 2.8462 and 2.7083 respectively.

The study further sought to establish the respondents' level of agreement with various statements regarding the conduct of self-assessment and its effect on the performance of the banks listed in the NSE. They were required to rate on a scale of 1 to 5 where 1 was strongly disagree and 5 was strongly agree.

Table 4.16: Agreement with Statements on Self-assessment and its Effect on Performance

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev.
The Bank regularly discusses and defines strategic objectives, reviews how they are being realized on the basis of predefined parameters and, if goals are not being met, implements mitigating measures.	2.1	27.1	16.7	10.4	43.8	3.6667	1.342
The Bank prepares and approves clear objectives for Management (quantitative and qualitative) and reviews how these are being attained on a yearly and a long- term basis.	2.1	27.1	16.7	10.4	43.8	3.6667	1.342
The Bank regularly discusses and defines the basic principles of the institution's strategies for communication and risk management, nominations and compensation.	16.2	7.1	21.7	21.2	26.0	3.1000	1.634
Self-assessment maintains a productive relationship with management, ensures that open communication and ongoing dialogues take place.	18.3	11.4	15.5	13.1	30.0	2.9000	1.796
The Bank critically assesses the	7.9	17.9	20.5	15.2	21.2	3.5976	4.5705

management's decisions, significant accounting issues, issues related to provisions or other estimates which could have a material impact on the financial statements.							
Self-assessment helps in identifying hidden opportunities and benefits	27.1	37.5	6.3	14.6	14.6	3.2083	1.184

Source: Author (2014)

According to the study, majority of the respondents agreed that the listed banks regularly discuss and define strategic objectives, reviews how they are being realized on the basis of predefined parameters and, if goals are not being met, implements mitigating measures as shown by a mean score of 3.6667, the banks prepare and approve clear objectives for Management (quantitative and qualitative) and reviews how these are being attained on a yearly and a long- term basis as shown by a mean score of 3.6667 and that the banks critically assess the management's decisions, significant accounting issues, issues related to provisions or other estimates which could have a material impact on the financial statements as shown by a mean score of 3.5976. However the respondents neither agreed nor disagreed on that self-assessment helps in identifying hidden opportunities and benefits as shown by a mean score of 3.2083, the banks regularly discusses and defines the basic principles of the institution's strategies for communication and risk management, nominations and compensation as shown by a mean score of 3.1000 and that self-assessment maintains a productive relationship with management, ensures that open communication and ongoing dialogues take place as shown by a mean score of 2.9000.

4.3.3 Challenges Experienced in implementation of Self-assessment in Listed Banks

The study further sought to establish the extent to which banks experience various challenges in the implementation of self-assessment. Table 4.15 shows the results obtained.

Table 4.17: Challenges Experienced in implementation of Self-assessment in Listed Banks

Challenges hindering self-assessment in the Bank	No extent	Little extent	Moderate Extent	Great extent	Very great extent	Mean	Std. Dev.
Lack of proper planning by the organization on how to implement self-assessment recommendations	29.2	43.8	8.3	8.3	10.4	3.5428	1.515
Lack of qualified personnel	0	23.1	46.2	30.7	0	3.0769	.7595
Acceptance problems	0	23.1	69.2	7.7	0	2.8462	.5547
Lack of coordination between business and technical agendas	2.3	27.1	6.7	41.3	22.6	3.5489	1.177

Source: Author (2014)

From the study, majority of the respondents recapped that their banks experienced problems of lack of coordination between business and technical agendas to a great extent as shown by a mean score of 3.5489 and lack of proper planning by the organization on how to implement self-assessment recommendations to a great extent as shown by a mean score of 3.5428, while they indicated that their banks experienced challenges of lack of qualified personnel to a moderate extent as shown by a mean score of 3.0769 and acceptance problems to a moderate extent as shown by a mean score of 2.8462.

On any other information on the effects of self-assessment affect the performance of NSE listed commercial banks the respondents indicated that management commitment and quality management are vital in self-assessment as they create effective business planning process and raise productivity and reduce operating cost. They further recapped that management commitment influences employee relationship in self-assessment which drives innovation in products and services hence customer service and satisfaction. The respondents provided firm indications that a key to the success of self-assessments is that the assessments have to be written down by the assessors. Organizations with self-assessment activities in place are, in general, positive about its value and see many improvements flowing from it.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This is the final chapter in this study which gives the summary of the findings, the discussion, conclusions, recommendations of the study based on the objective of the study and suggestions for further findings. It comes after identifying the background, problem at hand and the objectives in chapter one, literature review was done in chapter two, chapter three set out the methodology that the study used to collect data and chapter four analyzed the data obtained from the study. The chapter finally presents the suggestions for further studies.

5.2 Summary

The study found that that majority of the banks listed in the NSE carry out self-assessment to a great extent and the listed banks carry out self-assessment practices at the end of their financial year to assess their status in terms of accomplishing some set goals and targets at the beginning of the year. The results show that self-assessment focuses on customer satisfaction return on capital, employee motivation, satisfaction current and future actions, market share and performance figures. Self-assessment activities in the NSE listed banks tend to focus mainly on managerial issues and less on employee related aspects. This is perhaps an indication that quality management self-assessment is in many cases still driven by senior management and the central quality department in developing the method and writing internal guidelines on how to use self-assessment, while at the same time there is not yet high involvement of employees in the process of practising the newly developed approach.

The study found that that self-assessment affects the performance of the NSE listed banks to a great extent. In addition, self-assessment affects quality improvement and employee relationship to great extents while it affects management commitment and organizational structure to moderate extents which enhance the performance of the listed banks. Accordingly, self-assessment is a comprehensive, systematic and regular review of an organization's activities and results referenced against a model of business excellence; it allows the organization to discern clearly its strengths and areas in which improvements can be made and culminates in planned improvement actions which are then monitored for progress.

The study revealed that self-assessment enables managers to prioritize action based on facts and identified needs, provides a practical tool to drive continuous improvement, provides objective reviews of progress, enables everyone to contribute to the assessment process, thereby bringing ownership of the results and proposed actions, enables gaining consensus on what has been achieved and what still needs to be done as well as integrating improvement activity into everyday life by focusing on business results. On the other hand self-assessment helps in providing data to compare with, and learn from, "world class" organizations, provide an effective basis for cooperative learning and benchmarking, learning from each other and from other organizations, demonstrating the long-term commitment, and consistency of purpose, enabling senior managers to drive the improvement process and to empower their staff to exercise initiative at their own level, minimizing the effort needed to develop assessment methods at different sites providing data on improvements over time, providing a common approach to use in all departments and on all sites and enabling staff to see the impact of their improvement efforts to moderate extents.

From results it is clear that self-assessment is seen as an issue for management and a method for driving continuous improvement activities in a planned way by giving meaning to quality and providing a framework for directing the quality activities. The most important factor is management using the results of the self-assessment activities in managing the business, indicating that self-assessment is important to the organisation and backing this up by linking the results of self-assessment to the business planning and the business review process. Strategic goals have to be defined from the results of the self-assessment and these goals have to be monitored and reviewed. It is however worth highlighting that listed banks experienced problems of lack of coordination between business and technical agendas, lack of proper planning by the organization on how to implement self-assessment recommendations, lack of qualified personnel and acceptance problems.

5.3 Discussions

The commercial banks listed in the NSE have operations spreading across various countries where the operating environments and the socio-economic characteristics of the customers are different hence calling for the firms to employ various strategies to enhance their performance. Most of these banks have been awarded with recognitions for improved performances in terms of services and this has contributed to improving its competitiveness in the market. From the study, a good indicator of organizational performance for listed companies is the share performance at the Nairobi Securities Exchange.

The success of self-assessment is dependent on many variables but these variables could be condensed to three main variables as stated by Hillman (1994). These elements are quality management, organisation structure and employee relationship. They facilitate self-assessment which consequently determines performance of an institution if planned and coordinated well and with management support. Self-assessment against a performance excellence model by organisations within a multi-organisational network provides an effective basis for cooperative learning and benchmarking within and outside the commercial banks listed in the Nairobi Securities Exchange.

The majority of the commercial banks studied have integrated the self-assessment process into their strategy and uses it as a means of structuring, continuous improvement planning and an input to the strategic planning process. However lack of enough time for implementation is a major hindrance to the self-assessment process. Some commercial banks have overcome this challenge by splitting tasks among departmental heads and work with realistic timelines as advised by Ruben (2006). The banks have instituted a proper monitoring and evaluation process hence saving on the much needed time for the process and in return this has improved their general performance.

5.4 Conclusions

The study concludes that majority of the banks listed in the NSE carry out self-assessment and self-assessment in listed banking companies appears to be treated much more as a management phenomenon and is seen as a strategic aspect of business planning. The use of a quality maturity matrix for this purpose is something which is also more widespread in the NSE listed companies. In particular, self-assessment focuses on customer satisfaction return on capital employee motivation and satisfaction current and future actions, market share and performance figures.

The study deduces that there are various benefits accrued from self-assessment. According to the findings, the leading edge companies in the field of business excellence have started self-assessment from the bottom of the organisation by initiating internal assessments according to the procedures described in relation to the award guidelines. The listed commercial banks have focused more attention on developing the link between the self-assessment criteria and the business policy development and business planning. This has resulted in a number of companies developing a quality maturity matrix to measure progress or quality maturity along the criteria of the business excellence or quality award model. Accordingly, self-assessment is an issue receiving considerable attention and many organisations are interested in it and have positive expectations regarding its implementation.

The study concludes that the corporate executive and central quality departments not only define such a quality maturity matrix but also develop brochures and guidelines on how to use this matrix. Self-assessment affects quality improvement and employee relationship to great extents while it affects management commitment and organizational structure to moderate extents which enhance the performance of the listed banks. In the leading edge companies in the field of quality management, senior management also create a link between the quality maturity matrix and corporate strategy and business planning, so that quality and TQM are integrated in defining strategy, execution of the strategy based on planning and in the normal way of running the business.

The study concludes that the listed banks regularly discuss and define strategic objectives, reviews how they are being realised on the basis of predefined parameters and, if goals are not being met, implements mitigating measures, the banks prepare and approve clear objectives for Management (quantitative and qualitative) and reviews how these are being attained on a yearly and a long- term basis, the banks critically assess the management's decisions, significant accounting issues, issues related to provisions or other estimates which could have a material impact on the financial statements, self-assessment helps in identifying hidden opportunities and benefits, the banks regularly discusses and defines the basic principles of the institution's strategies for communication and risk management, nominations and compensation and that self-assessment maintains a productive relationship with management, ensures that open communication and ongoing dialogues take place.

The study finally concludes that there are some challenges experienced in self-assessment. Listed banks experienced problems of lack of coordination between business and technical agendas, lack of proper planning by the organization on how to implement self-assessment recommendations, lack of qualified personnel and acceptance problems. The commitment and personal involvement of managers is required especially if self-assessments results are to be shared. In addition, administration system is needed to coordinate the assessment process, including training, analysis of the completed assessments, preparation of reports, and regular networking meetings to discuss the assessment results and action planning.

5.5 Recommendations

The study recommends that because the findings also showed self-assessment to have positive effects on firm performance, ways to develop or motivate self-assessment practices and promote the context that supports such practices need to be devised. Only when concerned stakeholders are able and willing to take proactive action, be innovative, and assume integrated improvement activities will the banks can achieve sustainable competitive advantage and superior performance.

The study further recommends that self-assessment is seen as an issue for management and a method for driving continuous improvement activities in a planned way by giving meaning to quality and providing a framework for directing the quality activities. However, some challenges of lack of coordination between business and technical agendas, lack of proper planning by the organization on how to implement self-assessment recommendations, lack of qualified personnel and acceptance problems limit the attainment of the expected outcomes of self-assessment in the listed banks. As such the study recommends that banks establish firm procedures of dealing with efficient service equipment’s, supply elasticity, demand elasticity, dependable service and consistent in service performance.

5.6 Limitations of the Study

The main limitation of study was its inability to include more commercial banks apart from the ones listed in the NSE. This was a study focusing on the commercial banks listed in the NSE. The study could cover more banks so as to provide a more broad based analysis. The study countered this problem by carrying out a study across all banks listed in the NSE. This was in an effort to ensure that the information obtained would match a given industry where the dynamics of the operating environments are the same.

The respondents approached were likely to be reluctant in giving information fearing that the information sought would be used to intimidate them or print a negative image about them or their firms. Some managers would even turn down the request to fill questionnaires posing a challenge in coming up with findings. The study mitigated the problem by carrying an introduction letter from the University and assuring them that the information they give would be treated confidentially and it would be used purely for academic purposes.

The researcher was also likely to encounter problems in eliciting information from the respondents as the information required is subject to areas of feelings, emotions, attitudes and perceptions, which cannot be accurately quantified and/or verified objectively. This might have led to lack of response due to the veil of confidentiality surrounding the banking sector institutions. The researcher encouraged the respondents to participate without holding back the information they might be having as the research instruments would not bear their names.

5.7 Suggestions for Further Studies

The findings reveal that self-assessment focuses on customer satisfaction return on capital employee motivation and satisfaction current and future actions, market share and performance figures and that it affects quality improvement and employee relationship to great extents while it affects management commitment and organizational structure to moderate extents which enhance the performance of the listed banks. However, with the challenges emanating from lack of coordination between business and technical agendas, lack of proper planning by the organization on how to implement self-assessment recommendations, lack of qualified personnel and acceptance problems, and the recorded performance is far way below the expected outcomes. Clearly, different results can be recorded in different firms due to the different approaches used in carrying out self-assessment. This suggests that another study can be carried out to assess the various approaches of carrying out self-assessment practices to enhance the performance of commercial banks in Kenya as a whole.

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APPENDICES

Appendix I: Commercial Banks Listed in the NSE

1. Barclays Bank of Kenya
2. CFC Stanbic Bank
3. Kenya Commercial Bank
4. National Bank of Kenya
5. Diamond Trust Bank of Kenya
6. Standard Bank
7. NIC Bank
8. Equity Bank
9. Co-operative Bank of Kenya
10. Housing Finance Limited

Appendix II: Research Questionnaire

INTRODUCTION

This research is in partial fulfillment of requirements for a degree in Masters of Business Administration from the University of Nairobi. Pursuant to the requirements of the award of the MBA Degree, I am currently carrying out a study on the 'EFFECTS OF SELF-ASSESSMENT ON PERFORMANCE OF COMMERCIAL BANKS LISTED IN THE NAIROBI SECURITIES EXCHANGE, KENYA' and I will be most grateful if you could kindly complete this questionnaire. This questionnaire consists of two major parts; one on general information and the other on main issues sought by the study with regard to effects of self-assessment on performance of commercial banks listed in the Nairobi Securities Exchange. Kindly answer all the questions by ticking in the appropriate box or filling in the spaces provided. Kindly answer the following questions by ticking in the appropriate box or filling the spaces provided. The information given here will only be used for purposes of this study and will be treated with utmost confidentiality. Your cooperation will be highly appreciated.

PART A: GENERAL INFORMATION

1.What is your gender?

Female	[ ]	Male	[ ]

2.In which age group do you belong?

Below 20 years	[ ]	41-50 years	[ ]
21-30 years	[ ]	Above 51 years	[ ]
31-40 years	[ ]		

3.Number of years served in the Bank?

0 – 2 years	[ ]	2 – 4 years	[ ]
4 – 6 years	[ ]	Over 6 years	[ ]

4.What is your highest level of education?

Post Graduate	[ ]	Diploma	[ ]
Graduate	[ ]	Certificate	[ ]

Any other (specify……………………………………) [ ]

5. Please indicate your designation

Manager	[ ]	Unit Head officer	[ ]
Assistant Manager	[ ]	Supervisor	[ ]
Departmental Head	[ ]	Technical personnel	[ ]
Other……………………	[ ]		

6. Department:

Human resource	[ ]	Finance	[ ]
Procurement	[ ]	Operations	[ ]
Marketing	[ ]	IT	[ ]

Other (Specify…………………..............................…) [ ]

PART B: SELF-ASSESSMENT AND PERFORMANCE OF COMMERCIAL BANKS

7. To what extent does this institution carry out self-assessment?

To a very great extent	To a great extent	To a moderate extent	To a little extent	To no extent

8. How frequently do you carry out self-assessment in this Bank?

Monthly	[ ]	Quarterly	[ ]
Semi annually	[ ]	Annually	[ ]

Other (specify……………………………………………………)

9. To what extent does self-assessment focus on the following aspects in the Bank?

Areas of focus	1	2	3	4	5
Customer satisfaction					
Employee motivation and satisfaction					
Market share					
Return on capital					
Current and future actions					
Performance figures					
Other (specify………………………………………………..)					

10. To what extent does self-assessment affect the performance of this Bank?

To a very great extent	To a great extent	To a moderate extent	To a little extent	To no extent

11. To what extent does self-assessment affect the following aspects that enhance the performance of the Bank? Use a scale of 1 to 5 where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent

Effects of self-assessment on aspects that enhance performance	1	2	3	4	5
Management commitment					
Quality improvement					
Organizational structure					
Employee relationship					
Any other (Specify………………………………………………..)					

12. To what extent does this Bank achieve the following outcomes of self-assessment? Use a scale of 1 to 5 where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent

Outcomes of self-assessment	1	2	3	4	5
Provide an effective basis for cooperative learning and benchmarking					
Gaining consensus on what has been achieved and what still needs to be done.					
Enabling managers to prioritize action based on facts and identified needs.					
Providing data to compare with, and learn from, "world class" organizations.					
Providing data on improvements over time					
Learning from each other and from other organizations					
Providing objective reviews of progress					
Providing a common approach to use in all departments and on all sites					
Minimizing the effort needed to develop assessment methods at different sites					
Enabling everyone to contribute to the assessment process, thereby bringing ownership of the results and proposed actions					
Enabling staff to see the impact of their improvement efforts					
Enabling senior managers to drive the improvement process and to empower their staff to exercise initiative at their own level					
Demonstrating the long-term commitment, and consistency of purpose					

Integrating improvement activity into everyday life by focusing on business results					
Providing a practical tool to drive continuous improvement					
Others (Specify…………………………………………………..)					

13. What is your level of agreement with the following statements regarding the conduct of self-assessment and its effect on the performance of this Bank? Rate on a scale of 1 to 5 where 1 is strongly disagree and 5 is strongly agree.

Statements	1	2	3	4	5
The Bank regularly discusses and defines strategic objectives, reviews how they are being realised on the basis of predefined parameters and, if goals are not being met, implements mitigating measures.					
The Bank prepares and approves clear objectives for Management (quantitative and qualitative) and reviews how these are being attained on a yearly and a long- term basis.					
The Bank regularly discusses and defines the basic principles of the institution's strategies for communication and risk management, nominations and compensation.					
Self-assessment maintains a productive relationship with management, ensures that open communication and ongoing dialogues take place.					
The Bank critically assesses the management's decisions, significant accounting issues, issues related to provisions or other estimates which could have a material impact on the financial statements.					
Self-assessment helps in identifying hidden opportunities and benefits					
Others (Specify………………..……………………………………..)					

14. To what extent do you experience the following challenges in the implementation of self-assessment in the Bank? Rate o a scale of 1 to 5 where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent

Challenges hindering self-assessment in the Bank	1	2	3	4	5
Lack of proper planning by the organization on how to implement self-assessment recommendations					
Lack of qualified personnel					
Acceptance problems					
Lack of coordination between business and technical agendas					
Others (Specify………………………………………………..)					

15. Kindly give any other information on the effects of self-assessment affect the performance of NSE listed commercial banks?

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16. What do you think should be done to enhance self-assessment hence improved performance of firms in Kenya?

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THANK YOU!!!